

**RELIANCE**

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# Markets for You

05 Sep 2018

**Indices Performance**

Global Indices	04-Sep	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	25,952	Closed	NA	NA
Nasdaq	8,091	Closed	NA	NA
FTSE	7,458	7,505	-47	-0.62
Nikkei	22,697	22,707	-10	-0.05
Hang Seng	27,973	27,713	261	0.94
Indian Indices	04-Sep	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	38,158	38,313	-155	-0.40
Nifty 50	11,520	11,582	-62	-0.54
Nifty 100	11,799	11,904	-105	-0.89
Nifty Bank	27,431	27,820	-389	-1.40
SGX Nifty	11,549	11,637	-88	-0.75
S&P BSE Power	2,073	2,115	-42	-1.98
S&P BSE Small Cap	16,815	17,164	-349	-2.04
S&P BSE HC	15,716	15,942	-226	-1.42

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
4-Sep	24.47	1.17	28.01	1.16
Month Ago	23.97	1.18	28.23	1.18
Year Ago	23.61	1.24	25.83	0.94

**Nifty 50 Top 3 Gainers**

Company	04-Sep	Prev_Day	% Change <sup>#</sup>
HCL Tech	1076	1049	2.59
Tech Mahindra	764	746	2.45
TCS	2099	2053	2.24

**Nifty 50 Top 3 Losers**

Company	04-Sep	Prev_Day	% Change <sup>#</sup>
Grasim Industries	1023	1066	-4.02
UltraTech Cement	4201	4374	-3.94
Asian Paints	1311	1362	-3.69

**Advance Decline Ratio**

	BSE	NSE
Advances	727	412
Declines	2053	1424
Unchanged	131	78

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1436	-3470
MF Flows**	266	76693

\*4<sup>th</sup> Sep 2018; \*\*31<sup>st</sup> Aug 2018

**Economic Indicator**

YoY(%)	Current	Quarter Ago	Year Ago
CPI	4.17% (Jul-18)	4.58% (Apr-18)	2.36% (Jul-17)
IIP	7.00% (Jun-18)	5.30% (Mar-18)	-0.30% (Jun-17)
GDP	8.20% (Jun-18)	7.70% (Mar-18)	5.60% (Jun-17)

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**

- Asian equity markets were mixed as trade tensions kept investors on the back foot. Crisis in currencies of Argentina and Turkey added to the cautious mood. Today (as of Sep 05), Asian markets opened lower following losses in U.S. Wall Street due to trade worries. Both Nikkei and Hang Seng were trading down 0.07% and 0.68%, respectively (as at 8.a.m. IST).
- As per the last close, European markets closed lower as worries over crisis in emerging markets and trade tensions between the U.S. and major economies weighed on investor's sentiments.
- As per the last close, U.S. markets closed lower as investors were concerned about global trade after U.S. and Canada failed to reach an agreement to reform NAFTA.

**Indian Equity Market**

- Indian equity markets ended in the red because of weak Asian cues. Trade tensions kept investors in the region on their toes. U.S. President had come down hard on Canada over the North American Free Trade Agreement (NAFTA) and asked for revised deal that is "fair" to the U.S. Media reports suggested that the President could very soon impose tariffs on another \$200 billion worth of Chinese imports. Also, rupee's decline continued unabated and dampened sentiment.
- Key benchmark indices S&P BSE Sensex and Nifty 50 declined 0.40% and 0.54% to close at 38,157.92 and 11,520.30, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap went down 2.60% and 2.04%, respectively.
- On the BSE sectoral front, only two sectors gained and rest all fell. S&P BSE Information Technology stood as the major gainer, up 1.93% followed by S&P BSE Teck that grew 1.31%. S&P BSE Consumer Durables was the major loser, down 2.58%, followed by S&P BSE Basic Materials and S&P BSE Realty, down 2.49% and 2.11%, respectively. The information technology (IT) sector gained as rupee hit a fresh low. A low rupee benefits export-oriented businesses such as IT.

**Domestic News**

- According to media reports, the government will not lower excise duty on petrol and diesel to cushion the recent increase in global crude oil prices. This is because the government has limited fiscal space as imports have turned expensive due to a plunge of the rupee against the greenback. Also there are concerns that lowering excise duty on petrol and diesel may widen the country's current account deficit.
- According to the telecom secretary, the new telecom policy which is being branded as the National Digital Communications Policy is expected to be placed before the Cabinet for approval in two weeks. There are expectations that the new telecom policy will attract investment of around Rs. 6.5 lakh crore in the sector and create 40 lakh new job opportunities.
- According to major global credit rating agency, the volatility of the currency against the greenback will have limited impact on India's sovereign credit profile as the country has a low level of foreign currency and external debt. The rating agency also noted that increase in domestic borrowing costs due to weakness of the rupee will be mitigated by the Reserve Bank of India's focus on containing domestic inflationary pressures.
- Tata Consultancy Services Ltd's market cap surged past the Rs. 8 trillion mark for the first time today. It is thus the second Indian company after Reliance Industries Ltd to achieve the milestone.
- Two-wheeler manufacturer Hero MotoCorp reported a 0.92% YoY rise in total sales at 685,047 units in Aug 2018, compared with 678,797 units sold in Aug 2017. The company also announced that it commenced shipment of its new premium motorcycle, the Xtreme 200R, to dealers across India.
- Bajaj Auto reported a 30% jump in total sales in Aug 2018 at 4,37,092 units as against 3,35,031 units in Aug 2017. Domestic sales increased 27% at 2,55,631 units as against 2,00,659 units in the similar month last year. Total motorcycle sales stood at 3,62,923 units as against 2,83,861 units in Aug 2017, registering a growth of 28%.

