

News U Can Use

03rd September 2010

The Week that was...
28th August to 3rd September

Indian Economy

- ❑ The Indian economy grew 8.8% in Apr-Jun compared with 8.6% in the previous quarter; it had grown 6.0% a year ago.
- ❑ Government corrects the first quarter economic growth rate number as measured by market transactions; triples the initially estimated growth on the demand side from 3.66% to 10.02%; overall economic growth, measured at factor cost, was retained at 8.8%.
- ❑ FM says that the Indian economy's growth during Apr-Jun 2010-11, has been quite encouraging with the coming quarter expected to do better.
- ❑ FM says that the economy would grow by more than 8.5% this fiscal, despite partial roll back of stimulus measures.
- ❑ Government to soon set the record straight on the pace of economic expansion after throwing forward sharply different economic growth figures based on two different methodologies.
- ❑ Planning Commission to seek suggestions from general public and different stake holders on achieving 10% economic expansion during the 12th Plan (2012-17) and push India into a high growth trajectory.
- ❑ An RBI staff study says that the WPI-based inflation perfectly tracks the GDP deflator, and the exclusion of services from the index and non-revision of components of the index are not very serious limitations to the data but adds that to conclude that these limitations in WPI are not important would be erroneous.

Indian Economy

- ❑ India's annual inflation rate based on the Consumer Price Index for Industrial Workers fell sharply to 11.25% in July from 13.73% a month ago.
- ❑ Indian government's fiscal deficit declined 43% on year to Rs.90900 cr during Apr-Jul, accounting for 23.8% of the Budget estimate.
- ❑ Indian government's total receipts in Apr-Jul rose 127% to Rs.2.418 lakh cr while total spending rose 25% on year to Rs.3.327 lakh cr in the period.
- ❑ Indian government's tax collections rose 27.5% on year to Rs.1.734 lakh cr during Apr-Jul, accounting for 23.2% of the Budget target.
- ❑ India's merchandise exports growth slowed down to 13.2% on year in July at \$16.24 bn, imports in July rose 34.3% on year to \$29.17 bn, widening the trade deficit to \$12.93 bn, compared with \$7.38 bn a year ago.
- ❑ India's FDI inflows in the first six months of this year were down 18% to \$10.78 bn from a year ago: Industry Secretary.
- ❑ India's primary article inflation rate rose to 15.19% in the week ended August 21 from 14.75% the week before; food articles inflation rose 10.86% from 10.05% a week ago.
- ❑ India's HSBC and Markit Business Activity Index fell to 59.3 in August from 61.7 a month ago, while the Purchasing Managers' Index fell marginally to 57.2 in August from 57.6 in the previous month.
- ❑ India's forex reserves rose \$0.29 bn to \$282.84 bn for the week ended August 27.

Indian Debt Market

- For the week ending August 14, Primary articles sequentially increased by 1.4% w/w due to sharp rise in prices of food (1.8% w/w), non-food articles (0.4% w/w) and minerals (1.4% w/w). On annual basis, Primary articles increased to 15.19% y/y vis-à-vis 14.75% for the previous week. The Fuel index also registered increase to 12.71% as against 12.57% y/y in previous week due to increase in price of mineral oils like light diesel, furnace oil, aviation fuel and naphtha.
- During the week, the G-Sec yields opened week marginally higher and initially came down on declining US treasury yields. However, good GDP data, higher inflation numbers, rising US T-bill yields and expectations of G-Sec auction cut-offs pushed up the yields. The 10-yr benchmark traded between 7.93% -7.99% and closed the week at at 7.98% (previous week close: 7.97%). Since last couple of weeks, the market was expecting RBI to come up with new 10 year benchmark and hence the current benchmark breached 8% levels last week. However, the policymaker comments about more issuance of current 10 year benchmark in line helped in soothing the market and kept the yields below 8% during the week.
- The corporate bonds yields remained range-bound during the week. 5 year AAA and 10 year AAA closed the week at 8.51% (Previous week's close: 8.55%) and 8.77% (previous week's close: 8.78%) respectively.

Indian Debt Market

- The liquidity in the system improved a lot during the week, despite this week being the first week of the reporting fortnight. The net LAF balance improved from Rs. 150 cr at the start of the week to Rs. 31,500 towards the end of the week on account of increase in government spending like salary payments etc. LAF was on the average Rs. 16,000 cr compared to Rs 15,000 cr the previous week. Overnight call was in range of 3.20%-5.25% during the week.
- RBI conducted G-Sec auction on Sep 3 (Rs. 12,000 cr) namely – 7.46% GS 2017 (Rs. 4,000 cr), 8.08% GS 2022 (Rs.5,000 cr) and 8.30% GS 2040 (Rs. 3,000 cr) with cut-offs of 8.01%, 8.03% and 8.40% respectively.
- In T-bill auction, 91 day t-bills (Rs. 2000 cr) and 182 day t-bill (Rs. 1500 cr) saw lower cut-offs of 6.06% (previous: 6.19%) and 6.37% (previous: 6.46%) respectively.
- Next week, RBI will auction 10 yr SDLs (Rs. 5300 cr) for five states on September 7.
- Next week, RBI will conduct auction of 91 day (Rs. 2,000 cr) and 364 day T-bill (Rs. 1,000 cr) on September 8.

Indian Commodities Market

- ❑ Crude oil prices were highly volatile in the week, but managed to end higher as intermittent strong US economic data set off a fall in prices on account of squaring off of books by traders ahead of weekly inventory data forecast; prices ended \$75.02 a barrel on September 2 vs., \$73.36 a barrel on August 26.
- ❑ US crude oil inventories rose 3.4mn barrels to 361.7mn barrels for the week ended Aug 28.
- ❑ Ministry of consumer affairs decides to cap the number of national level commodity exchanges at eight.
- ❑ Agriculture Minister makes a presentation on the sugar supply and demand situation to the PM amid rising demands from the industry for decontrol of the sensitive sector.
- ❑ A ministers' panel decides to release 2.5 mn tn additional wheat and rice to states for sale to below poverty line families at subsidised prices, as part of its plan to raise the number of BPL beneficiaries under the public distribution scheme.
- ❑ India initiates a probe into alleged dumping of soda ash by countries like China, Iran and Pakistan to protect domestic players.
- ❑ Central Board of Excise and Customs says that no sugar exports would be permitted against imported raws without the release orders obtained from the sugar directorate.
- ❑ Government decides to route export of wheat and non-basmati parboiled rice to Bangladesh through state-run trade firms PEC and State Trading Corp of India.
- ❑ Minister for Food Processing Industries says that India could become a global outsourcing hub for food processing by 2012 to meet the world food demand.

Indian Commodities Market

- ❑ Government announces total sugar sale quota of 1.9 mn tn for September, including 1.67 mn tn non-levy and 228,000 tn levy quota
- ❑ Government is considering a proposal from the sugar industry to permit re-export of imported raws stuck at ports.
- ❑ FMC directs exchanges that fresh know-your-client compliance may not be insisted while re-activating inactive client accounts, unless there is a material change in status of such clients.
- ❑ FMC bans futures trading in electricity owing to poor volumes of trade.
- ❑ FMC to approve launch of iron ore futures contracts only after the mineral is notified as a commodity by the government.
- ❑ Intercontinental Exchange US to provide for a halt in trading, effective from Sep 7, of cotton No. 2 option contracts when certain triggering events occur.
- ❑ RIL bought around 3 mn barrels of spot Brazilian crude to arrive in India in the next two months.
- ❑ National Spot Exchange launches a 1 kg imported gold bar contract for delivery in Mumbai.
- ❑ Singapore Mercantile Exchange commences operations, offering a platform for investors wanting to trade in multi-product commodities and currency derivatives.
- ❑ United Stock Exchange announces that the launch of its currency derivatives operations has been deferred till September.

