

News U Can Use

5th March 2010

The Week that was...
27th Feb to 5th Mar

Indian Economy

- FM, after presenting the Union Budget, says that:
 - The objective was to comeback to higher growth trajectory and to return to path of fiscal consolidation
 - It is difficult to indicate a timeframe for petroleum deregulation
 - GST rollout had been delayed to make it nearly perfect
 - Hints that insurance bill may have been passed if full majority was there
 - Admits that some of his budget proposals could add to inflationary pressures, but hoped that inflation would moderate from June by when the adverse base effect would have declined
- India's merchandise exports rose 11.5% on year to \$14.343 bn in January, the third successive month of rise; imports in January rose 35.5% on year to \$24.705 bn, widening the trade deficit to \$10.362 bn compared with \$5.359 bn a year ago
- India's primary articles inflation rate based on the Wholesale Price Index fell to 15.00% for the week ended Feb 20 from 15.84% a week ago; food articles inflation rose to 17.87% from 17.58% a week ago
- Government collected Rs.2.78 lakh cr from direct taxes till February, short by Rs.1 lakh cr to meet the target set for the fiscal
- PM says that India's economic growth could accelerate to 8% or above in FY11, compared with 7.2-7.5% growth this financial year

Indian Economy

- ❑ FM says economic growth will recover in the fourth quarter of the fiscal, after slipping 6% in the third quarter on the back of poor farm output
- ❑ S&P says that India's GDP growth is expected to accelerate to 7.5-8% in 2010 despite withdrawal of stimulus by the government and tighter monetary policy adopted by RBI
- ❑ S&P indicates that the government's ability to restore its financial soundness over the next several year would be key to improving India's sovereign credit ratings
- ❑ RBI ED says that for emerging market economies such as India, which are "going through significant structural changes, a slightly higher rate of inflation, which allows relative prices to adjust smoothly, can be considered appropriate"
- ❑ PM says that the government had taken all possible measure to stem the rising prices of essential items and was confident food prices would stabilise at reasonable levels with the rabi crop prospects encouraging
- ❑ Minister of State for Finance says that RBI's move to hike banks' CRR in January monetary policy review will help anchor inflation expectation without hampering price stability
- ❑ India's forex reserves fell to \$278.36 bn for the week ended Feb 26 compared with \$278.67 bn a week ago

Indian Debt Market

- ❑ Australia raised the benchmark rate by 25 bps to 4%. With this, Australia has raised the policy rates four times since Oct'09.
- ❑ India's WPI based primary articles inflation for the week-ended Feb 20 declined to 15% from 15.84% in the previous week, driven mainly by decline in food items, while fuel index declined to 9.59% as against 9.89% in previous week due to lower aviation turbine fuel. Sequential data shows that the food and fuel articles decline by 42 bps and 3 bps respectively.
- ❑ During the week, the G-Sec bonds yields harden on fuel price hike and moved in narrow range during the week. The 10 year benchmark G-Sec yields moved closer to 8% mark and close the week higher at 7.97% as against the previous week's close of 7.86%. The corporate bonds yields shifted marginal upwards on lack of demand - with 10 year and 5 year AAA closing the week at 8.92% and 8.62% respectively (previous week's close of 8.90% and 8.60% respectively).
- ❑ During the week, there was ample overall liquidity in the market, average LAF balances were Rs. 65,870 cr (previous week: Rs. 64,308 cr). The overnight money market rates were in the range of 2.00%- 3.40% during the week.

Indian Debt Market

- ❑ RBI auctioned 91day T-bill and 182 day T-Bill for Rs. 4500 cr and Rs.1500 cr with higher cut-off yield of 4.22% and 4.70% respectively as against the previous cut-offs of 4.13% and 4.55% respectively.
- ❑ RBI will conduct 10 year SDL auction of Rs. 5446.96 cr for seven on March 9.
- ❑ RBI announced the auction of 91-day T-Bills and 364-day T-Bills for Rs 5000 cr and Rs.3000 cr respectively on March 10.

Indian Commodities Market

- ❑ Crude oil prices rose during the week primarily on a weak dollar; prices ended at \$80.21 a barrel on March 4 as compared to \$78.17 a barrel on February 25
- ❑ US crude oil inventories increased 4.1mn barrels to 341.6mn barrels for the week ended February 26
- ❑ Government allows state-owned trading agencies to export 45,000 tn non-basmati rice to neighbouring countries
- ❑ Agriculture Minister says that sugar prices are likely to decline further on possibility of higher-than-expected sugar output
- ❑ Minister of State for Textiles says the government is not considering ban on import of jute goods from Bangladesh and Nepal, as it may be counter productive for the economy
- ❑ FMC approves higher position limits in wheat futures to improve participation
- ❑ National Spot Exchange registered its highest monthly delivery-based turnover of Rs.411 cr in February
- ❑ Agriculture Minister says that government is ready to start market intervention operations for potato as soon as states ask for it to help farmers, as prices of the commodity have fallen sharply in the last few months on high supplies
- ❑ A spot exchange jointly promoted by Neptune Overseas, the main promoter of National Multi Commodity Exchange, and Gujarat Niyantrit Bazaar Sangh, will start operations in the state from April: NMCE MD

Indian Government

- ❑ PM rules out the possibility of a rollback in the increase in petrol and diesel prices
- ❑ FM says that rollback of duty hikes announced in the Union Budget for 2010-11 may not be possible as it would hamper the growth momentum
- ❑ FM says that reforms in the financial sector remain an important agenda for the government
- ❑ Finance Secretary says that government is likely to decide the borrowing calendar for 2010-11 (Apr-Mar) by the end of this month
- ❑ A senior Finance Ministry official says that government is likely to complete 60-70% of its gross borrowing target of Rs.4.57 lakh cr for 2010-11 in the first half of the year
- ❑ Finance Secretary says that government will mop up additional Rs.14000 cr in the next financial year due to the hike in excise duty to 10% from 8%
- ❑ Government to kick off its Rs.40000cr divestment programme for 2010-11 in the first week of April with the IPO of Satluj Jal Vidyut Nigam
- ❑ US asks World Trade Organisation to examine whether India still qualifies for concessions which allow it to give export subsidies to the textiles and clothing sector
- ❑ Government to infuse Rs.16500cr into public sector banks to ensure that they had a minimum Tier-I capital adequacy ratio of 8% by March 2011
- ❑ Government says that the Board for Reconstruction of Public Sector Enterprises has recommended revival of 55 state-owned companies of which seven companies can be revived through disinvestments

