

RELIANCE

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FUND

Markets for You

26 Oct 2017

Indices Performance

Global Indices	25-Oct	Prev_Day	Abs. Change	% Change [#]
Dow Jones	23,329	23,442	-112	-0.48
Nasdaq	6,564	6,598	-35	-0.52
FTSE	7,447	7,527	-79	-1.05
Nikkei	21,708	21,805	-98	-0.45
Hang Seng	28,303	28,155	148	0.53
Indian Indices	25-Oct	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	33,043	32,607	435	1.33
Nifty 50	10,295	10,208	88	0.86
Nifty 100	10,672	10,575	97	0.92
Nifty Bank	25,036	24,222	814	3.36
SGX Nifty	10,281	10,260	21	0.20
S&P BSE Power	2,328	2,301	26	1.15
S&P BSE Small Cap	17,159	17,192	-32	-0.19
S&P BSE HC	13,835	13,990	-155	-1.11

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
25-Oct	24.55	1.18	26.63	1.11
Month Ago	23.54	1.23	25.71	0.96
Year Ago	21.34	1.39	23.23	1.27

Nifty 50 Top 3 Gainers

Company	25-Oct	Prev_Day	% Change [#]
SBI	325	254	27.69
ICICI Bank	306	267	14.69
Ultratech Cem	4460	4227	5.52

Nifty 50 Top 3 Losers

Company	25-Oct	Prev_Day	% Change [#]
Kotak Bank	1011	1066	-5.18
Indiabulls HFC	1277	1343	-4.90
IndusInd Bank	1592	1665	-4.35

Advance Decline Ratio

	BSE	NSE
Advances	1158	720
Declines	1541	1000
Unchanged	130	73

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1191	30522
MF Flows**	427	96552

*25th Oct 2017; **23rd Oct 2017

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	3.24% (Aug-17)	2.26% (May-17)	1.09% (Aug-16)
IIP	1.20% (Jul-17)	3.20% (Apr-17)	4.40% (Jul-16)
GDP	5.70% (Jun-17)	6.10% (Mar-17)	7.90% (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 major Asian markets ended up on expectations of tax reforms in the U.S., improved crude oil prices and weak yen. Chinese market also gained as investors awaited the announcement of new members of the supreme political committee by the Chinese President. Today (As of Oct 26), Asian markets opened mixed. Wall Street's soft lead weighed on market sentiment. Meanwhile, the investors absorbed regional earnings releases. While Nikkei grew 0.06%, Hang seng grew 0.13% as at (8.a.m. IST).
- As per the last close, European market ended lower amid soft Wall Street opening. Also, investors remained cautious ahead of monetary policy decision from the European Central Bank on Oct 26. However, some positive economic data capped the losses. Earnings results remained in focus.
- As per the last close, U.S markets ended mostly lower amid weak corporate earnings reports. Also, rising bond yields weighed on the market sentiment. However, positive economic data capped the losses.

Indian Equity Market

- Indian equity markets witnessed buying spree with Sensex surpassing the 33,000-mark and Nifty 50 touching the 10,300-level in the intraday session for the first time ever. Investors cheered the finance minister's announcement of a mega recapitalisation package for banks and a massive road infrastructure investment of nearly Rs. 7 lakh crore over the next five years. The government will infuse Rs. 1.35 lakh crore of this recapitalisation through bonds and the remaining sum through budgetary support and market borrowings.
- Key benchmark indices S&P BSE Sensex and Nifty 50 rose 1.33% and 0.86% to close at 33,042.50 and 10,295.35, respectively. While, S&P BSE Mid-Cap rose 0.42%, S&P BSE Small-Cap fell 0.19%.
- On the BSE sectoral front, majority of the indices closed in the green. S&P BSE Bankex was the top gainer, up 4.71%, followed by S&P BSE Capital Goods and S&P BSE Industrials, which went up 3.33% and 2%, respectively. S&P BSE Finance and S&P BSE Telecom rose 1.40% and 1.18%, respectively. However, S&P BSE Consumer Durables was the major loser, down 1.31%, followed by S&P BSE Healthcare and S&P BSE Realty, which slipped 1.11% and 0.35%, respectively.

Domestic News

- Data from the Reserve Bank of India (RBI) showed that the All-India House Price Index (HPI) across 10 major cities grew 8.7% on a yearly basis in the period from Apr to Jun of 2017. However, the growth moderated from the previous quarter when the annual growth was 10.4%. The all-India HPI witnessed an annual growth of 7.3% a year ago. On a sequential basis, the All-India HPI witnessed a growth of 3.8%.
- According to a major credit rating agency, the government's plan to infuse Rs. 2.1 lakh crore in the state-run banks is credit positive as weak capitalization is the main credit weakness for most public sector banks. The rating agency estimated that the external capital requirement for 11 rated public sector banks would be around Rs. 70,000 to Rs. 95,000 crore that would help the banks to comply with Basel 3 requirements, conservative recognition and provisioning of their asset quality problems.
- According to a major credit rating agency, market borrowings by state governments in the second half of the current fiscal may increase by 7% to 11%, which it attributed to waiving of farm loans by some state governments. The domestic credit rating agency estimated that borrowings by state governments in the second half of the current fiscal is expected to be in the range of Rs. 3.0-3.2 lakh crore compared with Rs. 1.8 lakh crore in the first half of the same.
- Hindustan Unilever has recorded 16% YoY surge in net profit to Rs. 1,276 crore for the quarter ended Sep 2017 as against Rs. 1,096 crore in the same period a year ago. The company has also declared interim dividend of Rs. 8 per share. However, total income of the company reduced 2.5% YoY.
- Kotak Mahindra Bank reported increase in consolidated by 20% to Rs. 1,441 crore in the quarter ended Sep 2017 as against Rs. 1,202 in the same quarter a year ago. The increase in profit was mainly due to higher net interest income that rose 16% YoY.
- HCL Technologies has reported 8.6% rise in net profit to Rs. 2,188 crore for the quarter end Sep 2017 as against Rs. 2,014 in the same quarter a year ago.

