

**RELIANCE**

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FUND

# Markets for You

04 Sep 2017

## Indices Performance

| Global Indices    | 01-Sep | Prev_Day | Abs. Change | % Change <sup>#</sup> |
|-------------------|--------|----------|-------------|-----------------------|
| Dow Jones         | 21,988 | 21,948   | 39          | 0.18                  |
| Nasdaq            | 6,435  | 6,429    | 7           | 0.10                  |
| FTSE              | 7,439  | 7,431    | 8           | 0.11                  |
| Nikkei            | 19,691 | 19,646   | 45          | 0.23                  |
| Hang Seng         | 27,953 | 27,970   | -17         | -0.06                 |
| Indian Indices    | 01-Sep | Prev_Day | Abs. Change | % Change <sup>#</sup> |
| S&P BSE Sensex    | 31,892 | 31,730   | 162         | 0.51                  |
| Nifty 50          | 9,974  | 9,918    | 57          | 0.57                  |
| Nifty 100         | 10,352 | 10,287   | 66          | 0.64                  |
| Nifty Bank        | 24,434 | 24,318   | 116         | 0.48                  |
| SGX Nifty         | 10,043 | 9,918    | 125         | 1.26                  |
| S&P BSE Power     | 2,265  | 2,261    | 3           | 0.14                  |
| S&P BSE Small Cap | 16,130 | 15,992   | 138         | 0.87                  |
| S&P BSE HC        | 13,391 | 13,149   | 241         | 1.84                  |

## P/E Dividend Yield

| Date      | Sensex |            | Nifty |            |
|-----------|--------|------------|-------|------------|
|           | P/E    | Div. Yield | P/E   | Div. Yield |
| 1-Sep     | 23.82  | 1.23       | 25.99 | 0.93       |
| Month Ago | 24.43  | 1.20       | 25.75 | 0.95       |
| Year Ago  | 20.82  | 1.37       | 24.06 | 1.22       |

## Nifty 50 Top 3 Gainers

| Company          | 01-Sep | Prev_Day | % Change <sup>#</sup> |
|------------------|--------|----------|-----------------------|
| Dr.Reddy         | 2218   | 2021     | 9.73                  |
| Aurobindo Pharma | 759    | 725      | 4.60                  |
| Asian Paints     | 1216   | 1169     | 4.05                  |

## Nifty 50 Top 3 Losers

| Company    | 01-Sep | Prev_Day | % Change <sup>#</sup> |
|------------|--------|----------|-----------------------|
| TCS        | 2456   | 2496     | -1.60                 |
| Indian Oil | 448    | 455      | -1.41                 |
| Power Grid | 217    | 219      | -1.25                 |

## Advance Decline Ratio

|           | BSE  | NSE  |
|-----------|------|------|
| Advances  | 1603 | 1106 |
| Declines  | 991  | 566  |
| Unchanged | 142  | 75   |

## Institutional Flows (Equity)

| Description (Cr) | Inflow/Outflow | YTD   |
|------------------|----------------|-------|
| FII Flows*       | 444            | 44665 |
| MF Flows**       | 566            | 70195 |

\*1<sup>st</sup> Sep 2017; \*\*30<sup>th</sup> Aug 2017

## Economic Indicator

| YoY(%) | Current            | Quarter Ago       | Year Ago          |
|--------|--------------------|-------------------|-------------------|
| WPI    | 1.88%<br>(Jul-17)  | 3.85%<br>(Apr-17) | 0.63%<br>(Jul-16) |
| IIP    | -0.10%<br>(Jun-17) | 4.10%<br>(Mar-17) | 8.00%<br>(Jun-16) |
| GDP    | 5.70%<br>(Jun-17)  | 6.10%<br>(Mar-17) | 7.90%<br>(Jun-16) |

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

## Global Indices

• Asian markets climbed following the U.S. President's speech on tax reform and positive regional manufacturing data. Modest U.S. inflation data indicating that the U.S. Federal Reserve could refrain from increasing interest rates again this year also added to the gains. Today (As of Sep 4), Asian markets fell amid elevated tensions on the Korean Peninsula after North Korea reported that it tested a hydrogen bomb over the weekend. Both Nikkei and Hang Seng fell 0.83% and 0.57% respectively (as at 8.a.m.)

• As per the last close, European market ended higher amid solid manufacturing data from the China, the U.K. and the Eurozone. However, disappointing U.S. monthly nonfarm payroll data for Aug 2017 capped the gains.

• As per the last close, U.S markets ended higher on likelihood of tighter monetary policy later in Sep 2017. Despite disappointing monthly nonfarm payroll data for Aug 2017, indices moved up as investors got calmed likely by experts' comments that said the weak job growth is not likely to persist.