Indian Government

- ❑ Government says that companies successful in the 3G spectrum auction can finance their bids via rupees resources and refinance the same through long-term external commercial borrowings
- ❑ Government is seeking a uniform low risk weight on banks' exposure to the specialized infrastructure financing companies (IFCs), as it looks to increase funds flow into key infra sectors; the power ministry has proposed a uniform 20% risk weight for all IFCs
- ❑ Government says that it will take need-based measures to support the export sector to overcome the current global slowdown
- ❑ Oil Minister says that state-owned refiners are investing Rs.77502 cr in expansion and setting up new projects which will increase their combined capacity by over 40% to 153.83 mn tn per year by Mar 2012
- ❑ Mines ministry rejects a plan to dilute government stake in NALCO saying the company doesn't need any funds at present, while accepting a proposal to divest 10% stake in Hindustan Copper
- ❑ Government decides to use the standard book building method to sell shares in NMDC
- ❑ Government says new entrants in the banking sector may be allowed to open branches in rural areas for the first two years and the subsequent spread will depend on the basis of direct lending to agriculture sector and other financial inclusion criteria
- ❑ Government plans to make it mandatory for state run firms to procure a fifth of their total annual purchases from micro and small enterprises

Indian Government

- ❑ Government to allow power projects located in SEZs to sell electricity to units outside the zones, without seeking a distribution licence from state electricity boards
- ❑ Asian Development Bank sanctions Rs.1380cr loan for Micro, small and medium enterprises
- ❑ Railways ministry calls for the withdrawal of a budget proposal to levy service tax on rail freight, saying the move will fuel inflation
- ❑ Government is aiming to provide piped natural gas connections in 201 more cities by 2015 and is proposing to develop a National Gas Grid
- ❑ Government says that its share of profit from RIL-operated deepwater D6 Block in KG Basin would rise due to the increase in capital cost, as it would result in higher gas production
- ❑ Government plans to tighten anti abuse provisions in the Income Tax Act by including share sales in unlisted companies below fair market value under the ambit of regulations
- ❑ Government says the modernisation project for online settlement of provident fund claims would be implemented by the next financial year in all EPFO offices
- ❑ FM says that state governments are yet to reach a consensus among themselves on certain basic features of Goods and Services Tax
- ❑ Government says that India's external debt is within manageable limits due to prudent management policies

Indian Government

- Government will disburse Rs.12000 cr cash subsidy to the state-owned oil marketing companies to partly compensate the revenue losses incurred on sale of cooking fuels at below cost by Mar 31 after approval by Parliament
- Government asks six state governments not to prevent generation companies from selling power outside the boundaries of their respective states under its open access policy
- Revenue Secretary says that the legislation for a direct tax code will be introduced in the monsoon session of Parliament
- Government decides to buy RBI's 72.5% stake in NABARD Bank for Rs.1450 cr
- Karnataka has proposed to increase Value Added Tax rates to 13.5% from 12.5% and to 5% from 4%, effective April
- Government seeks Parliament's approval for spending an additional Rs.31780 cr as part of the Second Supplementary Demand for Grants

Regulatory Updates in India

- ❑ RBI says that the Union Budget is not inflationary as it has addressed several issues of fiscal consolidation
- ❑ RBI Deputy Governor says that the central bank remains reluctant to allow FIIs to trade currency futures due to the inability to show the presence of an underlying exposure
- ❑ RBI says that the new base lending rate for banks will take effect from July 1 instead of April 1; is likely to release guidelines for the base rate system soon
- ❑ RBI says that it would have to be very careful and pay attention to the smallest detail before allowing "free short selling" in central government securities as short-selling could potentially destabilize financial markets
- ❑ An internal panel of RBI is revisiting issues relating to credit default swaps such as rating requirements, centralized reporting, and clearing and settlement, and will release revised draft norms in due course: Deputy Governor
- ❑ RBI is looking into the suggestions from market participants for allowing some structured derivatives with safeguards in the foreign exchange market
- ❑ RBI plans to make it mandatory for traders to report all secondary deals in commercial papers and certificates of deposit on a reporting platform
- ❑ RBI allows companies setting up cold storage facilities to raise funds abroad, thereby giving infrastructure status
- ❑ RBI asks lead banks to focus on increasing banking access to the masses by aggressively using information technology

Regulatory Updates in India

- ❑ RBI Deputy Governor says that a critical challenge is whether global regulatory actions could constrain growth in India
- ❑ RBI likely to announce draft guidelines on the compensation packages of the private sector bank chiefs by next month, a move aimed at aligning the salary structures with business performance
- ❑ AMFI data shows that the average assets under management of the domestic mutual fund industry in February rose 2.64% on-month to Rs.7.817 lakh cr
- ❑ SEBI directs stock exchanges to disclose details of allottees that acquire over 5% stake through an issuer's qualified institutional placement
- ❑ SEBI is further investigating charge of insider trading in shares of Reliance Petroleum between Nov 1, 2007 and Nov 29, 2007
- ❑ SEBI asks BNP Paribas for details on how it intends to continue its MF business in India
- ❑ SEBI rejects First Global (UK)'s application for FII registration
- ❑ SEBI approves a plan by Emaar MGF Land to sell shares in an initial offering
- ❑ IRDA sets up an internal committee to identify loopholes in norms that it issued in July 2009 to cap overall charges on unit linked insurance products
- ❑ EPFO's key advisory body Finance and Investment Committee recommends a 8.5% interest on PF deposits for 2010-11
- ❑ As per the EPFO analysis, Reliance Capital was ranked the topmost retirement fund manager overall for providing good returns and investing money in quality assets during the nine-month period ending December 2009