FII Derivative Trade Statistics		25-Oct	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	7621.32	8969.68	29181.22
Index Options	53019.10	52257.40	92769.09
Stock Futures	17811.64	18187.36	64727.94
Stock Options	9411.64	9100.97	7554.28
Total	87863.70	88515.41	194232.53

Derivative Statistics- Nifty Options			
	25-Oct	Prev_Day	Change
Put Call Ratio (OI)	1.61	1.61	0.00
Put Call Ratio(Vol)	1.01	1.11	-0.10

Debt Watch				
	25-Oct	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.88%	5.97%	5.90%	6.17%
CBLO	5.90%	5.88%	5.90%	6.26%
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%	6.10%	6.09%	6.37%
364 Day T-Bill	6.21%	6.18%	6.24%	6.44%
10 Year Gilt	6.81%	6.76%	6.62%	6.77%
G-Sec Vol. (Rs.Cr)	36063	22788	50126	54111
1 Month CP Rate	6.53%	6.53%	6.61%	6.65%
3 Month CP Rate	6.75%	6.74%	6.68%	6.90%
5 Year Corp Bond	7.17%	7.17%	7.24%	7.33%
1 Month CD Rate	6.07%	6.05%	6.11%	6.40%
3 Month CD Rate	6.20%	6.19%	6.15%	6.59%
1 Year CD Rate	6.57%	6.59%	6.54%	6.93%

Currency Market			
Currency	25-Oct	Prev_Day	Change
USD/INR	65.14	64.93	0.21
GBP/INR	85.48	85.79	-0.31
EURO/INR	76.59	76.34	0.25
JPY/INR	0.57	0.57	0.00

Commodity Prices				
Commodity	25-Oct	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	51.96	52.00	51.82	49.40
Brent Crude(\$/bl)	58.94	58.34	60.51	48.34
Gold(\$/oz)	1277	1281	1310	1274
Gold(Rs./10 gm)	29372	29611	29713	30002

Source: ICRON Research

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Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.

Derivatives Market

- Nifty Oct 2017 Futures were at 10,289.90, a discount of 5.45 points below the spot closing of 10,295.35. The turnover on NSE's Futures and Options segment went up from Rs. 7,07,851.89 crore on Oct 24 to Rs. 12,02,397.62 crore on Oct 25.
- The Put-Call ratio stood at 0.88 against the previous session's close of 0.92.
- The Nifty Put-Call ratio remained unchanged compared with previous session close at 1.61.
- Open interest on Nifty Futures stood at 31.27 million as against the previous session's close of 30.69 million.

Indian Debt Market

- Bond yields rose on concerns about additional supply of bonds after the government announced a recapitalisation plan for public sector banks including bank recapitalisation bonds.
- Yield on the 10-year benchmark paper (6.79% GS 2027) rose 3 bps to close at 6.81% from the previous close of 6.78%. During the session, bond yields traded in the range of 6.79% and 6.83%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,425 crore (gross) on Oct 25 compared with borrowings of Rs. 2,530 crore (gross) on Oct 24. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 7,631 crore on Oct 24.
- Banks borrowed Rs. 900 crore under the central bank's Marginal Standing Facility on Oct 24 compared with Rs. 5,900 crore borrowed on Oct 23.

Currency Market Update

- The Indian rupee gained against the U.S. dollar due to higher selling of greenback by exporters and banks. The rupee rose 0.25% to close at 64.89 from its previous close of 65.06.
- Euro was positive against the U.S. dollar ahead of European Central Bank's meeting (ECB) on Oct 26. Market expects ECB to announce trimming of its monthly asset purchases to 40 billion euros from 60 billion euros starting Jan 2018. Euro was trading at \$1.1779 compared with the previous close of \$1.1759.

Commodity Market Update

- Gold prices remained weak as expectations of tax reform weighed on the safe-haven appeal of the metal.
- Brent crude prices moved up after Saudi Arabia's energy minister stated that country would focus on reducing oil stocks in industrialized countries.

International News

- According to a preliminary estimate report from the Office for National Statistics, U.K.'s gross domestic product (GDP) surpassed market expectations and grew 0.4% sequentially in third quarter ended Sep 2017, slightly up from 0.3% in the second quarter. Services sector was the largest contributor to GDP growth. On a YoY basis, economy expanded 1.5% YoY.
- A report from the Ifo Institute showed that Germany's business confidence index surpassed market expectations and grew to 116.7 from revised score of 115.3 in Sep 2017. Meanwhile, the current conditions index and expectations indicator also surpassed market expectations and came in at 124.8 and 109.1, respectively.



Thank you for
your time.