Indian Government

- Highlights of proposals under the Direct Tax Code (DTC) tabled in Lok Sabha:
 - DTC will be effective from April 1, 2012
 - 10% income tax charged on Rs.2-5 lakh rupee annual income; 20%+Rs.30000 tax on 5-10 lakh and 30%+Rs.130000 tax on above Rs.10 lakh.
 - Proposes 30% corporate tax; MAT to be on booked profits.
 - Proposed long-term capital gains tax at nil, while short-term gains will have three tax brackets of 5%, 10% and 15%.
 - Securities Transaction Tax will continue under DTC.
 - Moots for dividend distribution tax of 5% from equity MFs and ULIPs.
 - SEZs will be allowed profit-linked tax deduction under DTC.
- Revenue Secretary says the changes proposed in the Direct Taxes Code Bill would result in revenue losses to the tune of Rs.53172cr for the government in 2012-13.
- Highlights of recommendations of a government panel on foreign investment:
 - Set up tribunal to hear appeals on capital flow management regulations.
 - SEBI should be given the right to seek details of end-investors in P-Notes.
 - Brokers should be allowed to register FIIs as clients with SEBI.
 - Distinction between investor classes like FII, NRI and venture fund should be abolished.
 - Quantitative cap on FII debt should be replaced with percentage; also the cap on rupee-denominated corporate debt should be removed to address currency mismatches.

Indian Government

- ❑ World Bank, through its lending arms, committed \$9.3bn in financial assistance to India in 2009-10, more than the aid committed by the US and the EU.
- ❑ Asian Development Bank plans to enter the Indian debt market early next year to raise funds through rupee bonds to finance private sector infrastructure projects.
- ❑ The US President is expected to address the joint session of Parliament on Nov 9 and the five-week winter session may be advanced by a few weeks in line with his India itinerary.
- ❑ The Parliament passes the Civil Liability for Nuclear Damage Bill after the government watered down some of its controversial clauses.
- ❑ Finance ministry rejects the Steel Ministry's demand for a hike in the export duty on iron ore.
- ❑ Planning Commission Deputy Chairman says that government's borrowing plan for FY11 is expected to be as per the Budget projection.
- ❑ India inks a revised tax treaty with Switzerland that could give it crucial access to information on black money stashed away in Swiss bank accounts.
- ❑ Commerce Ministry sets up Rs.500cr contingency fund for exporters.
- ❑ Commerce Minister says that FDI in retail would help create millions of jobs and not weaken the unorganised sector as feared.
- ❑ Government says it is likely to dilute its stake in trading firm MMTTC through a follow-on offer in the current fiscal.
- ❑ Government approves 1000MW of grid-connected solar power projects.

Indian Government

- ❑ PM to personally look into the long-pending Navi Mumbai airport project to resolve the matter at the earliest.
- ❑ Government to allocate 3G spectrum to Bharti Airtel, RCom, Vodafone and others on September 1, as the Defence has agreed to handover required quantity of radio airwaves.
- ❑ Environment Ministry says that it has found "serious violations" of green laws in Vedanta's existing alumina refinery in eastern India.
- ❑ Government is likely to dilute tough norms proposed by the environment ministry that can prevent companies from mining coal in large parts of the country.
- ❑ Government to incorporate in the Companies Bill the Supreme Court's views in the Bhopal gas tragedy case on the liability of company directors regarding criminal acts.
- ❑ Government decides not to make any fresh gas allocations from RIL's KG-D6 field.
- ❑ Power Ministry favours allocation of the bulk of new natural gas output from fields like those of RIL to Reliance Power's Samalkot expansion unit in Andhra Pradesh.
- ❑ The merger of SBI's remaining five associate banks may get delayed as the government is keen that the amalgamation takes place in a staggered manner.
- ❑ Government says that BlackBerry, Google, Skype and other communications providers must set up servers in India to allow security forces to intercept Internet data.

Regulatory Updates in India

- ❑ RBI allows banks to restructure the debt of the cashstrapped aviation sector to help the industry come out of financial turmoil.
- ❑ RBI Deputy Governor asks bankers to bring down the cost of their services through technology adoption.
- ❑ RBI says that FII holding in ING Vysya Bank has reached the trigger limit of the bank's paid-up capital.
- ❑ SEBI puts a limit on arbitration fees to be paid on disputes between clients and stock exchange members across various segments.
- ❑ SEBI approves the launch of smart order routing to every class of investors on stock exchanges, putting an end to the conflict between the BSE and the NSE.
- ❑ SEBI says it will allow stockbrokers to provide securities trading using wireless technology, including laptops with data card that use internet protocol.
- ❑ SEBI asks media firms to disclose their stakes held in listed companies in news reports and editorials relating to those companies.
- ❑ SEBI asks RBI to vet S&P 500 and Dow Jones trading on NSE.
- ❑ SEBI lifts ban on British bank Barclays for issuing offshore derivative instruments.
- ❑ As per AMFI data, average assets under management of the domestic mutual fund industry in August rose nearly 3% on month to Rs.6.851 lakh cr.
- ❑ EPFO to decide on September 15 the rate of interest on deposits for 2010-11.

Regulatory Updates in India

- ❑ IRDA says the IPO guidelines for the insurance industry will be ready by early October.
- ❑ IRDA to come up with new regulations on bancassurance.
- ❑ IRDA unwilling to allow agents to sell standalone medical and accident plans.
- ❑ About 41 ULIPs under new regime get IRDA nod.
- ❑ IRDA seeks more information on the financial statement of 2009-10 submitted by Magma Fincorp to foray into non-life insurance space.
- ❑ DoT turns down the armed forces demand for a permanent waiver of spectrum charges on all airwaves used by the three services, Army, Air Force and the Navy.
- ❑ DoT is examining proposals that would allow new mobile operators, who were given licences and airwaves under controversial circumstances two years ago, to sell out or exit.
- ❑ DoT plans to tweak the mobile number portability guidelines to allow a single company, Syniverse Technologies India, to roll out its services nationally.
- ❑ DoT is finalising the quantum of penalty for delayed rollout of services by new players in the telecom market.
- ❑ The Income-tax department proposes a national e-management system for quick disposal of tax disputes, with more than Rs.75000 cr locked in litigations.
- ❑ The Supreme Court directs parties to a carriage charge dispute, wherein BSNL is claiming Rs.470 cr from players including Vodafone, Airtel and Tata Telecom, to submit details for verification by TRAI.