Regulatory Updates in India

- ❑ Committee on Comprehensive Regulation of Credit Rating Agencies observes that although, prima facie there is no immediate concern about the operations and activities of CRAs in India, there is a need to strengthen the existing regulations by learning the appropriate lessons from the financial crisis
- ❑ Committee also says that CRAs must disclose details of revenues, especially those that involve conflict of interest such as fees collected by such agencies' subsidiaries
- ❑ Central Vigilance Commission asks DoT to bring out policy changes to ensure level playing field for foreign telcos and maintain transparency in 3G auctions
- ❑ Competition Commission of India is looking into allegations that banks and housing finance institutions are in anti-competitive agreement over imposing penalty on anybody pre-paying his or her home loan
- ❑ Airports Authority of India plans to privatise 15 out of 40 non-operational airports across the country on a public private partnership basis
- ❑ Authority of Advance Rulings rules that fees received by a foreign company for assigning contractual rights to an Indian entity is not taxable in India
- ❑ I-T department alerts tax payers against sharing personal financial information on the internet, in the wake of fake e-mails being sent to people
- ❑ Supreme Court upheld the power of SEBI to bar executives of a company from accessing the security market and prohibiting them from buying, selling or dealing in securities
- ❑ Bombay High Court says that restraint on free transfer of shares is illegal

International Markets

- ❑ The Obama administration puts forward a legislation to rein in the size and scope of the nation's largest banks
- ❑ Fed Reserve Bank of Dallas President calls for an international pact to break up banks whose collapse would threaten the financial system
- ❑ US House of Representatives approved a \$15 bn package of tax credits and highway construction
- ❑ US Fed's Beige Book showed that the nation's recovery is managing to plod ahead; also said that economic conditions continued to expand although severe snowstorms in early February held back activity
- ❑ US Fed asks credit card companies to review interest rate increases every six months, and to reduce them if the reason for the higher rate has changed
- ❑ US Treasury Department reports that the government posted a \$42.6bn deficit in January, lower than the \$91.9bn shortfall reported in December
- ❑ US Treasury Department said that China held \$894.8bn of Treasury securities at the end of last December and was the largest single holder of US government debt
- ❑ An annual report showed that the US federal government fell further into the red in 2009, with its financial position hitting a deficit of \$11.46 trillion, 12.3% higher than the previous year
- ❑ US Justice Department launches an investigation into whether hedge funds might have acted together betting against the euro

International Markets

- ❑ US jobless rate held at 9.7% in February and payrolls dropped 36,000 in February after a 26,000 decrease in January
- ❑ US auto Sales in February were 10.38mn vehicles on the annualized and adjusted basis, down from a 10.8mn in January; however, sales rose 13% over February last year
- ❑ US consumer spending rose 0.3% in January; personal incomes rose a seasonally adjusted 0.1% to a seasonally adjusted annual rate of \$12.2 trillion in January
- ❑ US Institute for Supply Management's services index for February rose to 53 from 50.5 in January
- ❑ US Institute for Supply Management's Purchasing Managers Index fell to 56.5 in February, from January's 58.4
- ❑ ADP employment report shows that private-sector firms in the US eliminated 20,000 jobs in February, the 25th decline in a row, in January, a revised 60,000 jobs were lost
- ❑ US initial claims for jobless benefits fell by 29,000 to 469,000 in the week ended Feb. 27
- ❑ US National Association of Realtors said sales of previously occupied homes fell 7.2% in January
- ❑ The Chicago Purchasing Managers' Index rose to 62.6 in February from 61.5 in January
- ❑ University of Michigan's Surveys of Consumers' index of consumer sentiment dipped to 73.6 in February from 74.4 in January
- ❑ US National Association of Realtors said that its index of home sales agreements fell 7.6% in January after a revised 0.8% increase in December

International Markets

- ❑ US ISM Non-Manufacturing Composite index for February rose to 53 vs.50.5 in January
- ❑ US factory orders rose 1.7% in January, the ninth increase in the past 10 months
- ❑ US construction spending fell 0.6% in January as compared to a 1.2% fall in December
- ❑ Bank of England keeps the UK's key interest rate on hold at 0.5%, for the 12th month in a row; decides not to pump any more money into the economy under its quantitative easing (QE) programme
- ❑ UK Nationwide consumer confidence index rose to 80 in February, its highest figure since January 2008, and up six points from January
- ❑ UK purchasing managers' index for the manufacturing sector registered 56.6 in February, the fastest rate since the last 14 years; the export orders sub-component registered 60.5, up from 57.5 in January
- ❑ Euro zone's quarterly gross domestic product growth slowed to 0.1% in the final three months of last year from 0.4% in the three months to the end of September
- ❑ European Central Bank keeps the euro zone interest rate at its record low of 1% for the 10th month in a row
- ❑ Eurozone manufacturing purchasing managers index rose to 54.2 in February from 52.4 in January
- ❑ Eurozone's unemployment holds steady at 9.9% in January for third month running

