

**RELIANCE**

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FUND

# Markets for You

23 Sep 2019

Indices Performance

| Global Indices    | 20-Sep | Prev_Day | Abs. Change | % Change <sup>#</sup> |
|-------------------|--------|----------|-------------|-----------------------|
| Russell 3000      | 1,305  | 1,314    | -9          | -0.68                 |
| Nasdaq            | 8,118  | 8,183    | -65         | -0.80                 |
| FTSE              | 7,345  | 7,356    | -12         | -0.16                 |
| Nikkei            | 22,079 | 22,044   | 35          | 0.16                  |
| Hang Seng         | 26,436 | 26,469   | -33         | -0.13                 |
| Indian Indices    | 20-Sep | Prev_Day | Abs. Change | % Change <sup>#</sup> |
| S&P BSE Sensex    | 38,015 | 36,093   | 1,921       | 5.32                  |
| Nifty 50          | 11,274 | 10,705   | 569         | 5.32                  |
| Nifty 100         | 11,432 | 10,849   | 583         | 5.38                  |
| Nifty 500         | 28,982 | 26,758   | 2,224       | 8.31                  |
| Nifty Bank        | 28,982 | 26,758   | 2,224       | 8.31                  |
| S&P BSE Power     | 1,922  | 1,906    | 16          | 0.84                  |
| S&P BSE Small Cap | 13,204 | 12,703   | 501         | 3.94                  |
| S&P BSE HC        | 13,017 | 12,711   | 306         | 2.40                  |

P/E Dividend Yield

| Date      | Sensex |            | Nifty |            |
|-----------|--------|------------|-------|------------|
|           | P/E    | Div. Yield | P/E   | Div. Yield |
| 20-Sep    | 26.78  | 1.21       | 27.72 | 1.36       |
| Month Ago | 25.97  | 1.25       | 27.26 | 1.34       |
| Year Ago  | 23.85  | 1.20       | 27.31 | 1.19       |

Nifty 50 Top 3 Gainers

| Company       | 20-Sep | Prev_Day | % Change <sup>#</sup> |
|---------------|--------|----------|-----------------------|
| Eicher Motors | 17860  | 15753    | 13.38                 |
| Hero Moto     | 2863   | 2532     | 13.06                 |
| IndusInd Bank | 1420   | 1282     | 10.71                 |

Nifty 50 Top 3 Losers

| Company    | 20-Sep | Prev_Day | % Change <sup>#</sup> |
|------------|--------|----------|-----------------------|
| Power Grid | 196    | 201      | -2.46                 |
| Zee Ente.  | 301    | 309      | -2.41                 |
| Infosys    | 805    | 821      | -1.91                 |

Advance Decline Ratio

|           | BSE  | NSE  |
|-----------|------|------|
| Advances  | 1852 | 1389 |
| Declines  | 745  | 488  |
| Unchanged | 139  | 103  |

Institutional Flows (Equity)

| Description (Cr) | Inflow/Outflow | YTD   |
|------------------|----------------|-------|
| FII Flows*       | -745           | 43058 |
| MF Flows**       | 319            | 47835 |

\*20<sup>th</sup> Sep 2019; \*\*19<sup>th</sup> Sep 2019

Economic Indicator

| YoY(%) | Current           | Quarter Ago       | Year Ago          |
|--------|-------------------|-------------------|-------------------|
| CPI    | 3.21%<br>(Aug-19) | 3.05%<br>(May-19) | 3.69%<br>(Aug-18) |
| IIP    | 4.30%<br>(Jul-19) | 3.20%<br>(Apr-19) | 6.50%<br>(Jul-18) |
| GDP    | 5.00%<br>(Jun-19) | 6.60%<br>(Dec-18) | 8.00%<br>(Jun-18) |

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 mostly higher as investors turned optimistic over the stimulus packages announced by key central banks around the world. Markets also looked forward to the resumption of U.S.-China trade talks as the two countries meet for the first time in almost two months. Today (as of Sep 23), Asian markets were higher in morning trade as U.S.-China prepare to meet to sort out trade issues. Both Nikkei and Hang Seng were trading up 0.16% and 0.11%, respectively (as at 8.a.m. IST).
- European markets gained on the back of stimulus measures announced by key global central banks as it would support the slowing global economy. Also, the resumption of trade talks between U.S. and China supported sentiment.
- U.S. markets fell on reports that Chinese officials were cutting their visit to the U.S. short. This soured sentiment as investors were looking forward to the resumption of talks between the two nations with hopes of a resolution.

