

**RELIANCE**

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# Markets for You

26 Sep 2017

**Indices Performance**

| Global Indices    | 25-Sep | Prev_Day | Abs. Change | % Change <sup>#</sup> |
|-------------------|--------|----------|-------------|-----------------------|
| Dow Jones         | 22,296 | 22,350   | -54         | -0.24                 |
| Nasdaq            | 6,371  | 6,427    | -56         | -0.88                 |
| FTSE              | 7,301  | 7,311    | -9          | -0.13                 |
| Nikkei            | 20,398 | 20,296   | 101         | 0.50                  |
| Hang Seng         | 27,500 | 27,881   | -380        | -1.36                 |
| Indian Indices    | 25-Sep | Prev_Day | Abs. Change | % Change <sup>#</sup> |
| S&P BSE Sensex    | 31,627 | 31,922   | -296        | -0.93                 |
| Nifty 50          | 9,873  | 9,964    | -92         | -0.92                 |
| Nifty 100         | 10,220 | 10,321   | -101        | -0.98                 |
| Nifty Bank        | 24,165 | 24,369   | -204        | -0.84                 |
| SGX Nifty         | 9,864  | 9,983    | -120        | -1.20                 |
| S&P BSE Power     | 2,229  | 2,239    | -10         | -0.46                 |
| S&P BSE Small Cap | 15,963 | 16,293   | -330        | -2.02                 |
| S&P BSE HC        | 13,622 | 13,864   | -242        | -1.75                 |

**P/E Dividend Yield**

| Date      | Sensex |            | Nifty |            |
|-----------|--------|------------|-------|------------|
|           | P/E    | Div. Yield | P/E   | Div. Yield |
| 25-Sep    | 23.54  | 1.23       | 25.71 | 0.96       |
| Month Ago | 23.61  | 1.24       | 25.47 | 0.95       |
| Year Ago  | 21.79  | 1.35       | 24.24 | 1.25       |

**Nifty 50 Top 3 Gainers**

| Company           | 25-Sep | Prev_Day | % Change <sup>#</sup> |
|-------------------|--------|----------|-----------------------|
| Tata Power        | 82     | 80       | 1.80                  |
| Coal India        | 257    | 254      | 1.28                  |
| Zee Entertainment | 527    | 522      | 0.92                  |

**Nifty 50 Top 3 Losers**

| Company           | 25-Sep | Prev_Day | % Change <sup>#</sup> |
|-------------------|--------|----------|-----------------------|
| ACC               | 1633   | 1688     | -3.30                 |
| Aurobindo Pharma  | 701    | 724      | -3.22                 |
| Adani Ports & SEZ | 389    | 401      | -3.13                 |

**Advance Decline Ratio**

|           | BSE  | NSE  |
|-----------|------|------|
| Advances  | 541  | 314  |
| Declines  | 2020 | 1423 |
| Unchanged | 171  | 44   |

**Institutional Flows (Equity)**

| Description (Cr) | Inflow/Outflow | YTD   |
|------------------|----------------|-------|
| FII Flows*       | 981            | 41234 |
| MF Flows**       | 302            | 78539 |

\*25<sup>th</sup> Sep 2017; \*\*21<sup>st</sup> Sep 2017

**Economic Indicator**

| YoY(%) | Current           | Quarter Ago       | Year Ago          |
|--------|-------------------|-------------------|-------------------|
| WPI    | 3.24%<br>(Aug-17) | 2.26%<br>(May-17) | 1.09%<br>(Aug-16) |
| IIP    | 1.20%<br>(Jul-17) | 3.20%<br>(Apr-17) | 4.40%<br>(Jul-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 & WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

**Global Indices**

• Most Asian markets closed lower due to persistent geopolitical concerns. Elections in Germany and New Zealand that made ground for political uncertainty also affected markets. However, Japanese index went up as investors speculated that the country's Prime Minister could design a new economic stimulus package worth around two trillion yen, apart from his expected plea for a snap election. Sentiment also found help as Japan's manufacturing sector grew in Sep 2017. Meanwhile, Singapore's inflation eased in Aug 2017 compared with that of Jul 2017. Today (As of Sep 26), Asian markets opened lower amid increased geopolitical tension. Both Nikkei and Hangseng were trading down 0.25% and 0.70%, respectively (as at 8.a.m. IST).

• As per the last close, European market ended mostly lower as investors were cautious mood due to the results of the German election over the weekend. Increased geopolitical tension also weighed on the market.