International Markets

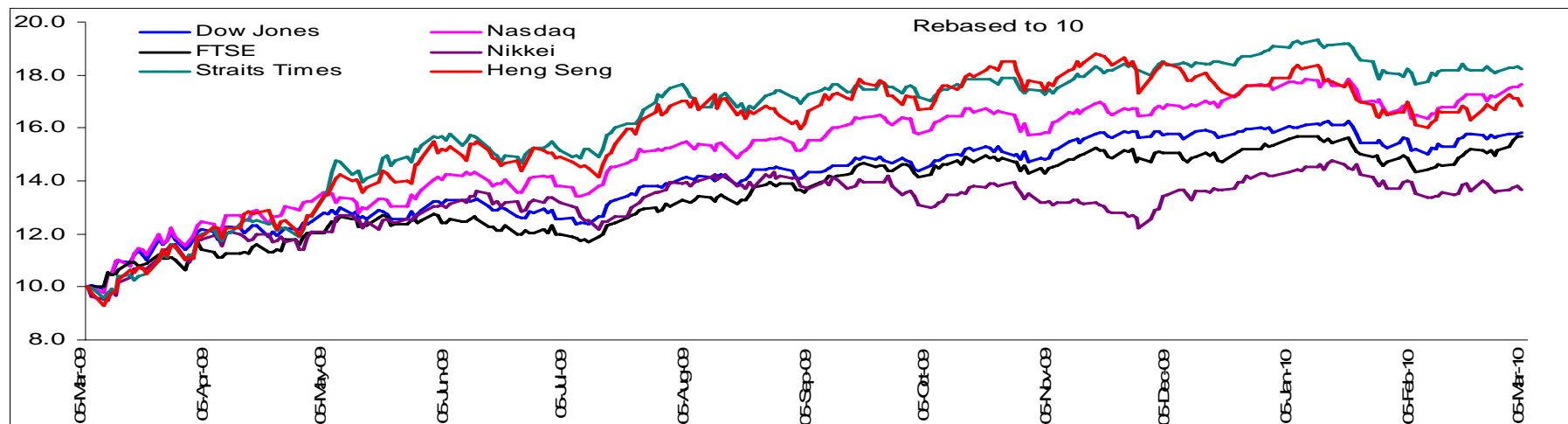
- ❑ Eurostat's preliminary estimate showed that Euro zone consumer price inflation stood at 0.9% in February, down from 1% in January
- ❑ Euro zone producer prices fell 1% YoY in January, slower than a 2.9% fall in December; but prices rose 0.7% on a monthly basis, faster than the 0.1% increase in December
- ❑ Euro zone retail sales fell by a monthly 0.3% in January following a 0.5% advance in Dec
- ❑ Euro-Zone Composite Purchasing Manager Index for February came in at 53.7, unchanged from January
- ❑ Euro zone Services Purchasing Managers' Index fell to 51.8 in February from 52.5 in January; composite PMI came in at 53.7, unchanged from January and matching the preliminary February estimate
- ❑ Asian Development Bank plans to revise upward its 2010 economic growth forecast for Asia to around 7%, citing the ability of some nations to quickly employ massive stimulus measures
- ❑ US says India, China and Brazil have come to enjoy a “new level of influence” in the WTO and would be expected to accept greater responsibilities in the global trade deal under Doha negotiations
- ❑ IMF says China should withdraw some monetary stimulus but most advanced economies should keep their interest rates low
- ❑ IMF moves the issue of China's currency back to center stage, saying greater flexibility for the Renminbi was necessary to underpin a recovery in the global economy

International Markets

- ❑ Japan's jobless rate dropped to 4.9%, the lowest since March 2009, down from a revised 5.2% in December
- ❑ Japan's capital spending excluding software fell 18.5% in the three months ended December 31 from a year earlier
- ❑ Chinese Premier affirms a target of 8% growth this year, along with a 3% inflation target and a "basically stable" currency
- ❑ China's Ministry of Finance to sell 200bn yuan of bonds on behalf of local governments to fund infrastructure projects as part of its economic stimulus plan
- ❑ China's Purchasing Managers' Index for February fell to 52 from 55.8 in January
- ❑ Singapore's Purchasing Managers' Index showed a reading of 51.9 in February, up by just half a point from the previous month
- ❑ British insurer Prudential PLC to buy the Asian unit of AIG in a deal worth \$35.5bn; is tapping sovereign wealth funds from China and Singapore to help finance its buyout
- ❑ Greece, as reported, will reveal additional austerity cuts worth 4.8 bn euros in a bid to rescue its debt-stricken economy
- ❑ Greece launches an issue of a 10 year euro denominated bond
- ❑ Microsoft calls Google's actions anti-competitive, and urging victims to file complaints to regulators
- ❑ Germany's Merck KGaA to pay \$6bn in cash to buy US biotech equipment maker Millipore Corp. in a move to expand its presence beyond drugs and chemicals and into the life science sector
- ❑ ArcelorMittal SA has lost a legal challenge that sought to exempt it from the European Union's greenhouse gas cap-and-trade system

Global Equities

Indices	Mar 5	Feb 26	Change	% Change
DJIA	10444.14*	10325.26	118.88	1.15
Nasdaq Composite	2292.31*	2238.26	54.05	2.41
Nikkei 225 (Japan)	10368.96	10126.03	242.93	2.40
Straits Times (Singapore)	2790.29	2750.86	39.43	1.43
Hang Seng (Hong Kong)	20787.97	20608.70	179.27	0.87
FTSE 100 (London)	5527.16*	5354.52	172.64	3.22