International Markets

- ❑ IMF announces a new credit line designed to serve as a crisis insurance policy for pre-qualified countries, under which any of the member countries could request access to the credit and the board would decide on a case-by-case basis which ones qualify.
- ❑ IMF says that advanced economies must pursue long-term policy reforms to reduce public debt levels over the coming decades and ensure future fiscal sustainability.
- ❑ World Trade Organization (WTO) statistics show that global exports of merchandise goods, measured by value in current dollars not adjusted for price changes, were 25.8% higher in the second quarter than a year earlier, after a 25.7% rise in the first quarter.
- ❑ WTO Head says that trade data shows that the world has emerged from the global economic crisis even though the rate of recovery varies from region to region.
- ❑ US Fed Chairman said that while the economic recovery remains tentative, the central bank remains ready to take extra steps to stimulate the economy if necessary, such as buying more debt securities in order to keep interest rates low.
- ❑ US Fed Chairman says that tough government follow-through on a freshly minted US financial law will be crucial to ensure no bank or firm grows so large that its collapse could jeopardize the entire economy.
- ❑ Former Federal Reserve Chairman says that the chances of the US economy slipping into another recession are close to 25-30%; adds that the US Central Bank has done an excellent job to tackle the finance crisis.

International Markets

- ❑ US Fed's meeting minutes showed that the central bank recognized that the economy could need further stimulus beyond the debt purchases.
- ❑ US Fed approves a request by a Chinese sovereign wealth fund to acquire up to 10% of the voting shares of Morgan Stanley.
- ❑ US auto sales fell to 11.47mn vehicles in August, down sharply from over 14 mn last year.
- ❑ US Conference Board's consumer confidence index increased to 53.5 in August from a five-month low of 51 in July.
- ❑ US unemployment jumped to 9.6% in August from July's 9.5%, non-farm payroll employment declined by 54,000 in August.
- ❑ Automatic Data Processing report shows that private-sector jobs in the US fell by 10,000 in August compared to a revised gain of 37,000 in July.
- ❑ US consumer spending rose by 0.4% in July, the fastest growth rate since March; personal income however grew only 0.2%.
- ❑ Chicago purchasing managers index fell to 56.7 in August from 62.3 in July.
- ❑ US Institute for Supply Management's factory index rose to 56.3 in August from 55.5 in July.
- ❑ US ISM non-manufacturing index hit 51.5% in August compared with 54.3% in July.
- ❑ US productivity dropped at a 1.8% annual rate in the second quarter, twice the 0.9% decrease initially calculated and the biggest decline in almost four years.

International Markets

- ❑ US unit labour costs rose at a 1.1% rate in the second quarter, up from an initial reading of 0.2%, for the biggest increase since the end of 2008.
- ❑ US initial jobless claims fell by 6,000 to 472,000 in the week ended August 28.
- ❑ US index of pending home sales rose 5.2% in July after a revised 2.8% drop the prior month.
- ❑ US factory orders increased 0.1% in July following a revised 0.6% decline in June.
- ❑ US construction spending fell 1% to \$805.2 bn in July, the lowest level in a decade, after a revised 0.8% drop in June.
- ❑ S&P/Case-Shiller survey shows that house prices grew 4.4% during the second quarter of 2010 after a 2.8% drop in the first quarter and were 3.6% above their year-earlier levels.
- ❑ US market regulator Securities and Exchange Commission drops charges against Moody's, in a case involving erroneous ratings it gave to some debt securities because of a technical glitch.
- ❑ European Union thinks China has made only limited progress in allowing its yuan currency to move more rapidly, and swifter action would help safeguard a fragile economic recovery.
- ❑ Euro zone GDP grew 1.0% QoQ in Q2 2010, the fastest pace in four years, after an upwardly revised 0.3% in Q1 2010.
- ❑ Euro zone unemployment rate remained at 10% for a fifth straight month in July; the number of unemployed fell by 8,000 from June, but was up by 668,000 compared with July 2009.

International Markets

- ❑ European Central Bank (ECB) President says postponing cuts in public and private sector debts would be “very dangerous” and risk a Japanese-style “lost decade”.
- ❑ ECB President says that recent economic data from the euro zone had been stronger than expected; projects growth this year of 1.4-1.8%; its forecast for 2011 is for growth between 0.5-2.3%.
- ❑ ECB leaves interest rates at 1% for the 16th consecutive month as still-uncertain global outlook clouds optimism about the euro zone's recovery.
- ❑ Euro zone's consumer prices rose by 1.6% in the year to August, down from July's 20-month high rate of 1.7%.
- ❑ Euro zone's Economic Sentiment Indicator rose to 101.8 points in August, matching a two-year high, from 101.1 in July.
- ❑ Euro zone's headline measure of consumer confidence rose sharply, to -11 in August from -14 in July
- ❑ Euro zone's Business Climate Indicator fell to 0.61 in August from 0.63 a month ago.
- ❑ Euro zone producer prices rose 0.2% in July from a month earlier and were 4.0% higher from a year earlier; in June, the PPI rose 0.3% MoM and by 3% YoY.
- ❑ Euro zone retail sales rose by a modest 0.1% in July, after a 0.2% increase in June.
- ❑ Euro zone final Markit output index came in at 56.2 in August, down from 56.7 in July.

International Markets

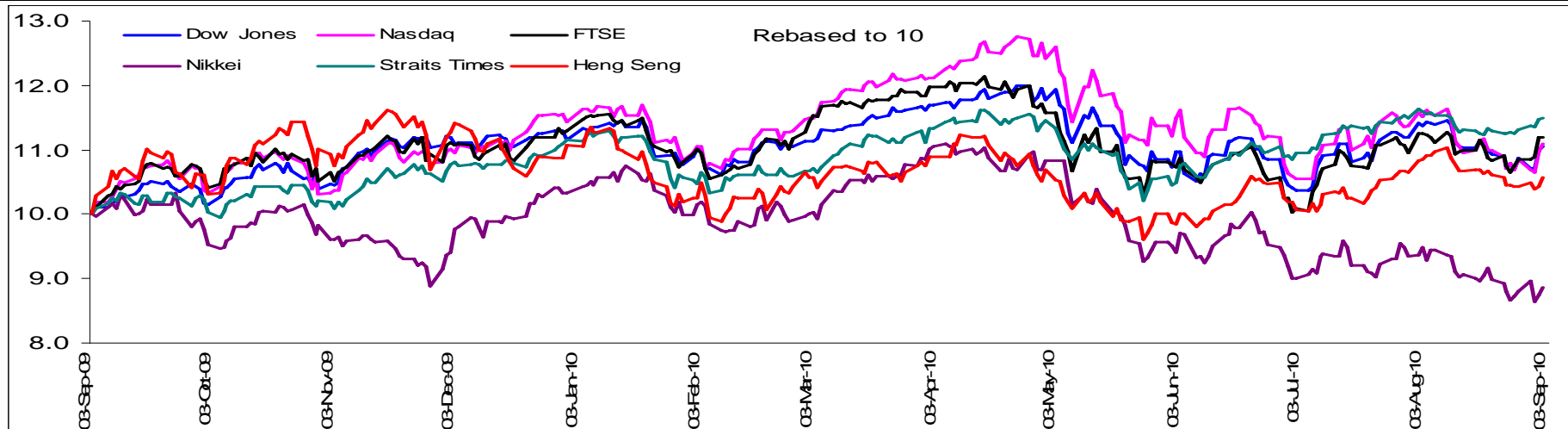
- ❑ Markit Economics' final euro-zone manufacturing PMI dropped to 55.1 in August from 56.7 in July.
- ❑ The German Cabinet approves drastic spending cuts to rein in the national budget despite a stronger than expected turnaround in the economy; plans to save more than 80 bn euros over the next four years.
- ❑ Bank of England data shows that net lending to individuals in Britain rose by 300 bn pounds in July, for an annual growth rate of 0.8%, unchanged from June.
- ❑ Britain's consumer credit increased by 200 mn pounds in July after a 100 mn pound decline in June; consumer credit grew at a 0.2% annual rate after a flat reading in June.
- ❑ UK GfK Consumer Confidence index of sentiment rose 4 points from the previous month to -18 in August.
- ❑ UK Markit/Chartered Institute of Purchasing and Supply manufacturing PMI fell to 54.3 in August from a downwardly revised 56.9 in July.
- ❑ UK's headline Markit/CIPS services purchasing managers' index dropped to 51.3 in August from July's 53.1.
- ❑ Japan announces plans for a stimulus package worth around 920 bn yen as it looks to safeguard a fragile recovery and curb the impact of a strong yen.
- ❑ Japan's industrial output rose 0.3% in July from a month earlier.
- ❑ Japan's retail trade rose 0.7% in July compared to a 0.4% rise in June.