• As per the last close, U.S markets closed lower amid geopolitical tension between U.S. and North Korea. Losses in technology stocks also weighed on the market.

**Indian Equity Market**

• Indian equity markets fell for the fifth straight session following weak cues from the other regional peers, U.S. Federal Reserve's indication of probable rate hike by end of this year and lingering geopolitical tension between the U.S. and North Korea. Investors also remained concerned over increase in fiscal deficit, on expectations of probable fiscal stimulus measures by the government. Market participants were also cautious ahead of the September F&O expiry scheduled later during the week.

• While S&P BSE Sensex went down 0.93% to close at 31,626.63, Nifty 50 lost 0.92% to close at 9,872.60. S&P BSE MidCap and S&P BSE SmallCap lost 1.14% and 2.02%, respectively.

• On the BSE sectoral front, all indices closed in the negative. S&P BSE Realty (-3.46%) stood as the major loser followed by S&P BSE Basic Materials (-1.98%), S&P BSE Healthcare (-1.75%), S&P BSE CG (-1.58%), S&P BSE Industrials (-1.56%) and S&P BSE Consumer Discretionary Goods & Services (-1.35%).

**Domestic News**

• According to the first advance estimate released by the government, India's food grain output in the kharif season in FY18 could fall 2.8% YoY to 134.67 million tonnes (MT) on account of poor rains as well as floods in some parts of the country. Rice output is projected to decline 1.9% to 94.48 MT, while that of pulses could drop 7.5% to 8.71 MT. Also, cotton output could drop to 32.27 million bales from 33.09 million bales a year ago, despite a rise in the crop area.

• According to a media report, government can announce Rs. 65,000 crore stimulus to revive the ailing Indian economy. The news comes a day after the finance minister indicated that the government may look to pump funds to stimulate the economy.

• According to the finance ministry, after the rate cut of 25 bps in the Aug 2017 monetary policy decision, there is scope of further rate cut in the upcoming bi-monthly monetary policy decision scheduled on Oct 4 as the retail inflation of the country continues to be low. The ministry added that the slowdown in the manufacturing sector is due to demonetisation and implementation of Goods and Service Tax (GST). However, once the effects of these fades down, the manufacturing sector is expected to pick up. Appreciation of rupee is also hindering the sector which is been looked after by the Reserve Bank of India.

• Jaiprakash Associates, after receiving approval from its shareholders, has announced to raise up to Rs 2,000 crore through sale of securities. The fund would be used for capital expenditure, reduction of debt, general corporate purposes and for raising working capital requirement for real estate business and other businesses.

• Amazon has entered into a joint venture with the promoters of Patni Computers in order to strengthen its customer service unit and build another large captive seller for its e-commerce platform in India.

| FII Derivative Trade Statistics | 25-Sep   |          |           |
|---------------------------------|----------|----------|-----------|
| (Rs Cr)                         | Buy      | Sell     | Open Int. |
| Index Futures                   | 4672.06  | 2984.11  | 21759.48  |
| Index Options                   | 67211.79 | 67846.64 | 87719.51  |
| Stock Futures                   | 9966.07  | 10091.64 | 58741.39  |
| Stock Options                   | 10538.96 | 10649.06 | 7917.81   |
| Total                           | 92388.88 | 91571.45 | 176138.19 |

| Derivative Statistics- Nifty Options | 25-Sep | Prev_Day | Change |
|--------------------------------------|--------|----------|--------|
| Put Call Ratio (OI)                  | 1.12   | 1.24     | -0.12  |
| Put Call Ratio(Vol)                  | 0.97   | 1.02     | -0.05  |

| Debt Watch         | 25-Sep | Wk. Ago | Mth. Ago | Year Ago |
|--------------------|--------|---------|----------|----------|
| Call Rate          | 5.90%  | 5.94%   | 5.90%    | 6.42%    |
| CBLO               | 5.90%  | 6.01%   | 5.96%    | 6.44%    |
| Repo               | 6.00%  | 6.00%   | 6.00%    | 6.50%    |
| Reverse Repo       | 5.75%  | 5.75%   | 5.75%    | 6.00%    |
| 91 Day T-Bill      | 6.09%  | 6.09%   | 6.13%    | 6.50%    |
| 364 Day T-Bill     | 6.24%  | 6.23%   | 6.22%    | 6.58%    |
| 10 Year Gilt       | 6.62%  | 6.61%   | 6.54%    | 6.80%    |
| G-Sec Vol. (Rs.Cr) | 50126  | 42871   | 36130    | 88617    |
| 1 Month CP Rate    | 6.61%  | 6.59%   | 6.38%    | 6.78%    |
| 3 Month CP Rate    | 6.68%  | 6.66%   | 6.55%    | 6.85%    |
| 5 Year Corp Bond   | 7.24%  | 7.20%   | 7.14%    | 7.47%    |
| 1 Month CD Rate    | 6.11%  | 6.09%   | 6.06%    | 6.54%    |
| 3 Month CD Rate    | 6.15%  | 6.14%   | 6.19%    | 6.60%    |
| 1 Year CD Rate     | 6.54%  | 6.51%   | 6.49%    | 7.20%    |