Indian Equity Market

- Indian equity markets surged as the government unveiled a Rs. 1.25 lakh crore stimulus package to boost the economy. One of the measures announced was cut in corporate tax, which was especially welcomed as fears of weak corporate earnings in the face of the economic slowdown had been bugging markets.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 5.32% each to close at 38,014.62 and 11,274.20, respectively. S&P BSE MidCap and S&P BSE SmallCap gained 6.28% and 3.94%, respectively.
- The overall market breadth on BSE was strong with 1,852 scrips advancing and 745 scrips declining. A total of 139 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Auto was the major gainer, up 9.85%, followed by S&P BSE Bankex, up 8.21%, and S&P BSE Capital Goods, up 7.93%. S&P BSE IT was the major loser, down 1.09%, followed by S&P BSE Teck, down 0.43%.
- Among the 31-stock sensitive Sensex pack, Hero MotoCorp was the major gainer, up 13.19%, followed by Maruti Suzuki India and IndusInd Bank that grew 10.89% and 10.74%, respectively.

Domestic News

- The finance minister reduced the basic corporate tax rate to 22% from 30% for domestic companies that do not avail exemption/incentive. The effective tax rate for such companies would be 25.17% inclusive of surcharge & cess. In order to provide boost to the manufacturing sector and its 'Make-in-India' initiative, the government lowered the corporate tax rate to 15% from 25% for those domestic companies that came into existence on or after Oct 2019. The effective tax rate for such companies would be 17.01% inclusive of surcharge & cess. Such companies shall not be required to pay Minimum Alternate Tax. Also, to provide relief to companies that continue to avail exemptions/incentives, the government lowered the Minimum Alternate Tax or MAT to 15%, from 18.5%.
- The Goods and Services Tax (GST) council proposed reduction of GST rates on a slew of items in order to provide a boost the growth prospects of a slowing domestic economy. The changes would come into effect from Oct 1, 2019. Tax rates for dried tamarind and plates and cups made up of leaves/ flowers/bark has been lowered from 5% to nil. GST rate on slide fasteners has been bought down from 18% to 12% while the same on marine fuel has been reduced from 18% to 5%. GST rates on wet grinders that comprises stone as a grinder has been reduced from 12% to 5%. GST rate on almond milk has been set at 12% while a uniform GST rate of 12% would be levied on polypropylene bags and sacks used for packing of goods. GST concession were given for passenger vehicles of engine capacity 1500 cc in case of diesel, 1200 cc in case of petrol that can carry up to 13 persons as they will attract compensation cess of 3% and 1% respectively. The same compensation cess is applicable for passenger vehicles having the same specifications but designed to carry up to 9 persons.
- According to media reports, Qatar Investment Authority is in talks with the Adani Group to buy a minority stake in the latter's flagship power transmission and distribution asset — Adani Electricity Mumbai Ltd.

| FII Derivative Trade Statistics | 20-Sep    |           |           |
|---------------------------------|-----------|-----------|-----------|
| (Rs Cr)                         | Buy       | Sell      | Open Int. |
| Index Futures                   | 4417.21   | 6117.33   | 18716.52  |
| Index Options                   | 367450.31 | 364602.65 | 56818.70  |
| Stock Futures                   | 11696.75  | 12104.51  | 90553.76  |
| Stock Options                   | 6193.82   | 6232.45   | 4167.82   |
| Total                           | 389758.09 | 389056.94 | 170256.80 |

| Derivative Statistics- Nifty Options |        |          |        |
|--------------------------------------|--------|----------|--------|
|                                      | 20-Sep | Prev_Day | Change |
| Put Call Ratio (OI)                  | 1.39   | 0.83     | 0.56   |
| Put Call Ratio(Vol)                  | 0.87   | 0.76     | 0.11   |