FII Derivative Trade Statistics		04-Sep	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	2236.61	2630.26	19352.09
Index Options	69972.69	68375.74	60744.96
Stock Futures	12901.39	13573.95	85018.73
Stock Options	9471.83	9585.70	5851.08
Total	94582.52	94165.65	170966.86

Derivative Statistics- Nifty Options			
	04-Sep	Prev_Day	Change
Put Call Ratio (OI)	1.45	1.48	-0.03
Put Call Ratio(Vol)	1.04	1.02	0.02

Debt Watch				
	04-Sep	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.32%	6.35%	6.37%	5.86%
CBLO	6.22%	6.38%	5.21%	5.80%
Repo	6.50%	6.50%	6.50%	6.00%
Reverse Repo	6.25%	6.25%	6.25%	5.75%
91 Day T-Bill	6.75%	6.77%	6.76%	6.08%
364 Day T-Bill	7.32%	7.28%	7.25%	6.23%
10 Year Gilt	8.06%	7.90%	7.76%	6.50%
G-Sec Vol. (Rs.Cr)	41362	26760	28593	54777
FBIL MIBOR	6.45%	6.46%	6.46%	6.00%
3 Month CP Rate	7.70%	7.80%	7.60%	6.56%
5 Year Corp Bond	8.85%	8.69%	8.64%	7.33%
1 Month CD Rate	6.94%	6.62%	6.69%	6.10%
3 Month CD Rate	7.29%	7.30%	7.03%	6.15%
1 Year CD Rate	8.06%	8.00%	7.96%	6.49%

Currency Market			
Currency	04-Sep	Prev_Day	Change
USD/INR	71.19	70.77	0.42
GBP/INR	91.46	91.36	0.10
EURO/INR	82.49	82.14	0.35
JPY/INR	0.64	0.64	0.00

Commodity Prices				
Commodity	04-Sep	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	69.77	68.49	68.44	47.27
Brent Crude(\$/bl)	77.58	75.90	73.12	53.09
Gold( \$/oz)	1191	1201	1213	1334
Gold(Rs./10 gm)	30191	30097	29428	30165

Source: Thomson Reuters Eikon

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#### Derivatives Market

- Nifty Sep 2018 Futures settled at 11,573.10, a premium of 52.80 points, above the spot closing of 11,520.30. The turnover on NSE's Futures and Options segment improved to Rs. 10,17,418.71 on Sep 4.
- The Put-Call ratio stood at 0.87, compared with the previous session's close of 0.91.
- The Nifty Put-Call ratio stood at 1.45 compared with the previous session's close of 1.48.
- India VIX improved 2.87% to 13.7775 from 13.3925 in the previous trading session.
- Open interest on Nifty Futures stood at 26.04 million as against the previous session's close at 25.95 million.

#### Indian Debt Market

- Bond yields continued to rise as rupee hit a record low of 71.58 against the greenback with the ongoing pressure on emerging market currencies. In addition, crude oil prices stayed at elevated levels, making the yield surpass the 8%-mark. These factors have been weighing on the market sentiments as it raises concerns over rising inflation, widening trade deficit and monetary tightening in the domestic economy.
- Yield on the 10-year benchmark paper (7.17% GS 2028) rose 6 bps to close at 8.06% from the previous closing of 8.00% after trading in a range of 7.99% to 8.07%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,471 crore (gross) on Sep 4 compared with a borrowing of Rs. 3,921 crore (gross) on Sep 3. Sale of securities under the Reserve Bank of India's (RBI) reverse repo window stood at Rs. 41,159 crore on Sep 3.

#### Currency Market Update

- The Indian rupee continued to plunge to a record low, staying north of the 71-mark as there was consistent surge in crude oil prices. However, the intervention of the central bank limited further downside. The rupee declined 0.52% to close at 71.58 per dollar from the previous close of 71.21.
- The euro fell against the greenback after the later gained from the rising U.S.- China trade friction. Euro was last seen trading at 1.1557, down 0.57% from the previous close of 1.1623.

#### Commodity Market Update

- Gold prices slipped as the greenback appreciated with the aggravating U.S.-China trade dispute and economic crises in emerging markets.
- Brent crude prices surged amid supply concerns after an American petroleum major had to cease production in the Gulf of Mexico.

#### International News

- According to a report from Eurostat, Eurozone's producer prices grew 4% YoY in Jul 2018 as against a gain of 3.6% in Jun 2018. Excluding energy, producer price inflation slightly went up to 1.7% in Jul as against a growth of 1.6% in Jun. Energy prices grew 10.7% in Jul as against a gain of 9.5% in Jun 2018. Intermediate goods prices surged 3.2% in Jul and capital goods prices grew 1.1%.
- According to survey data from IHS Markit, U.K.'s construction Purchasing Managers' Index (PMI) sharply fell to 52.9 in Aug 2018 from 55.8 in Jul 2018. The Aug reading notified expansion at the weakest pace since last three months.
- A report from British Retail Consortium and KPMG showed that U.K. like-for-like sales inched up by 0.2% YoY in Aug 2018. Meanwhile, the total sales grew 1.3% annually.



Thank you for  
your time.