## Indian Equity Market

• Indian equity markets closed in the green after the final reading of a private survey showed that the domestic manufacturing sector rebounded in Aug 2017 as disruptions stemming from confusion over Goods and Service Tax eased. Meanwhile, weaker than expected economic growth data for the first quarter of the current fiscal raised hopes that the Monetary Policy Committee may announce a cut in its key interest rates at its next policy meet in Oct 2017.

• Key benchmark indices S&P BSE Sensex and Nifty 50 went up 0.51% and 0.57% to close at 31,892.23 and 9,974.40, respectively. S&P BSE Mid-Cap and S&P BSE Small-Cap rose 0.95% and 0.87%, respectively.

• The overall market breadth on BSE was positive with 1,603 scrips advancing and 991 scrips declining. A total of 142 scrips remained unchanged.

• On the BSE sectoral front, majority of the indices closed in the green. S&P BSE Realty was the top gainer, up 2.59%, followed by S&P BSE Auto and S&P BSE Metal, which went up 1.94% and 1.86%, respectively. S&P BSE Healthcare and S&P BSE Consumer Discretionary Goods & Services rose 1.84% and 1.43%, respectively.

## Domestic News

• The Nikkei India Manufacturing Purchasing Managers' Index (PMI) increased to 51.2 in Aug 2017 from 47.9 in Jul 2017. The upside was driven by new orders and output across the country. The expansion was modest; however, it reflected a substantial turnaround from the contraction in Jul due to the rollout of the Goods and Services Tax.

• The Securities and Exchange Board of India (SEBI) has permitted debt securities to get listed on stock exchanges in the International Financial Services Centre (IFSC) even if these are issued elsewhere. However, it stated that they will have to pursue all the required listing and corporate governance norms. Also, over the counter trading of debt securities in an IFSC have been permitted by the regulator subject to clearing and settlement through clearing corporations within such centres.

• SEBI has permitted three pairs of cross currency for trading. The regulator has asked stock exchanges to set up a dynamic price band for euro-dollar, pound sterling-dollar, and dollar-yen. Also, the stock exchanges have been asked to submit their proposal for launch of the currency option with details of contract specifications, risk management framework, and surveillance systems.

• A major rating agency has provided stable outlook for the Indian banking sector as the ongoing progress in managing bad loans will offset issues of capital shortfall some banks continue to face. The outlook is based on the combination of the outlook of the 15 banks rated by the ratings' firm in India and together account for about 70% of assets in the system. The rating agency's baseline scenario assumes gross domestic product growth of 7.1% in FY17-18.

• According to the vice chairman of Niti Ayog, the economy is expected to grow in the range of 7% to 7.5% in the second quarter 2017 driven by good monsoon and clarity over goods and service tax. Also, the vice chairman stated that demonetisation had no impact on the first quarter's gross domestic product numbers.

| FII Derivative Trade Statistics |          | 01-Sep   |           |  |
|---------------------------------|----------|----------|-----------|--|
| (Rs Cr)                         | Buy      | Sell     | Open Int. |  |
| Index Futures                   | 5795.49  | 4610.30  | 11517.88  |  |
| Index Options                   | 59119.24 | 58007.73 | 58499.47  |  |
| Stock Futures                   | 28421.42 | 28502.42 | 50171.65  |  |
| Stock Options                   | 2926.96  | 2756.38  | 86.25     |  |
| Total                           | 96263.11 | 93876.83 | 120275.25 |  |

| Derivative Statistics- Nifty Options |        |          |        |
|--------------------------------------|--------|----------|--------|
|                                      | 01-Sep | Prev_Day | Change |
| Put Call Ratio (OI)                  | 1.27   | 1.38     | -0.12  |
| Put Call Ratio(Vol)                  | 0.99   | 1.09     | -0.10  |