DJIA – Dow Jones Industrial Average *March 4 figures

Global Equities

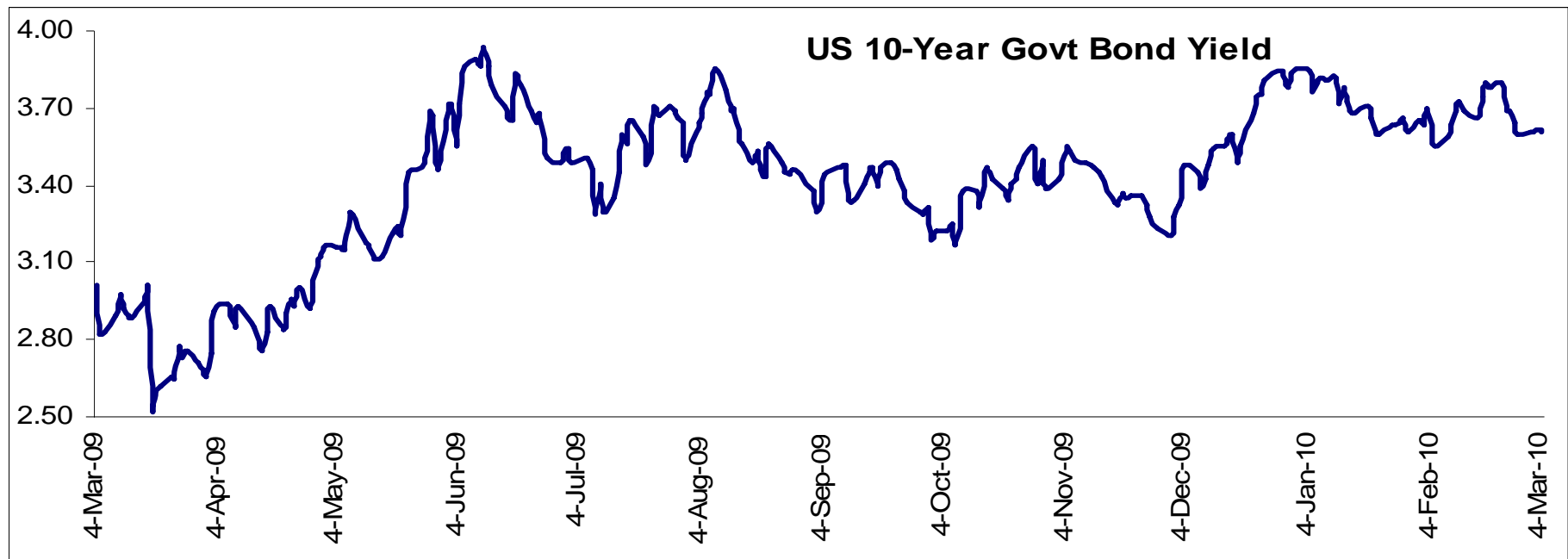
- ❑ Key global indices analysed ended up in the week ended March 4/5, with FTSE being the biggest gainer up over 3%, while Hang Seng gained the least, up around 1%
- ❑ Wall Street benchmark indices rose in the week on rising optimism about the economy after the country's GDP rose by 5.9% in Q4 2009 higher than previous estimates and on spurt in takeover news
- ❑ Other positive domestic indicators and expectations that debt-ridden Greece may get European Union aid also added to the gains in the markets
- ❑ Further rise in the market was, however, capped as the US Federal Reserve signalled that the economic recovery will be slow and on other intermittent weak indicators
- ❑ FTSE soared over 3% for the week led by index heavyweight mining and energy stocks as a weak dollar and positive domestic data spurred commodity prices
- ❑ Straits Times rose around 1.5% for the week tracking positive global cues
- ❑ Nikkei rose 2.4% for the week mainly on intermittent positive global cues
- ❑ Gains were however capped as the exporter heavy benchmark was pressured by a strong yen for most parts of the week
- ❑ Hang Seng was the least gainer among indices analysed, up around 0.9% for the week as investors remained concerned on monetary tightening worries in the domestic economy.
- ❑ On the last trading day of the week, some clarity on the issue came after Chinese Premier said that the government will maintain its moderately loose policies and set an 8% economic growth target for this year, which helped the market gain

Global Debt

- ❑ Benchmark 10-year US Treasury bond yield fell to 3.61% on March 4 compared with 3.64% on February 25
- ❑ Treasury prices traded in a narrow zone but managed to end slightly higher as investors' anxiety over the economy supported the bond prices
- ❑ The latest data on U.S. manufacturing and consumer spending signalled that the economy is growing but at a slower pace
- ❑ This reinforced the expectations that the Federal Reserve may stick to its near-zero interest rate policy into late 2010 in an effort to keep the recovery intact
- ❑ Investors, however, traded cautiously as they braced for the government's jobs report on March 5, which will offer the most critical yardstick of the economic recovery
- ❑ Further gains were also capped after several strong economic reports led investors to move to riskier assets
- ❑ Meanwhile a comment from the Federal Reserve official saying that the government should raise interest rates "sooner rather than later" and signs of financial help for Greece also reduced appetite for Treasuries

Global Debt

- Foreign central banks' holdings of U.S. Treasuries and agency debt at the Federal Reserve rose in the week ended March 4
- Treasuries held by overseas central banks at the Fed rose by \$8.06 bn to \$2.206 trillion
- Holdings of securities issued or guaranteed by Fannie Mae and Freddie Mac rose by \$2.107 bn to \$768.90 bn
- The combined holdings of Treasuries and agency securities by foreign central banks at the Fed rose by \$10.17 bn to \$ 2.974 trillion



USA

- ❑ Wall Street benchmark indices rose in the week ended March 4 on rising optimism about the economy and spurt in takeover news ; the Dow Jones rose 1.2%, while Nasdaq gained 2.4% over the week
- ❑ Encouraging domestic GDP data set the positive tone in the market while M&A activity signalled investors that companies are becoming more optimistic about the economy
- ❑ Among key positive economic indicators that helped the market during the week were,
 - US economy grew at an annualised rate of 5.9% in the last three months of 2009, the fastest rate since the third quarter of 2003, and higher than the first estimate of 5.7%
 - US consumer spending rose 0.3% in January; personal incomes rose a seasonally adjusted 0.1% to a seasonally adjusted annual rate of \$12.2 trillion in January
 - The Chicago Purchasing Managers' Index rose to 62.6 in February from 61.5 in January
 - ISM services index for February rose to 53 vs 50.5 in January
 - ISM Non-Manufacturing Composite index for February rose to 53 vs. 50.5 in January
 - US factory orders rose 1.7% in January, the ninth increase in the past 10 months
- ❑ On the corporate front,
 - CF Industries made a new offer for fertilizer maker Terra Industries, which last month agreed to be sold to Norway's Yara for \$4.1bn
 - PE firm Elliott Associates offered to buy the 91.5% of software maker Novell Inc.
 - Qualcomm said that it would buy back \$3bn in stock and raised its dividend by 12%

USA

- ❑ Investors' optimism ahead of the government's February jobs report, upbeat monthly sales report by retailers and expectations that debt-ridden Greece may get European Union aid also added to the gains in the markets
- ❑ Further rise in the market was, however, capped as the US Federal Reserve signalled that the economic recovery will be slow,
 - US Fed's Beige Book showed that the nation's recovery is managing to plod ahead; also said that economic conditions continued to expand although severe snowstorms in early February held back activity
- ❑ Other weak economic data viz. drop in sales of previously occupied homes, weak consumer sentiment report too cut short the gains
- ❑ Meanwhile an annual report showed that the US federal government fell further into the red in 2009, with its financial position hitting a deficit of \$11.46 trillion, 12.3% higher than the previous year
 - US Treasury Department reported that the government posted a \$42.60 bn deficit in January, lower than the \$91.90 bn shortfall reported in December
- ❑ In another development, the Obama administration puts forward a legislation to rein in the size and scope of the nation's largest banks