| Debt Watch         |        |         |          |          |
|--------------------|--------|---------|----------|----------|
|                    | 20-Sep | Wk. Ago | Mth. Ago | Year Ago |
| Call Rate          | 5.37%  | 5.29%   | 5.28%    | 6.60%    |
| T-Repo             | 5.36%  | 5.28%   | 5.22%    | NA       |
| Repo               | 5.40%  | 5.40%   | 5.40%    | 6.50%    |
| Reverse Repo       | 5.15%  | 5.15%   | 5.15%    | 6.25%    |
| 91 Day T-Bill      | 5.30%  | 5.30%   | 5.40%    | 7.06%    |
| 364 Day T-Bill     | 5.55%  | 5.62%   | 5.71%    | 7.63%    |
| 10 Year Gilt       | 6.79%  | 6.64%   | 6.59%    | 8.07%    |
| G-Sec Vol. (Rs.Cr) | 82191  | 54062   | 54572    | 43175    |
| FBIL MIBOR         | 5.45%  | 5.45%   | 5.40%    | 6.65%    |
| 3 Month CP Rate    | 5.70%  | 5.65%   | 5.98%    | 8.05%    |
| 5 Year Corp Bond   | 7.64%  | 7.51%   | 7.77%    | 8.94%    |
| 1 Month CD Rate    | 5.44%  | 5.36%   | 5.50%    | 7.51%    |
| 3 Month CD Rate    | 5.43%  | 5.38%   | 5.66%    | 7.51%    |
| 1 Year CD Rate     | 6.35%  | 6.23%   | 6.71%    | 8.39%    |

| Currency Market |        |          |        |
|-----------------|--------|----------|--------|
| Currency        | 20-Sep | Prev_Day | Change |
| USD/INR         | 70.94  | 71.14    | -0.20  |
| GBP/INR         | 89.21  | 88.68    | 0.53   |
| EURO/INR        | 78.44  | 78.57    | -0.13  |
| JPY/INR         | 0.66   | 0.66     | 0.00   |

| Commodity Prices   |        |        |          |          |
|--------------------|--------|--------|----------|----------|
| Commodity          | 20-Sep | Wk Ago | Mth. Ago | Year Ago |
| NYMEX Crude(\$/bl) | 57.87  | 54.71  | 56.13    | 70.72    |
| Brent Crude(\$/bl) | 66.12  | 62.14  | 59.32    | 79.42    |
| Gold( \$/oz)       | 1517   | 1488   | 1507     | 1207     |
| Gold(Rs./10 gm)    | 37390  | 37592  | 37688    | 30722    |

Source: Thomson Reuters Eikon

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**Derivatives Market**

- Nifty Sep 2019 Futures stood at 11,295.50, a premium of 21.30 points above the spot closing of 11,274.20. The turnover on NSE's Futures and Options segment fell to Rs.19,96,254.74 on September 20, 2019, compared with Rs.25,76,936.91 crore on September 19, 2019.
- The Put-Call ratio stood at 0.81 compared with the previous session's close of 0.66.a
- The Nifty Put-Call ratio stood at 1.39 compared with the previous session's close of 0.83.
- Open interest on Nifty Futures stood at 23 million, compared with the previous session's close of 21.25 million.

**Indian Debt Market**

- Bond yields saw a sharp rise following the government's announcement of trimming corporate tax rates. This raised concerns over a fiscal slippage with possibility of increase in borrowings.
- Yield on the 10-year benchmark paper (7.26% GS 2029) increased 15 bps to 6.79% compared with the previous close of 6.64% after trading in a range of 6.55% to 6.88%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 4,358 crore (gross) on Sep 20, 2019 compared with borrowings of Rs. 6,997 crore (gross) on Sep 19, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 10,410 crore on Sep 19, 2019.
- Banks borrowed Rs. 950 crore under the central bank's Marginal Standing Facility on Sep 19, 2019 compared with borrowings of Rs. 500 crore on Sep 18, 2019.

**Currency Market Update**

- The Indian rupee strengthened against the greenback following gains in the domestic equity market after the Indian government cut the corporate tax on domestic companies to one of the lowest levels in Asia.
- The euro fell against the greenback on growing possibility that the U.S. Federal Reserve would not lower interest rates aggressively moving forward.

**Commodity Market Update**

- Gold prices grew amid concerns about developments over trade talks between U.S. and China.
- Brent crude prices grew amid uncertainty over the outcome of a high-level meeting by the U.S. President's administration on the Saudi attack and how to deal with Iran.

**International News**

- Preliminary data from the European Commission showed euro zone consumer confidence improved in Sep 2019 to its highest level in four months, after weakening in Aug 2019. The flash consumer confidence index climbed to -6.5 from -7.1 in Aug.
- Destatis data showed Germany's producer price inflation eased more than expected in Aug 2019. Producer prices grew only 0.3% YoY, slower than the 1.1% increase in Jul 2019.
- China's central bank reduced its one-year loan prime rate marginally but retained its five-year lending rate. The People's Bank of China set the one-year lending rate at 4.20% compared with 4.25% in Aug 2019. The five-year lending rate was maintained at 4.85%.

Thank you for  
your time.