International Markets

- ❑ China's Purchasing Managers Index rose to 51.7 in August from 51.2 July.
- ❑ China's auto sales rose 55.7% over a year earlier to 1.21mn vehicles in August.
- ❑ According to a quarterly survey of the Monetary Authority of Singapore, the city-state's GDP will likely grow 14.9% this year.
- ❑ Singapore's Purchasing Managers' Index came in at 49.4 in August, compared with 52.2 in July.
- ❑ Bank for International Settlements says trade on global currency markets has jumped by a fifth over the past three years to \$4 trillion a day.
- ❑ BP says the cost of dealing with its oil spill in the Gulf of Mexico has risen to \$8 bn.
- ❑ HSBC Holdings warns that Britain's big banks could move overseas if a government review decides that lenders should be broken up.
- ❑ Sanofi-Aventis SA launches an \$18.5bn cash bid for biotech firm Genzyme Corp.; Genzyme however rejects Sanofi-Aventis' takeover proposal.

Global Equities

Indices	Sep 3	Aug 27	Change	% Change
DJIA	10320.10*	10150.65	169.45	1.67
Nasdaq Composite	2200.01*	2153.63	46.38	2.15
Nikkei 225 (Japan)	9114.13	8991.06	123.07	1.37
Straits Times (Singapore)	3002.56	2938.74	63.82	2.17
Hang Seng (Hong Kong)	20971.50	20597.35	374.15	1.82
FTSE 100 (London)	5371.04*	5201.56	169.48	3.26



DJIA – Dow Jones Industrial Average *September 2 figures

Global Equities

- ❑ Global stock indices analysed ended positive in the week ended September 2/3 with Britain's FTSE surging the most, up by 3.3% while Japan's Nikkei performed the least ending 1.4% higher.
- ❑ US benchmark indices rose in the week boosted by encouraging comments by the US Fed Chairman that the central bank remains ready to take extra steps to stimulate the economy if necessary.
- ❑ The positive Fed Chairman statement coupled with some positive indicators released during the week (manufacturing data, factory orders and consumer confidence numbers) helped the market rise and even helped to cover up for weak US GDP data.
- ❑ FTSE surged 3.3% in the week on the back of positive global cues and rally in telecom shares, which rose on merger and acquisition talk in the sector.
- ❑ Straits Times index rose around 2.2% in the week helped by positive global developments.
- ❑ Nikkei rose 1.4% in the week primarily on positive global sentiments amid expectations of some decisive steps by the Bank of Japan for boosting the slowing economy and a persistently rising yen.
- ❑ Japan announced plans for a stimulus package worth around 920 bn yen as it looked to safeguard a fragile recovery and curb the impact of a strong yen.
- ❑ Hang Seng index rose 1.8% in the week helped by positive global and domestic economic data.
- ❑ A rally in index major HSBC and property shares also helped the index rise during the week.

Global Debt

- ❑ US treasury prices ended volatile week on a lower note as positive economic data assuaged fears that the domestic economy may be headed for a double-dip recession.
- ❑ Yield on 10 year benchmark ended at 2.63% on September 2 compared with 2.50% on August 26.
- ❑ Yield rose after Federal Reserve Chairman in annual conference signaled that no new bond buying by the US central bank was imminent; the news prompted the biggest one-day selloff in three months on August 27.
- ❑ Prices were lower on optimistic data such as stronger-than-expected pending homes sales in July and fall in initial claims for unemployment benefits.
- ❑ Sell off was also triggered on the back of government's report on second-quarter GDP growth which came in a little less dire than market had expected and due to surprisingly strong US manufacturing data.
- ❑ Rise in interest rate was however capped as market participants jumped back in the safety of treasuries after heavy sell off in the week and positioned themselves ahead of the larger economic report in later part of the week.
- ❑ Bond prices also gained earlier after minutes from the recent Federal Reserve policy meeting stated that Fed policymakers saw increasing risks to economic growth.
- ❑ On the holdings front, foreign central banks holding of US Treasuries and agency debt at the Federal Reserve rose in the week ended September 1.

Global Debt

- ❑ Treasuries held by overseas central banks at the Fed rose by \$27.44 bn to \$2.41 trillion.
- ❑ Holdings of securities issued or guaranteed by Fannie Mae and Freddie Mac rose by \$1.15 bn to \$817.49 bn.
- ❑ The resultant combined holdings of Treasuries and agency securities by foreign central banks at the Fed rose by around \$28.59 bn to \$3.23 trillion.



USA

- ❑ Wall Street benchmark indices reversed previous week's losses, with the Dow Jones gaining around 1.7%, and Nasdaq ending around 2.2% higher.
- ❑ Encouraging comments by the US Fed Chairman set a positive mood in the market earlier; the comments even helped to cover up for weak GDP data,
 - US Fed Chairman said that while the economic recovery remains tentative, the central bank remains ready to take extra steps to stimulate the economy if necessary, such as buying more debt securities in order to keep interest rates low.
 - US economy grew 1.6% in the second quarter, revised down from a first estimate of 2.4% and falling from 3.7% in the first quarter.
- ❑ Intermittent positive economic data in the week strengthened the sentiments,
 - US Institute for Supply Management's factory index rose to 56.3 in August from 55.5 in July.
 - US Conference Board's consumer confidence index increased to 53.5 in August from a five-month low of 51 in July.
 - US index of pending home sales rose 5.2% in July after a revised 2.8% drop the prior month.
 - US factory orders increased 0.1% in July following a revised 0.6% decline in June.
- ❑ Stronger-than-expected manufacturing growth in China magnified the gains further.

USA

- Market sentiments got affected however as some disappointing economic indicators showed more signs of slowing economic growth.
 - US consumer spending rose by 0.4% in July, the fastest growth rate since March; personal income however grew only 0.2%.
 - Chicago purchasing managers index fell to 56.7 in August from 62.3 in July.
- Investors' turned more cautious after the US Fed released its meeting minutes,
 - US Fed's meeting minutes showed that the central bank recognized that the economy could need further stimulus beyond the debt purchases.
- On another front, the US Fed Chairman said that tough government follow-through on a freshly minted US financial law would be crucial to ensure no bank or firm grows so large that its collapse could jeopardize the entire economy.