UK

- ❑ Britain's FTSE soared over 3% for the week ended March 4 and was the biggest gainer among indices analysed
- ❑ Gains were led by index heavyweight mining and energy stocks as a weak dollar and positive domestic data spurred commodity prices
- ❑ Buying in banking stocks after Standard Chartered posted in-line results and said 2010 started strongly, helped the market further
- ❑ Gains, however, got trimmed on profit taking later in the week
- ❑ Meanwhile, a rise in the domestic GDP and Bank of England's decision to hold the rates unchanged had no significant impact on the market,
 - UK economy grew by 0.3% in the final three months of last year, faster than previously estimated 0.1%
 - Bank of England kept the UK's key interest rate on hold at 0.5%, for the 12th month in a row; decided not to pump any more money into the economy under its quantitative easing (QE) programme
 - European Central Bank (ECB) too kept the euro zone interest rate at its record low of 1% for the 10th month in a row

ASIA

- ❑ **Singapore's Straits Times** rose around 1.5% for the week tracking positive global cues
- ❑ Among the positive global developments, growing expectations that Greece would be able to address its financial woes and China's Premier saying that the government will maintain its moderately loose policies helped the index up.
- ❑ Gains were however capped as investors remained cautious for most parts of the week ahead of the Chinese Premier's statement and US jobs data
- ❑ **Japan's Nikkei** rose 2.4% for the week ended March 5 mainly on intermittent positive global cues especially from the US on the back of positive economic and corporate news
- ❑ In addition rise in copper prices due to earthquake in Chile and hopes of a bailout package for debt-ridden Greece also helped the benchmark gain.
- ❑ On the domestic front, intermittent weaker yen and indications that Bank of Japan may discuss monetary easing measures to tackle deflation also helped the index rise.
- ❑ Gains were however capped as the exporter heavy benchmark was pressured by a strong yen for most parts of the week
- ❑ In addition a US Fed's report saying that the US economic improvements have been modest, suggesting a slow US recovery also led to losses for the market.

ASIA

- ❑ **Hong Kong's Hang Seng** was the least gainer among indices analysed, up around 0.9% for the week as investors remained concerned on monetary tightening worries in the domestic economy.
- ❑ On the last trading day of the week, some clarity on the issue came after Chinese Premier said that the government will maintain its moderately loose policies and set an 8% economic growth target for this year, which helped the market gain
- ❑ Earlier in the week, disappointing earnings from index major HSBC and a sell off in the property shares on speculation that the nation's legislators will put a cap on property prices pulled down the market further

Emerging Market

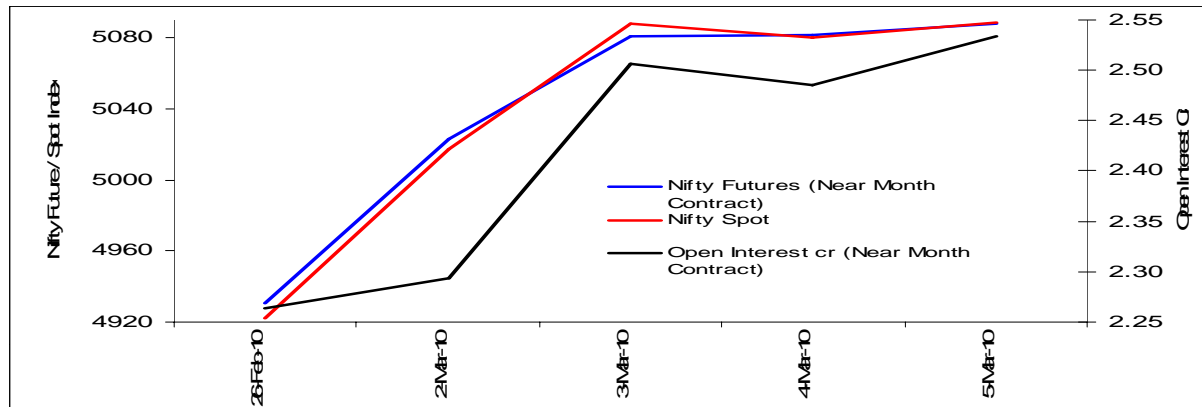
- Emerging market equities are the most favoured sector for third party fund of funds after recording a massive 40% quarterly increase as of December 2009, according to Lipper's funds of funds barometer.
- The total net figure for this asset class among fund of fund managers now stands at €1.7 bn.
- But the recent trend back into equities is also reflected represented by the 15% and 17% increase of allocations towards the US and European markets, bringing their net figures to €6.4 bn and €6 bn respectively.
- The UK equity market also registered a 26% increase in investment from funds of funds which, according to Lipper, reflects the rising popularity of multi-manager products among UK's IFA's; the UK net figure now stands at €3.5 bn.
- The eurozone and the global equity sectors registered a 13% asset increase in funds of funds, bringing their net assets to €2.1 bn and €2 bn respectively.
- The corporate bond sector- the most popular sector of 2009 also experienced similar increases but performed better in the earlier part of year.
- The year ended strongly for third party funds of funds as net sales hit €1.7bn in December, bringing the 2009 total to €11.4bn.
- Only two sectors recorded a drop in net asset in the last quarter of 2009, the money market sector with a 25% fall, and Swiss bonds registering a 12% decline.

