

RELIANCE

MUTUAL
FUND

Markets for You

18 Oct 2017

Indices Performance

Global Indices	17-Oct	Prev_Day	Abs. Change	% Change [#]
Dow Jones	22,997	22,957	40	0.18
Nasdaq	6,624	6,624	0	-0.01
FTSE	7,516	7,527	-11	-0.14
Nikkei	21,336	21,256	81	0.38
Hang Seng	28,697	28,693	5	0.02
Indian Indices	17-Oct	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	32,609	32,634	-24	-0.08
Nifty 50	10,234	10,231	4	0.04
Nifty 100	10,606	10,595	11	0.10
Nifty Bank	24,646	24,703	-57	-0.23
SGX Nifty	10,240	10,279	-39	-0.38
S&P BSE Power	2,243	2,239	4	0.17
S&P BSE Small Cap	17,066	16,976	90	0.53
S&P BSE HC	14,285	14,231	54	0.38

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
17-Oct	24.27	1.19	26.52	1.12
Month Ago	24.13	1.20	26.24	0.94
Year Ago	20.62	1.43	23.00	1.30

Nifty 50 Top 3 Gainers

Company	17-Oct	Prev_Day	% Change [#]
Cipla	632	607	4.18
BPCL	513	498	2.88
Bharti Airtel	466	453	2.79

Nifty 50 Top 3 Losers

Company	17-Oct	Prev_Day	% Change [#]
Zee Entertainment	495	514	-3.82
Axis Bank	513	520	-1.38
Tata Motors	432	437	-1.09

Advance Decline Ratio

	BSE	NSE
Advances	1375	844
Declines	1301	840
Unchanged	129	90

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	174	31197
MF Flows**	9	93553

*17th Oct 2017; **13th Oct 2017

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	2.60%	0.90%	1.36%
	(Sep-17)	(Jun-17)	(Sep-16)
IIP	4.30%	2.90%	4.00%
	(Aug-17)	(May-17)	(Aug-16)
GDP	5.70%	6.10%	7.90%
	(Jun-17)	(Mar-17)	(Jun-16)

Since May-17, MOSPI has revised base year of IIP & WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

Global Indices

- Most of the Asian markets gained following cues from overnight U.S. markets. Improved crude oil prices, weak yen and possibility of a major tax reform in the U.S. also helped gains. Investors also remained optimistic on favourable outcome of Japanese election. Today (As of Oct 18), Asian markets opened little changed as investors looked to China's Party Congress for signs on future policy direction in China. Both Nikkei and Hang Seng were trading higher 0.12% and 0.11%, respectively (8 a.m. IST).
- As per the last close, European market moved in a sideways trend and closed slightly lower at the end. Market participants continue to track the political situation in Spain.
- As per the last close, U.S. markets mostly rose modestly after moving in a range during the session. Upside was supported by two U.S. health care major who reported better than expected Sep 2017 quarter results. However, a U.S. financial major fell despite reporting upbeat results.

Indian Equity Market

- Indian equity markets witnessed a volatile trading session before closing on a flat note. However, Nifty 50 touched record closing highs amid optimism over corporate earnings and strong buying by domestic investors. However, S&P BSE Sensex retreated as investors preferred to cash in recent profits.
- While S&P BSE Sensex slipped 0.08% to close at 32,609.16, Nifty 50 edged up 0.04% to close at 10,234.45. Meanwhile, S&P BSE Mid-Cap and S&P BSE Small-Cap rose 0.40% and 0.53%, respectively.
- On the BSE sectoral front, majority of the indices closed in the green. S&P BSE Telecom was the top gainer, up 2.77%, followed by S&P BSE Realty and S&P BSE Oil & Gas, which went up 0.79% and 0.74%, respectively. S&P BSE Capital Goods and S&P BSE Energy rose 0.43% and 0.40%, respectively. Meanwhile, S&P BSE Bankex and S&P BSE IT were the major losers, down 0.24% each, followed by S&P BSE Consumer Durables and S&P BSE Finances, which slipped 0.20% and 0.03%, respectively.

Domestic News

- Market regulator, the Securities and Exchange Board of India (SEBI) has stated in a circular that exchanges should prefer physical settlement system for commodity derivatives contracts. This move is expected to help hedgers manage risk better and curb excessive manipulation. However, cash settlement route would be considered in certain scenarios such as physical delivery is difficult to implement due to intangibility of commodity, inadequate logistics or transport infrastructure and difficult to store due to low shelf life or inadequate storage infrastructure.
- India's sovereign fund, the National Investment and Infrastructure Fund (NIIF) signed an investment agreement worth \$1 billion with Abu Dhabi Investment Authority. Abu Dhabi Investment Authority will not only become the first institutional investor but also a shareholder in NIIF. The aim of the fund is to attract investments from both domestic and international sources for infrastructure development in commercially viable projects.
- The International Monetary Fund (IMF) has suggested India to consider setting up an independent fiscal council after the country accepted a public debt anchor at 60% of GDP. Therefore, setting up of an independent fiscal council will help India establish its public debt as a safe asset. IMF experiences from other countries have seen that independent fiscal council has helped both in terms of transparency and accountability towards the general public.
- Wipro reported rise in its consolidated net profit by 5.5% sequentially to Rs. 2,191.7 crore for quarter ended Sep 2017. The growth in consolidated net profit was mainly driven by fall in total expenses, lower finance cost and higher other income.
- Axis Bank reported 35% YoY increase in net profit to Rs. 432.38 crore for the second quarter ended Sep 2017 compared with Rs. 319.08 crore in the corresponding quarter last year. However, the asset quality of the company worsened as its gross non-performing assets (NPA) increased to 5.90% in the quarter from 5.03% reported in the year-ago quarter.