UK

- ❑ Britain's FTSE surged around 3.3% in the week primarily on positive global cues and was the biggest gainer among indices analysed.
- ❑ A rally in telecom shares earlier infused further gains into the market.
- ❑ Strong manufacturing data from the US and China boosted the sentiments.
- ❑ Mergers and Acquisitions talk among some travel and telecom companies increased the gains further.
- ❑ Market sentiments improved further helped by a better than expected US consumer confidence data.
- ❑ However, worries about the resurgence of recession in the US capped the gains to certain extent.
- ❑ Investors' cautiousness ahead of the US jobs data also restricted further gains.
- ❑ Among other important indicators in the week,
 - UK's economic growth for the second quarter of this year was revised up to 1.2%, the fastest pace since the first quarter of 2001, from 1.1% originally estimated.
 - UK GfK Consumer Confidence index of sentiment rose 4 points from the previous month to -18 in August.

ASIA

- ❑ **Singapore's Straits Times** rose around 2.2% in the week ended September 3 helped by positive global developments.
- ❑ Market sentiments were boosted earlier by indications from the US Fed that it would continue to support US economic growth.
- ❑ The benchmark rose further tracking gains in other Asian bourses as upbeat economic data from China and Australia revived investors' sentiments.
- ❑ Some gains were also seen after the market tracked overnight gains on the Wall Street.
- ❑ Sporadic losses on Wall Street however chipped off some gains.
- ❑ Investors' cautiousness ahead of key US jobs data later in the week also kept the market in check.
- ❑ **Japan's Nikkei** rose around 1.4% in the week primarily on positive domestic and global sentiments.
- ❑ Market started on a high on expectations of some decisive steps by the Bank of Japan for boosting the slowing economy and a persistently rising yen,
 - Japan announced plans for a stimulus package worth around 920 bn yen as it looked to safeguard a fragile recovery and curb the impact of a strong yen.
- ❑ A manufacturing rebound in China and US, and a stronger-than-expected growth in Australia added more gains to the market.

ASIA

- ❑ Intermittent short covering in the week also supported the market.
- ❑ However, investors' disappointment after the Bank of Japan's emergency moves failed to curb the yen's strength, dampened sentiments and capped some gains.
- ❑ **Hong Kong's Hang Seng** index rose 1.8% in the week boosted by positive global and domestic cues.
- ❑ The benchmark started strongly by tracking upbeat performance on the Wall Street and a rally in index major HSBC.
- ❑ A rise in China's Purchasing Managers' index boosted market sentiments,
 - China's Purchasing Managers Index rose to 51.7 in August from 51.2 July.
- ❑ A faster-than-estimated growth in US manufacturing boosted optimism in a global economic recovery, thereby helping the market to surge.
- ❑ A better-than-expected earnings forecast by Sino Land and a surge in the city's home sales magnified the gains further.
- ❑ Some gains were however capped on news that Vodafone Group was preparing to sell its 3.2% stake in China Mobile for more than 4bn pounds.
- ❑ Intermittent falls on the Wall Street reduced the gains further.

Emerging Market

- ❑ Emerging-market equities are poised to extend their outperformance against developed-nation stocks amid higher corporate profits, according to Morgan Stanley.
- ❑ The MSCI Emerging Markets Index has gained 13% since reaching this year's low on May 25, trimming its losses this year to 2.4%.
- ❑ The MSCI World Index, tracking developed-nation stocks, has dropped 7.9% in 2010 and bottomed later, on July 5.
- ❑ Further gains may be driven by the “superior” outlook for economic and earnings growth in developing nations, a peak in Asian inflation, China’s decision to de-peg its currency and the “resilience” of commodity prices, according to Morgan Stanley.
- ❑ The return of foreign funds “heavily favour” emerging-market stocks relative to developed nations, it said.
- ❑ Global equity funds have cut their “underweight” in emerging markets relative to benchmark indexes to 70 basis points, compared with 210 basis points at the start of the year, according to Mr Garner.
- ❑ Individual investors are also buying more developing-nation stocks, showing that emerging-market equity funds have attracted a cumulative \$91 bn since January 2009.
- ❑ That compares with net withdrawals of \$71 bn from developed-nation stock funds, according to the report.

Emerging Market

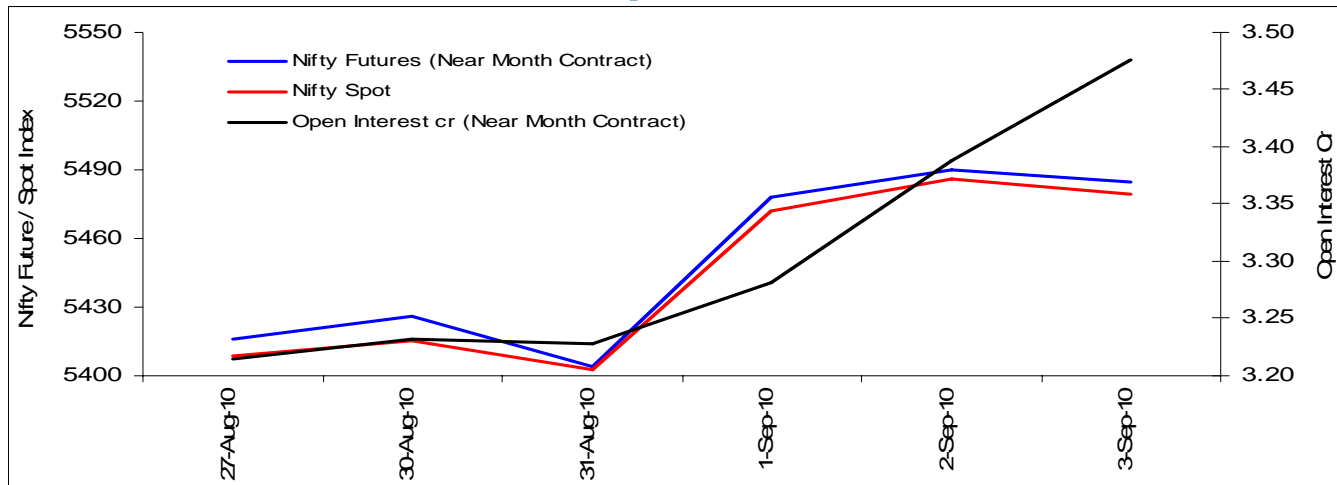
- The MSCI index of 21 developing nations offers investors a return on equity of 14%, topping the 10.2% for the MSCI World Index.
- The valuation premium of emerging markets to developed stocks is lower than it was in late 2007, it said, citing price to-book value multiples.
- “In conclusion, both fundamentals and flows appear to be aligning to deliver another year of emerging-market equity outperformance relative to developed market equities, the ninth in the last 10 years,” said the report.

Indian Futures and Options Market Review

Nifty Futures –

- ❑ Nifty near month contract (expiry September 30) ended with 5.5 point premium to the spot index on September 3, 2010.
- ❑ Over the week, the spot index rose by 1.3% to finish at 5479 points on positive overseas cues and institutional buying.
- ❑ The Nifty near-month contract ended 1.3% higher at 5485 points.
- ❑ The open interest in the near-month contract rose from 3.22 cr on August 27 to 3.48 cr on September 3.
- ❑ The other Nifty future contracts, viz., October contract ended at 5490 points (up 69 points over the week) while the November contract ended at 5491 points (up 69 points).
- ❑ Overall, Nifty futures saw a weekly trading volume of Rs 56,116 cr arising out of 21 lakh contracts with an open interest of 367 lakhs.