Indian Futures and Options Market Review

Nifty Futures –

- ❑ The Nifty near month contract (expiry March 25) ended the week under review at 1.2 point discount to the spot index on March 5, 2010.
- ❑ Over the week, the spot index rose 3.4% to finish well above 5000 mark at 5089 points on positive global cues and on a positive Budget
- ❑ The Nifty near-month contract rose by 157 points or 3.2% over this period to end at 5088 points.
- ❑ The open interest in the near-month contract rose from 2.26 cr to 2.53 cr as on March 5.
- ❑ The other Nifty future contracts, viz., April contract ended at 5090 points (up 159 points over the week) while the May contract ended at 5089 points (up 153 points).
- ❑ Overall Nifty futures saw a weekly trading volume of Rs. 41575 cr arising out of 17 lakh contracts with an open interest of around 277 lakhs.

Indian Futures and Options Market Review



Nifty Options

- ❑ Nifty 5100 call witnessed the highest open interest of 86 lakhs on March 5 as well as recorded the highest increase in open interest of 29 lakhs over the week.
- ❑ Nifty 5100 call also garnered the highest number of contracts over the week at 8.41 lakhs.
- ❑ For put options, Nifty 5000 put witnessed the highest open interest of 101 lakhs on March 5 as well as recorded the highest increase in open interest of 53 lakhs over the week.
- ❑ Nifty 5000 put also recorded the highest number of contracts at around 9 lakhs during the week.
- ❑ Overall, options saw 56 lakh contracts getting traded at a notional value of Rs. 140610 cr during the week

Indian Futures and Options Market Review

Stock Futures and Options

- NSE witnessed 20 lakh contracts in stock futures valued at Rs. 72491 cr while stock options saw volumes of 2.65 lakh contracts valued at Rs. 9474 cr during the week under review.

NSE F&O Turnover

- Overall turnover on NSE's derivatives segment stood at 2.70 lakh (98 lakh contracts) for the week ended March 5, 2010 vs. 4.94 lakh cr (188 lakh contracts) for the previous week.
- Meanwhile Put Call ratio rose from 1.13 on February 26 to 1.28 on March 5.

Week Ended March 5, 2009	Turnover Rs. Cr.	% to Total
Index Futures	47,762	17.66
Index Options	140,703	52.03
Stock Futures	72,491	26.81
Stock Options	9,474	3.50
Total	270,430	100
Put Call Ratio	1.28 (Mar 5)	1.13 (Feb 26)

Indian Futures and Options Market Review

FII Segment

- ❑ On March 4, (last available SEBI data), foreign institutional investors' open interest stood at Rs. 69534 cr (25 lakh contracts).
- ❑ The details of FII derivatives trades for the period February 26 – March 4, 2010 are as follows: -

Week Ended March 4, 2009	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	331857	8383	219130	5515	25.62	24.97	21.78	21.25
Index Options	795325	19321	645231	15605	61.40	57.56	64.14	60.12
Stock Futures	150439	5293	135936	4659	11.61	15.77	13.51	17.95
Stock Options	17710	570	5712	177	1.37	1.70	0.57	0.68
Total	1295331	33566	1006009	25955	100.00	100.00	100.00	100.00

Week Ahead 08th Mar to 12th Mar 10

Indian Debt Market Outlook

- Next week, the G-Sec markets are expected to take cues from industrial production numbers, global cues, inflation numbers and any specific comments from policy makers.
- The liquidity in the system is expected to remain comfortable. Next week, the money market outflows of around Rs.13,500 cr (in form of SDLs and T-bill auctions) are scheduled as against the money market inflows of around Rs.12,770 cr.
- Corporate bond market is expected to take cues from G-sec market and primary issuances.

Indian Debt Markets

Particulars	26-Feb-10	05-Mar-10	Change (bps)
10 year Gsec yield (%)	7.86	7.97	0.11
Scheme	Maturity (years)		Change
G-sec Fund	3.04	1.71	-1.33
Income fund	3.02	2.67	-0.35
Short Term Fund	1.18	1.20	0.02
MIP	1.96	1.65	-0.31
Liquid Schemes	Maturity (days)		Change
Floating Rate Fund	22.18	21	-1.06
Money Managers Fund	106.97	96	-10.77
Liquidity Fund	30.98	27	-4.47
Medium Term Fund	109.57	111	1.91
Treasury Plan	23.20	14	-9.24
Cash Plan	1.00	0	-0.97

- ❑ Maturities of duration funds have been reduced on concerns of higher govt borrowing next year and higher inflation nos putting pressure on G sec yield
- ❑ The movement in the maturities in the liquid schemes reflects the movement in cash levels in the portfolio.

The Week Ahead

Day	Event
Monday, March 8	<ul style="list-style-type: none"> □US Johnson Redbook Retail Sales Index □UK Trade Balance data, January □UK Retail Sales Monitor, February □UK RICS House Price Balance, February □Japan's Leading Index, January
Tuesday, March 9	<ul style="list-style-type: none"> □US Treasury Budget, February □US Wholesale inventories data, January □US Crude Inventories, week ended March 6 □UK NIESR GDP Estimate, February □UK Industrial Production, January □Japan's GDP, Q4
Wednesday, March 10	<ul style="list-style-type: none"> □US Trade Balance data, January □US Initial Jobless Claims, week ended March 6 □European Central Bank Monthly Report □India Primary Articles Inflation for week ended February 27
Thursday, March 11	<ul style="list-style-type: none"> □US Trade Balance data, January □US Initial Jobless Claims, week ended March 6 □European Central Bank Monthly Report □India Primary Articles Inflation for week ended February 27
Friday, March 12	<ul style="list-style-type: none"> □US Retail Sales data, February □University of Michigan Consumer Sentiment index, March □US Business Inventories data, January □Euro-Zone Industrial Production, January □Japan's Industrial Production, January □India Index of Industrial Production, January □India's Forex Data, Week ended March 5