FII Derivative Trade Statistics		17-Oct		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	3780.78	1294.82	26998.88	
Index Options	65469.53	66416.93	90216.26	
Stock Futures	7174.67	7349.21	64720.50	
Stock Options	7516.14	7658.43	6522.25	
Total	83941.12	82719.39	188457.89	

Derivative Statistics- Nifty Options			
	17-Oct	Prev_Day	Change
Put Call Ratio (OI)	1.66	1.68	-0.02
Put Call Ratio(Vol)	1.01	1.15	-0.14

Debt Watch				
	17-Oct	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.99%	5.88%	5.85%	6.25%
CBLO	6.02%	5.91%	5.99%	6.25%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.10%	6.05%	6.08%	6.33%
364 Day T-Bill	6.19%	6.20%	6.23%	6.42%
10 Year Gilt	6.76%	6.74%	6.60%	6.74%
G-Sec Vol. (Rs.Cr)	22788	39206	53484	68232
1 Month CP Rate	6.51%	6.60%	6.60%	6.58%
3 Month CP Rate	6.71%	6.75%	6.68%	6.81%
5 Year Corp Bond	7.19%	7.23%	7.18%	7.30%
1 Month CD Rate	6.05%	6.06%	6.10%	6.39%
3 Month CD Rate	6.19%	6.16%	6.14%	6.49%
1 Year CD Rate	6.59%	6.60%	6.52%	6.86%

Currency Market			
Currency	17-Oct	Prev_Day	Change
USD/INR	64.92	64.76	0.16
GBP/INR	86.04	86.01	0.03
EURO/INR	76.42	76.39	0.03
JPY/INR	0.58	0.58	0.00

Commodity Prices				
Commodity	17-Oct	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	51.82	50.88	49.85	49.92
Brent Crude(\$/bl)	56.72	56.41	57.27	49.15
Gold(\$/oz)	1285	1287	1319	1255
Gold(Rs./10 gm)	29671	29732	29925	29738

Source: ICRON Research

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Derivatives Market

- Nifty Oct 2017 Futures were at 10,253.70, a premium of 19.25 points over the spot closing of 10,234.45. The turnover on NSE's Futures and Options segment went down from Rs. 6,83,570.78 crore on Oct 16 to Rs. 6,40,634.65 crore on Oct 17.
- The Put-Call ratio stood at 0.85 against the previous session's close of 0.98.
- The Nifty Put-Call ratio stood at 1.66 against the previous session's close of 1.68.
- Open interest on Nifty Futures stood at 28.95 million as against the previous session's close of 28.66 million.

Indian Debt Market

- Bond yields rose as market participants sold debt securities ahead of holidays later in the week. Media reports that the government might face a potential shortfall in indirect tax collections in this fiscal also weighed on market sentiment. Worries that the next U.S. Federal Reserve chief might be more hawkish on the monetary policy also added to the losses
- Yield on the 10-year benchmark paper (6.79% GS 2027) rose 3 bps to at 6.76% from the previous close of 6.73%. During the session, bond yields traded in the range of 6.74% and 6.78%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 12,930 crore (gross) on Oct 17 compared with borrowings of Rs. 19,041 crore (gross) on Oct 16. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 5,994 crore on Oct 16.

Currency Market Update

- The Indian rupee weakened for the first time in seven sessions against the U.S. dollar following reports from the U.S. President of choosing a hawkish person to replace the existing U.S. Federal Reserve chair.
- Euro fell against the U.S. dollar as speculations that the existing U.S. Federal Reserve chair will be replaced by a more hawkish person supported greenback.

Commodity Market Update

- Gold prices fell on stronger dollar and as investors remained cautious over the nomination of the next U.S. Federal Reserve chair.
- Brent crude prices inched up on tensions between Iraqi troops and Kurdish forces threatened supply disruption from northern Iraq and as geopolitical tension rose between the U.S. and Iran.

International News

- A report from the U.S. Labor Department showed that both the import and export prices increased more than expected in Sep 2017. Import prices grew 0.7% in Sep 2017 after growing 0.6% in Aug 2017. Export prices also grew 0.8% in Sep from 0.6% in Aug.
- British consumer prices increased at the fastest pace in more than five years in Sep 2017. Consumer price inflation grew 3% on a yearly basis in Sep from 2.9% in Aug 2017. On a monthly basis consumer prices gained 0.3% in Sep.
- Data from the Mannheim-based Centre for European Economic Research/ZEW showed that Germany's economic confidence continued to improve in Oct 2017. The ZEW Indicator of Economic Sentiment rose to 17.6 in Oct from 17.0 in the previous month.

Thank you for
your time.