| Debt Watch         |        |         |          |          |
|--------------------|--------|---------|----------|----------|
|                    | 01-Sep | Wk. Ago | Mth. Ago | Year Ago |
| Call Rate          | 5.83%  | 5.90%   | 6.11%    | 6.38%    |
| CBLO               | 4.70%  | 5.96%   | 6.19%    | 6.42%    |
| Repo               | 6.00%  | 6.00%   | 6.25%    | 6.50%    |
| Reverse Repo       | 5.75%  | 5.75%   | 6.00%    | 6.00%    |
| 91 Day T-Bill      | 6.09%  | 6.13%   | 6.11%    | 6.53%    |
| 364 Day T-Bill     | 6.23%  | 6.22%   | 6.22%    | 6.64%    |
| 10 Year Gilt       | 6.48%  | 6.54%   | 6.44%    | 7.12%    |
| G-Sec Vol. (Rs.Cr) | 71510  | 36130   | 61724    | 59015    |
| 1 Month CP Rate    | 6.38%  | 6.38%   | 6.46%    | 6.83%    |
| 3 Month CP Rate    | 6.55%  | 6.55%   | 6.59%    | 7.00%    |
| 5 Year Corp Bond   | 7.10%  | 7.14%   | 7.16%    | 7.53%    |
| 1 Month CD Rate    | 6.07%  | 6.06%   | 6.23%    | 6.52%    |
| 3 Month CD Rate    | 6.15%  | 6.19%   | 6.21%    | 6.64%    |
| 1 Year CD Rate     | 6.48%  | 6.49%   | 6.53%    | 7.24%    |

| Currency Market |        |          |        |
|-----------------|--------|----------|--------|
| Currency        | 01-Sep | Prev_Day | Change |
| USD/INR         | 63.98  | 64.02    | -0.04  |
| GBP/INR         | 82.66  | 82.70    | -0.03  |
| EURO/INR        | 76.10  | 76.04    | 0.06   |
| JPY/INR         | 0.58   | 0.58     | 0.00   |

| Commodity Prices   |        |        |          |          |
|--------------------|--------|--------|----------|----------|
| Commodity          | 01-Sep | Wk Ago | Mth. Ago | Year Ago |
| NYMEX Crude(\$/bl) | 47.27  | 47.19  | 49.14    | 43.12    |
| Brent Crude(\$/bl) | 53.94  | 52.07  | 51.04    | 44.64    |
| Gold( \$/oz)       | 1325   | 1286   | 1269     | 1313     |
| Gold(Rs./10 gm)    | 29742  | 28879  | 28544    | 30703    |

Source: ICRON Research

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#### Derivatives Market

- Nifty Sep 2017 Futures were at 10,007.30, a premium of 32.90 points above the spot closing of 9,974.40. The turnover on NSE's Futures and Options segment went down from Rs. 11,70,781.30 crore on Aug 31 to Rs. 3,26,441.18 crore on Sep 1.
- The Put-Call ratio stood at 0.89 against previous session's close of 0.83.
- The Nifty Put-Call ratio stood at 1.38 against previous session's close of 1.27.
- India VIX moved down 2.32% to 11.6750 from 11.9525 in the previous trading session.
- The open interest on Nifty Futures stood at 17.52 million as against previous session's close of 28.31 million.

#### Indian Debt Market

- Bond yields plunged as lower than expected domestic economic growth for the Jun quarter of 2017 increased the probability of interest rate cuts in the near future from the Reserve Bank of India (RBI).
- Yield on the 10-year benchmark paper (6.79% GS 2027) fell 5 bps to close at 6.48% from previous close of 6.53%. Yield recorded its biggest decline in seven weeks. During the session, bond yields traded in the range of 6.47% and 6.50%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,365 crore (gross) on Sep 1 compared with borrowings of Rs. 2,035 crore (gross) on Aug 31. Sale of securities under RBI's reverse repo window stood at Rs. 38,205 crore on Aug 31.
- Banks did not borrow under the central bank's Marginal Standing Facility on Aug 31 and Aug 30.

#### Currency Market Update

- The Indian rupee weakened against the greenback as market participants remained on the sidelines ahead of U.S. jobs data for Aug 2017 due later in the day. The rupee fell 0.19% to close at 64.02 from the previous closing of 63.90.
- The euro weakened against the U.S. dollar as market participants remained on the sidelines ahead of the outcome of the European Central Bank monetary policy review due next week. Euro was trading at \$1.1884, down 0.20% compared with the previous close of \$1.1908.

#### Commodity Market Update

- Gold prices moved down ahead of the U.S. non-farm payroll data for Aug 2017. However, upbeat Chinese manufacturing data limited the downside.
- Brent crude prices gained as major fuel pipelines are closed following Hurricane Harvey, which has led to shortages of supply.

#### International News

- A report from the Labor Department showed that non-farm payroll employment climbed by 156,000 jobs in Aug 2017 as against downwardly revised jobs growth of 210,000 and 189,000 in Jun and Jul 2017, respectively. The unemployment rate slightly went up to 4.4% in Aug 2017 from 4.3% in Jul 2017.
- According to a report from the National Association of Realtors, U.S. pending home sales index missed market expectations and fell 0.8% to 109.1 in Jul 2017 as against downwardly revised index of 110.0 in Jun 2017. The downside reflects decline in pending sales in South, Midwest, and Northeast.



Thank you for  
your time.