Indian Futures and Options Market Review



Nifty Options

- ❑ Nifty 5600 call witnessed the highest open interest of 130 lakhs on September 3 as well as the highest increase in open interest of 39 lakhs over the week.
- ❑ Nifty 5500 call continued to garner the highest number of contracts over the week at around 14 lakhs.
- ❑ For put options, Nifty 5400 put witnessed the highest open interest of 133 lakhs on September 3 as well as the highest increase in open interest of 31 lakhs over the week.
- ❑ Nifty 5400 put also garnered the highest number of contracts over the week at around 14 lakhs.
- ❑ Overall, options saw 99 lakh contracts getting traded at a notional value of Rs 2,69,171 cr during the week.

Indian Futures and Options Market Review

Stock Futures and Options –

- NSE witnessed 27 lakh contracts in stock futures valued at Rs 82,304 cr while stock options saw volumes of 5.28 lakh contracts valued at Rs 16,196 cr during the week ended September 3.

NSE F&O Turnover -

- Overall turnover on NSE's derivatives segment stood at 4.35 lakh cr (158 lakh contracts) in the week ended September 3, 2010 vs., 6.15 lakh cr (221 lakh contracts) in the previous week.
- Put Call ratio fell from 1.22 on August 27 to 1.16 on September 3.

Week Ended September 3, 2010	Turnover Rs. Cr.	% to Total
Index Futures	66,668	15.33
Index Options	269,851	62.03
Stock Futures	82,304	18.92
Stock Options	16,196	3.72
Total	435,019	100
Put Call Ratio	1.16 (September 3)	1.22 (August 27)

Indian Futures and Options Market Review

FII Segment

- On September 2, (last available SEBI data), foreign institutional investors' open interest stood at Rs 1,18,140 cr (42 lakh contracts).
- The details of FII derivatives trades for the period August 30 – September 2, 2010 are as follows: -

Week Ended September 2, 2010	Buy		Sell		Buy %		Sell %	
	No. of contracts	Amt in Rs Cr	No. of contracts	Amt in Rs Cr	No. of contracts	Amt in Rs Cr	No. of contracts	Amt in Rs Cr
Index Futures	334823	9089	295800	7986	22.25	22.27	24.60	24.49
Index Options	945816	25346	698089	18737	38.25	37.47	29.07	28.47
Stock Futures	202085	5766	187284	5299	35.59	36.18	38.77	39.31
Stock Options	22144	603	21435	586	1.19	1.43	1.38	1.66
Total	1504868	40805	1202608	32608	100.00	100.00	100.00	100.00

Week Ahead 6th Sep to 10th Sep10

Indian Debt Market Outlook

- Next week, the G-Sec markets are expected to take cue from expectations of RBI policy meeting, expectations of advance tax outflow numbers, weekly inflation numbers, G-Sec auctions, liquidity scenario, policy-makers actions and global developments.
- Next week, the money market outflows of around Rs.20,000 cr (in form G-Sec, SDLs and T-bill auctions) are scheduled as against the money market inflows of around Rs.9,000 cr).
- Markets at the shorter end are expected to take cues from liquidity in the system. Expectations of advance tax numbers and likely outcomes in RBI policy meeting will be determining factors.
- Corporate bond market is expected to take cues from G-sec market and primary issuances.

Indian Debt Markets

Particulars	27-Aug-10	03-Sep-10	Change (bps)
10 year Gsec yield (%)	7.97	7.98	0.01
Scheme	Maturity (years)		Change
G-sec Fund	9.93	11.81	1.88
Income fund	9.49	9.49	0.00
Short Term Fund	1.73	1.85	0.11
MIP	2.49	2.46	-0.03
Liquid Schemes	Maturity (days)		Change
Floating Rate Fund	155	173	18.36
Money Managers Fund	49	48	-0.46
Liquidity Fund	28	21	-6.81
Medium Term Fund	96	87	-8.51
Treasury Plan	19	26	7.70
Cash Plan	0	0	0.00

- The maturities of duration are at previous week's level except for G-Sec Fund. Maturities in G-Sec Fund have been increased on G-Sec valuation, uncertainty of global growth and G-Sec supply tapering off post mid-September.
- The maturities of liquid and Short maturity debt funds (except for Treasury plan and Floating rate Fund) have come down on increased subscriptions. Maturities in Floating Rate fund has increased on investment in longer maturity assets at attractive levels.

The Week Ahead

Day	Event
Monday, Sep 6	<ul style="list-style-type: none"> ❑ Euro-Zone Trade Balance, July ❑ Euro-Zone Sentix Investor Confidence, September ❑ UK BRC August Retail Sales Monitor, September
Tuesday, Sep 7	<ul style="list-style-type: none"> ❑ Bank of Japan Interest Rate Decision ❑ Japan's Trade Balance, July ❑ Japan's Machine Orders, July
Wednesday, Sep 8	<ul style="list-style-type: none"> ❑ US Crude Inventories, week ended September 4 ❑ US Fed's Beige Book ❑ US Consumer Credit, July ❑ UK NIESR Gross Domestic Product Estimate, August ❑ UK Industrial Production, July
Thursday, Sep 9	<ul style="list-style-type: none"> ❑ US Initial Jobless Claims, week ended September 4 ❑ US Trade Balance, July ❑ ECB September Monthly Report ❑ Bank of England Interest Rate Decision and Asset Purchase Target ❑ UK Trade Balance, July ❑ Japan's GDP, Q2 Final ❑ Japan's Consumer Confidence, August ❑ India Primary Articles Inflation, week ended August 28
Friday, Sep 10	<ul style="list-style-type: none"> ❑ US Wholesale inventories, July ❑ UK Producer Price Index, August ❑ India's Index of Industrial Production, July ❑ India Forex Data, Week ended September 2

Fund Performance As on 03rd Sep 2010

Equity Funds

DIVERSIFIED EQUITY FUNDS - Performance as on 03.09.2010							
Scheme Name	Absolute			Compound Annualized			
	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
Reliance Growth - Growth	3.23%	9.97%	14.51%	35.29%	15.67%	23.92%	29.81%
BSE100	1.03%	7.68%	8.08%	20.89%	7.27%	18.24%	12.73%
Reliance Vision - Growth	2.64%	9.68%	12.23%	29.83%	8.79%	21.39%	24.95%
BSE100	1.03%	7.68%	8.08%	20.89%	7.27%	18.24%	12.73%
Reliance NRI Equity Fund - Growth	3.79%	10.66%	16.06%	30.80%	11.75%	23.06%	26.96%
BSE200	3.79%	10.66%	16.06%	30.80%	11.75%	23.06%	20.79%
Reliance Equity Opportunities Fund- Growth	5.53%	16.67%	25.39%	60.35%	15.96%	24.15%	27.08%
BSE100	1.03%	7.68%	8.08%	20.89%	7.27%	18.24%	20.96%
Reliance Regular Savings Fund-Equity Option	3.69%	12.02%	13.89%	34.91%	21.27%	25.97%	24.71%
BSE 100	1.03%	7.68%	8.08%	20.89%	7.27%	18.24%	20.58%
Reliance Tax Saver (ELSS) Fund	5.34%	15.57%	19.96%	42.86%	11.38%	N.A	17.24%
BSE 100	1.03%	7.68%	8.08%	20.89%	7.27%	18.24%	17.78%
Reliance Equity Fund	0.20%	5.09%	2.95%	9.42%	4.93%	N.A	9.94%
S&P CNX Nifty	0.73%	7.22%	7.69%	19.28%	6.98%	17.78%	11.23%
Reliance Long Term Equity Fund	4.94%	16.02%	22.75%	46.07%	12.03%	N.A	14.93%
BSE 200	3.79%	10.66%	16.06%	30.80%	11.75%	23.06%	9.92%
Reliance Regular Savings Fund-Balanced Option	3.88%	11.78%	16.67%	34.20%	20.18%	17.97%	17.26%
Crisil Balanced Fund Index	0.71%	5.04%	6.23%	14.88%	8.45%	14.16%	9.27%

Returns are of the Growth Option. Returns for less than 1 year are absolute and for above 1 year are calculated on compounded annualised basis. Returns assumed that all payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV.