| Currency Market | 25-Sep | Prev_Day | Change |
|-----------------|--------|----------|--------|
| USD/INR         | 64.84  | 64.96    | -0.12  |
| GBP/INR         | 87.94  | 88.31    | -0.37  |
| EURO/INR        | 77.30  | 77.76    | -0.45  |
| JPY/INR         | 0.58   | 0.58     | 0.00   |

| Commodity Prices   | 25-Sep | Wk Ago | Mth. Ago | Year Ago |
|--------------------|--------|--------|----------|----------|
| NYMEX Crude(\$/bl) | 51.82  | 49.83  | 47.19    | 44.33    |
| Brent Crude(\$/bl) | 60.51  | 56.24  | 52.07    | 47.10    |
| Gold( \$/oz)       | 1310   | 1307   | 1286     | 1337     |
| Gold(Rs./10 gm)    | 29713  | 29723  | 28879    | 31316    |

Source: ICRON Research

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**Derivatives Market**

- Nifty Sep 2017 Futures were at 9,878.65, a premium of 6.05 points above the spot closing of 9,872.60. The turnover on NSE's Futures and Options segment went up from Rs. 6,99,710.91 crore on Sep 22 to Rs. 7,76,571.78 crore on Sep 25.
- The Put-Call ratio stood at 0.91 against previous session's close at 0.94.
- The Nifty Put-Call ratio stood at 1.12 against previous session's close at 1.27.
- The open interest on Nifty Futures stood at 14.45 million as against previous session's close of 23.45 million.

**Indian Debt Market**

- Bond yields fell as investors resorted to value buying after a sharp fall in prices over the past few weeks. However, the medium-term outlook for bonds remained uncertain amid lack of clarity on whether government is planning a fiscal stimulus to boost the economy.
- Yield on the 10-year benchmark paper (6.79% GS 2027) fell 4 bps to close at 6.62% from the previous close at 6.66%. During the session, bond yields traded in the range of 6.61% and 6.66%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,163 crore (gross) on Sep 25 compared with borrowings of Rs. 8,927 crore (gross) on Sep 22. Sale of securities under RBI's reverse repo window stood at Rs. 20,178 crore on Sep 22.
- Banks did not borrow under the central bank's Marginal Standing Facility on Sep 22 as against borrowing of Rs. 52 crore on Sep 21.

**Currency Market Update**

- The Indian fell against the greenback following losses in the domestic equity market. Month-end dollar demand from oil importers also weighed on the domestic currency. The rupee fell 0.48% to close at 65.10 per dollar, compared with the previous day's close at 64.79.
- Euro weakened against the U.S. dollar after the outcome of the German election resulted in political uncertainty. Euro was trading at \$1.1885, down 0.56% compared with the previous close of \$1.1952.

**Commodity Market Update**

- Gold prices traded lower as investors awaited comments from the U.S. Federal Reserve (Fed) chief and a number of Fed officials, scheduled later during the week.
- Brent crude prices traded higher following strong compliance of OPEC and non-OPEC members to curb oil production.

**International News**

- According to Nikkei, Japan's manufacturing Purchasing Managers' Index (PMI) score was 52.6 in Sep 2017, up from 52.2 in Aug 2017. The upside was driven by expansion in output, new orders, new export orders and input prices increased accelerated, while employment and output prices continued to expand but at a slower rate.
- A report from the Cabinet Office showed that Japan's leading index that measures the future economic activity came in at 105.2 in Jul 2017, down from 105.7 in Jun 2017. The score came in less than initial expectations. Meanwhile, the coincident index that measures the current economic activity fell to 115.7 in Jul from 116.8 in Jun.
- According to the Ifo Institute, Germany's business sentiment index fell to 115.2 in Sep 2017 from 115.9 in Aug 2017.



Thank you for  
your time.