Fund Performance

As on 05th Mar 2010

Equity Funds

DIVERSIFIED EQUITY FUNDS - Performance as on 05.03.2010							
Scheme Name	Absolute			Compound Annualized			
	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
Reliance Growth - Growth	6.60%	4.11%	17.86%	133.78%	20.08%	28.17%	29.85%
BSE100	7.73%	-0.03%	10.30%	116.50%	13.40%	19.72%	17.18%
Reliance Vision - Growth	8.05%	1.23%	14.81%	111.65%	15.45%	21.91%	24.97%
BSE100	7.73%	-0.03%	10.30%	116.50%	13.40%	19.72%	17.18%
Reliance NRI Equity Fund - Growth	6.17%	0.92%	11.82%	130.16%	16.27%	23.66%	26.26%
BSE200	7.52%	0.25%	11.42%	121.33%	13.49%	18.54%	20.97%
Reliance Equity Opportunities Fund- Growth	6.99%	7.50%	28.19%	154.31%	15.16%	N.A	24.65%
BSE100	7.73%	-0.03%	10.30%	116.50%	13.40%	19.72%	20.16%
Reliance Regular Savings Fund-Equity Option	6.44%	3.73%	18.36%	148.18%	27.10%	N.A	24.48%
BSE 100	7.73%	-0.03%	10.30%	116.50%	13.40%	19.72%	21.05%
Reliance Tax Saver (ELSS) Fund	6.09%	4.81%	18.72%	112.81%	11.62%	N.A	14.74%
BSE 100	7.73%	-0.03%	10.30%	116.50%	13.40%	19.72%	17.96%
Reliance Equity Fund	5.13%	-2.21%	5.37%	79.29%	11.83%	N.A	10.46%
S&P CNX Nifty	7.84%	-0.40%	8.72%	97.49%	12.46%	18.80%	10.64%
Reliance Long Term Equity Fund	6.13%	5.51%	19.01%	111.40%	12.51%	N.A	10.54%
BSE 200	7.52%	0.25%	11.42%	121.33%	13.49%	18.54%	8.57%
Reliance Regular Savings Fund-Balanced Option	6.84%	4.98%	15.17%	112.56%	22.90%	N.A	15.66%
Crisil Balanced Fund Index	4.94%	-0.06%	6.73%	59.55%	12.13%	14.66%	15.66%

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 05.03.2010					
Scheme Name	Absolute		Compound Annualized		
	6 months	1 Year	3 Years	5 Years	Since Inception
Reliance Banking Fund - Growth	21.22%	151.78%	31.86%	24.66%	35.21%
Bankex	23.90	163.83	20.77	19.37	29.59
Reliance Diversified Power Fund - Growth	12.26%	115.28%	33.18%	38.16%	42.24%
India Power	7.23	63.60	19.18	21.59	22.39
Reliance Pharma Fund - Growth	40.41%	166.96%	34.22%	28.83%	29.91%
BSE-HC	30.81%	98.73%	14.89%	13.65%	15.16%
Reliance Media & Ent. Fund - Growth	16.96%	103.57%	3.90%	19.00%	19.16%
S&P CNX Media & Entertainment Index	25.88	148.56	-2.37	15.17	15.06

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Debt Funds

DEBT FUNDS - Performance as on 05.03.2010								
Scheme Name	Absolute				Compound Annualized			
	1 Week	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
Reliance FRF - G	0.08%	0.31%	1.05%	2.19%	5.14%	7.57%	7.08%	6.90%
Crisil Liquid Fund Index	0.07%	0.29%	0.80%	1.47%	3.84%	6.75%	6.24%	6.06%
Reliance Income Fund - Retail - G	0.09%	0.00%	0.65%	2.33%	4.72%	9.87%	7.82%	9.67%
Crisil Composite Bond Fund Index	0.02%	0.02%	0.64%	2.89%	4.08%	6.75%	5.50%	N.A
Reliance Money Manager Fund - Retail- G	0.08%	0.31%	1.09%	2.25%	5.13%	N.A	N.A	7.58%
Crisil Liquid Fund Index	0.07%	0.29%	0.80%	1.47%	3.84%	6.75%	6.24%	6.74%
Reliance MIP - G	0.91%	1.02%	1.05%	7.52%	29.64%	14.23%	13.35%	11.92%
Crisil MIP Blended Index	0.50%	1.14%	0.50%	3.83%	15.28%	8.46%	8.06%	6.98%
Reliance MTF- Retail - G	0.08%	0.34%	1.14%	2.30%	5.15%	6.82%	5.90%	7.02%
CRISIL Short-Term Bond Fund Index	0.13%	0.22%	1.00%	2.62%	5.34%	8.14%	6.76%	N.A
Reliance Short Term Fund - G	0.15%	0.18%	0.97%	2.80%	7.47%	10.07%	8.61%	7.89%
Crisil Liquid Fund Index	0.07%	0.29%	0.80%	1.47%	3.84%	6.75%	6.24%	5.65%
Reliance NRI Income Fund - G	0.03%	0.14%	0.48%	0.44%	0.73%	1.75%	3.30%	3.34%
Crisil Composite Bond Fund Index	0.02%	0.02%	0.64%	2.89%	4.08%	6.75%	5.50%	5.74%
Reliance Regular Savings Fund-Debt Option	0.19%	0.32%	1.20%	3.80%	8.91%	5.92%	N.A	4.86%
Crisil Composite Bond Fund Index	0.02%	0.02%	0.64%	2.89%	4.08%	6.75%	5.50%	5.46%

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"

Debt Funds

Performance as on 05.03.2010									
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%	0.02%	0.05%	0.20%	1.27%	2.29%	4.79%	5.11%	5.02%
<i>Index</i>									
Crisil Liquid Fund Index	N.A	0.02%	0.07%	0.29%	1.47%	3.84%	6.75%	6.24%	N.A
Reliance Liquid Fund - TP - Retail - Growth	0.01%	0.03%	0.07%	0.28%	2.01%	4.70%	7.02%	6.52%	6.81%
<i>Index</i>									
Crisil Liquid Fund Index	N.A	0.02%	0.07%	0.29%	1.47%	3.84%	6.75%	6.24%	N.A
Reliance Liquidity Fund - Growth	0.01%	0.03%	0.07%	0.29%	2.06%	4.81%	7.38%	N.A	7.09%
<i>Index</i>									
Crisil Liquid Fund Index	N.A	0.02%	0.07%	0.29%	1.47%	3.84%	6.75%	6.24%	6.33%

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