"Past performance may or may not be sustained in future"

Equity Sector Funds

EQUITY SECTOR FUNDS - Performance as on 03.09.2010					
Scheme Name	Absolute		Compound Annualized		
	6 months	1 Year	3 Years	5 Years	Since Inception
Reliance Banking Fund - Growth	33.71%	62.27%	27.35%	27.03%	37.66%
Bankex	27.14%	50.88%	18.33%	22.88%	31.53%
Reliance Diversified Power Fund - Growth	9.38%	23.43%	19.47%	33.74%	40.14%
India Power	-2.01%	3.65%	3.49%	17.63%	20.08%
Reliance Pharma Fund - Growth	17.13%	64.24%	27.82%	26.83%	30.35%
BSE-HC	12.19%	47.02%	15.73%	12.94%	15.88%
Reliance Media & Ent. Fund - Growth	23.30%	42.76%	1.19%	15.46%	21.43%
S&P CNX Media & Entertainment Index	16.15%	35.57%	-41.79%	10.83%	15.94%

Returns are of the Growth Option. Returns for less than 1 year are absolute and for above 1 year are calculated on compounded annualised basis. Returns assumed that all payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV.

"Past performance may or may not be sustained in future"

Debt Funds

DEBT FUNDS -Performance as on 03.09.2010								
Scheme Name	Absolute				Compound Annualized			
	1 Week	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
Reliance FRF - ST - Growth	0.11%	0.46%	1.47%	N.A.	N.A.	N.A.	N.A.	1.63%
Crisil Liquid Fund Index	0.09%	0.46%	1.32%	N.A.	N.A.	N.A.	N.A.	1.43%
Reliance Income Fund - Retail - G	0.00%	0.08%	-0.09%	1.94%	4.35%	9.16%	7.62%	9.43%
Crisil Composite Bond Fund Index	0.06%	0.40%	0.74%	2.91%	5.78%	6.47%	5.52%	N.A.
Reliance Money Manager Fund - Retail- G	0.10%	0.43%	1.23%	2.41%	4.70%	6.89%	N.A.	7.18%
Crisil Liquid Fund Index	0.09%	0.46%	1.32%	2.30%	3.82%	6.15%	6.23%	6.43%
Reliance MIP - G	0.39%	1.15%	3.21%	5.98%	14.06%	14.90%	12.45%	11.93%
Crisil MIP Blended Index	0.27%	0.48%	1.73%	3.71%	7.93%	7.39%	7.94%	7.02%
Reliance MTF- Retail - G	0.11%	0.46%	1.37%	2.66%	5.01%	6.65%	5.97%	6.93%
CRISIL Short-Term Bond Fund Index	0.10%	0.44%	0.87%	2.46%	5.10%	7.38%	6.70%	N.A.
Reliance Short Term Fund - G	0.11%	0.36%	0.80%	2.69%	5.50%	9.16%	8.52%	7.72%
Crisil Liquid Fund Index	0.09%	0.46%	1.32%	2.30%	3.82%	6.15%	6.23%	5.58%
Reliance Dynamic Bond Fund - Growth	0.08%	0.51%	1.67%	3.62%	4.06%	2.42%	3.63%	3.68%
Crisil Composite Bond Fund Index	0.06%	0.40%	0.74%	2.91%	5.78%	6.47%	5.52%	5.75%
Reliance Regular Savings Fund-Debt Option	0.10%	0.35%	0.85%	2.78%	6.60%	6.32%	5.01%	4.92%
Crisil Composite Bond Fund Index	0.06%	0.40%	0.74%	2.91%	5.78%	6.47%	5.52%	5.50%

Returns are of the Growth Option. Returns for less than 1 year are absolute and for above 1 year are calculated on compounded annualised basis. Returns assumed that all payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Index Returns are as on 06th Jan 2010

"Past performance may or may not be sustained in future"

Liquid Funds

LIQUID FUNDS - Performance as on 03.09.2010									
Scheme Name	Absolute					Compound Annualized			
	1 Day	3 Days	1 Week	1 Month	6 Months	1 Year	3 Years	5 Years	Since Inception
Reliance Liquid Fund - Cash Plan - Growth	0.01%	0.04%	0.09%	0.39%	1.98%	3.27%	4.56%	5.06%	4.96%
Crisil Liquid Fund Index	N.A.	0.03%	0.09%	0.46%	2.30%	3.82%	6.15%	6.23%	N.A.
Reliance Liquid Fund - TP - Retail - Growth	0.01%	0.04%	0.09%	0.41%	2.29%	4.34%	6.52%	6.47%	6.72%
Crisil Liquid Fund Index	N.A.	0.03%	0.09%	0.46%	2.30%	3.82%	6.15%	6.23%	N.A.
Reliance Liquidity Fund - Growth	0.01%	0.05%	0.11%	0.47%	2.53%	4.63%	6.83%	6.95%	6.90%
Crisil Liquid Fund Index	N.A.	0.03%	0.09%	0.46%	2.30%	3.82%	6.15%	6.23%	6.17%

Returns are of the Growth Option. Returns for less than 1 year are absolute and for above 1 year are calculated on compounded annualised basis. Returns assumed that all payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Index Returns are as on 06th Jan 2010

"Past performance may or may not be sustained in future"

Investment Objectives

- ❑ **Reliance Floating Rate Fund (An Open-ended Liquid Scheme):** The primary investment objective of the scheme is to generate regular income through investment in a portfolio comprising substantially of Floating Rate Debt Securities (including floating rate securitised debt, Money Market Instruments and Fixed Rate Debt Instruments swapped for floating rate returns). The scheme shall also invest in Fixed Rate Debt Securities (including fixed rate securitised debt, Money Market Instruments and Fixed Rate Debt Instruments swapped for fixed returns).
- ❑ **Reliance Gilt Securities Fund (An Open-ended Govt. Securities Scheme):** The primary investment objective of the scheme is to generate optimal credit risk-free returns by investing in a portfolio of securities issued and guaranteed by the Central Government and State Government.
- ❑ **Reliance Income Fund (An Open-ended Income Scheme):** The primary investment objective of the scheme is to generate optimal returns consistent with moderate level of risk. This income may be complemented by capital appreciation of the portfolio. Accordingly, investments shall predominantly be made in Debt & Money Market Instruments.
- ❑ **Reliance Money Manager Fund (Open ended income scheme):** The investment objective of the Scheme is to generate optimal returns consistent with moderate levels of risk and liquidity by investing in debt securities and money market securities.
- ❑ **Reliance Monthly Income Plan (An Open-ended Fund-Monthly Income is not assured & is subject to the availability of distributable surplus):** The primary investment objective of the scheme is to generate regular income in order to make regular dividend payments to unitholders and the secondary objective is growth of capital.

Investment Objectives

- ❑ **Reliance Medium Term Fund (An Open-ended Income Scheme with no assured returns):** The primary investment objective of the scheme is to generate regular income in order to make regular dividend payments to unitholders and the secondary objective is growth of capital.
- ❑ **Reliance Short Term Fund (An Open-ended Income Scheme):** The primary investment objective of the scheme is to generate stable returns for investors with a short term investment horizon by investing in fixed income securities of a short term maturity.
- ❑ **Reliance NRI Income Fund (An Open-ended Income Scheme):** The primary investment objective of the scheme is to generate optimal returns consistent with moderate levels of risk. This income may be complemented by capital appreciation of the portfolio. Accordingly, investments shall predominantly be made in Debt Instruments.
- ❑ **Reliance Liquid Fund (An Open-ended Liquid Scheme):** The primary investment objective of the scheme is to generate optimal returns consistent with moderate levels of risk and high liquidity. Accordingly, investments shall predominantly be made in Debt and Money Market Instruments.
- ❑ **Reliance Liquidity Fund (An Open-ended liquid scheme):** The investment objective of the scheme is to generate optimal returns consistent with moderate levels of risk and high liquidity. Accordingly, investments shall predominantly be made in Debt and Money Market Instruments.

Investment Objectives

- ❑ **Reliance Growth Fund (An Open-ended Equity Growth Scheme):** The primary investment objective of the scheme is to achieve long term growth of capital by investing in equity and equity related securities through a research based investment approach.
- ❑ **Reliance Vision Fund (An Open-ended Equity Growth Scheme):** The primary investment objective of the scheme is to achieve long-term growth of capital by investment in equity and equity related securities through a research based investment approach.
- ❑ **Reliance Equity Opportunities Fund (An Open-ended Diversified Equity Scheme):** The primary investment objective of the scheme is to seek to generate capital appreciation & provide long-term growth opportunities by investing in a portfolio constituted of equity securities & equity related securities and the secondary objective is to generate consistent returns by investing in debt and money market securities.
- ❑ **Reliance Tax Saver (ELSS) Fund (An Open-ended Equity Linked Savings Scheme):** The primary objective of the scheme is to generate long-term capital appreciation from a portfolio that is invested predominantly in equity and equity related instruments.
- ❑ **Reliance Banking Fund (An Open-ended Banking Sector Scheme):** The primary investment objective of the scheme is to generate continuous returns by actively investing in equity and equity related or fixed income securities of Banks.
- ❑ **Reliance Pharma Fund (An Open-ended Pharma Sector Scheme):** The primary investment objective of the scheme is to seek to generate consistent returns by investing in equity and equity related securities or fixed income securities of Pharma and other associated companies.
- ❑ **Reliance Media & Entertainment Fund (An Open-ended Media & Entertainment Sector Scheme):** The primary investment objective of the scheme is to generate continuous returns by investing in equity and equity related or fixed income securities of Media & Entertainment and other associated companies.
- ❑ **Reliance Diversified Power Sector Fund (An Open-ended Power Sector Scheme):** The primary investment objective of the scheme is to seek to generate continuous returns by actively investing in equity and equity related or fixed income securities of Power and other associated companies.

Investment Objectives

- ❑ **Reliance Equity Advantage Fund (An Open ended Diversified Equity Scheme):** The primary investment objective of the scheme is to seek to generate capital appreciation & provide long-term growth opportunities by investing in a portfolio predominately of equity & equity related instruments with investments generally in S & P CNX Nifty stocks and the secondary objective is to generate consistent returns by investing in debt and money market securities.
- ❑ **Reliance NRI Equity Fund (An Open-ended Diversified Equity Scheme):** The primary investment objective of the scheme is to generate optimal returns by investing in equity and equity related instruments primarily drawn from the Companies in the BSE 200 Index.
- ❑ **Reliance Regular Savings Fund (An open ended Scheme) Debt Option:** The primary investment objective of this Option is to generate optimal returns consistent with moderate level of risk. This income may be complemented by capital appreciation of the portfolio. Accordingly investments shall predominantly be made in Debt & Money Market Instruments. **Equity Option:** The primary investment objective of this Option is to seek capital appreciation and/or to generate consistent returns by actively investing in equity / equity related securities. **Balanced Option:** The primary investment objective of this Option is to generate consistent return and appreciation of capital by investing in mix of securities comprising of Equity, Equity related Instruments & Fixed income instruments.
- ❑ **Reliance Equity Fund (An open-ended Diversified Equity Scheme):** The primary investment objective of the scheme is to seek to generate capital appreciation & provide long-term growth opportunities by investing in a portfolio constituted of equity & equity related securities of top 100 companies by market capitalization & of companies which are available in the derivatives segment from time to time and the secondary objective is to generate consistent returns by investing in debt and money market securities.
- ❑ **Reliance Long Term Equity Fund(A 36 months close ended diversified equity fund with an automatic conversion into an open ended scheme on expiry of 36 months from the date of allotment):** The primary investment objective of the scheme is to seek to generate long term capital appreciation & provide long-term growth opportunities by investing in a portfolio constituted of equity & equity related securities and Derivatives and the secondary objective is to generate consistent returns by investing in debt and money market securities.

- ❑ **The Sponsor:** Reliance Capital Limited. **The Trustee:** Reliance Capital Trustee Company Limited. **The Investment Manager:** Reliance Capital Asset Management Limited. **Statutory Details:** The Sponsor, the Trustee and the Investment Manager are incorporated under the Companies Act 1956

- ❑ Mutual Funds and securities investments are subject to market risks and there is no assurance and no guarantee that the Schemes objectives will be achieved. As with investments in any securities, the NAVs of the units issued under the Scheme can go up or down depending on the factors and forces affecting the securities market. Reliance Growth Fund, Reliance Vision Fund, Reliance Equity Opportunities Fund, Reliance Tax Saver (ELSS) Fund, Reliance Banking Fund, Reliance Pharma Fund, Reliance Media & Entertainment Fund, Reliance Diversified Power Sector Fund, Reliance Equity Advantage Fund, Reliance NRI Equity Fund, Reliance Regular Savings Fund, Reliance Equity Fund, Reliance Long Term Equity Fund, Reliance Floating Rate Fund, Reliance Gilt Securities Fund, Reliance Income Fund, Reliance Money Manager Fund, Reliance Monthly Income Plan (An Open-ended Fund-Monthly Income is not assured & is subject to the availability of distributable surplus), Reliance Medium Term Fund, Reliance Short Term Fund, Reliance NRI Income Fund, Reliance Liquid Fund & Reliance Liquidity Fund are only the name of the Schemes and does not in any manner indicate either the quality of the Schemes, their future prospects or returns. Past performance of the Sponsor/AMC/Mutual Fund is not indicative of future performance of the Scheme. The NAV of the Scheme may be affected, inter alia, by changes in the market conditions, interest rates, trading volumes, settlement periods and transfer procedures. The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond their initial contribution of Rs.1 lac towards the setting up of the Mutual Fund and such other accretions and additions to the corpus. The NAV of the Scheme may be affected, inter alia, by changes in the market conditions, interest rates, trading volumes, settlement periods and transfer procedures. The Mutual Fund is not assuring that it will make periodical dividend distributions, though it has every intention of doing so. All dividend distributions are subject to the availability of distributable surplus in the Scheme. Please read the Scheme Information Document of the respective Schemes carefully before investing.

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Thank you
