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# Markets for You

08 May 2019

Indices Performance				
Global Indices	07-May	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	25,965	26,438	-473	-1.79
Nasdaq	7,964	8,123	-160	-1.96
FTSE	7,260	Closed	NA	NA
Nikkei	21,924	Closed	NA	NA
Hang Seng	29,363	29,210	153	0.52
Indian Indices	07-May	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	38,277	38,600	-324	-0.84
Nifty 50	11,498	11,598	-100	-0.87
Nifty 100	11,610	11,709	-99	-0.84
Nifty Bank	29,288	29,618	-330	-1.12
SGX Nifty	11,510	11,657	-147	-1.26
S&P BSE Power	1,954	1,968	-15	-0.75
S&P BSE Small Cap	14,302	14,424	-122	-0.85
S&P BSE HC	14,034	14,096	-62	-0.44

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
7-May	28.16	1.21	28.73	1.14
Month Ago	27.99	1.14	29.12	1.13
Year Ago	23.46	1.15	26.60	1.20

Nifty 50 Top 3 Gainers			
Company	07-May	Prev_Day	% Change <sup>#</sup>
HUL	1698	1669	1.71
Wipro	294	291	1.03
L&T Ltd.	1367	1353	1.03

Nifty 50 Top 3 Losers			
Company	07-May	Prev_Day	% Change <sup>#</sup>
Zee Ente.	369	388	-4.80
Tata Motors	191	200	-4.43
ICICI Bank	387	401	-3.69

Advance Decline Ratio		
	BSE	NSE
Advances	851	544
Declines	1678	1260
Unchanged	140	98

Institutional Flows (Equity)		
Description (Cr)	Inflow/Outflow	YTD
FII Flows*	308	67983
MF Flows**	426	-2490

\*7<sup>th</sup> May 2019; \*\*6<sup>th</sup> May 2019

Economic Indicator			
YoY(%)	Current	Quarter Ago	Year Ago
CPI	2.86%	2.11%	4.28%
	(Mar-19)	(Dec-18)	(Mar-18)
IIP	0.10%	8.40%	6.90%
	(Feb-19)	(Oct-18)	(Feb-18)
GDP	6.60%	7.00%	7.70%
	(Dec-18)	(Sep-18)	(Dec-17)

Since May-17, MOSPI has revised base year of IIP & WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

### Global Indices

- Asian equity markets were mixed as renewed tensions on the U.S.-China trade front kept investors on the edge. The markets that suffered deep losses in the previous session made up some of the downside. Investors took hope from China Commerce Ministry's statement that Vice Premier would visit the U.S. on May 9 and 10, 2019, for talks at the invitation of senior U.S. officials. This negated media reports saying China could cancel the scheduled meeting after U.S. President's comments. Today (as of May 08), Asian markets opened on a lower note following decline on the Wall Street Overnight. Both Nikkei and Hang Seng were trading lower 1.61% and 1.03%, respectively (as at 8 a.m. IST).
- As per the last close, European markets fell sharply following increasing concerns over U.S.-China trade tensions and on weak economic data in Germany and France.
- As per the last close, U.S markets declined sharply for the second day on rising concerns over U.S.-China trade tensions. U.S. Trade Representative confirmed the U.S. plans to raise tariffs on \$200 billion worth of Chinese goods to 25% on Friday.

### Indian Equity Market

- Indian equity markets fell yet again as trade tensions ruled the sentiment. Though things settled a bit after China confirmed its vice-premier would attend the next round of talks in Washington in the week. Fears were that China could cancel this round after U.S. President's harsh comments. The President had said U.S. will increase tariffs on Chinese imports worth \$200 billion to 25% this week and put tariffs on another \$325 billion imports soon.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 0.84% and 0.87%, respectively, to close at 38,276.63 and 11,497.90, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap lost 0.98% and 0.85%, respectively.
- On the BSE sectoral front, three sectors gained. S&P BSE Information Technology and S&P BSE Capital Goods were the major gainers, up 0.19% each, followed by S&P BSE Consumer Durables, up 0.04%. S&P BSE Telecom was the major loser, down 2.44%, followed by S&P BSE Energy and S&P BSE Oil & Gas, down 2.23% and 1.36%, respectively. S&P BSE Realty and S&P BSE Metal lost 1.32% and 1.25%, respectively.

### Domestic News

- According to a report by a major global rating agency, Goods and Services Tax (GST) regime in India may not reduce the deficits of state governments significantly. This is because there is large and growing expenditure mandates for the social sector as well as capital spending. The report says institutional framework for Indian states is evolving, but there is structural deficits due to persistent revenue expenditure mismatch. It noted that the passage of the GST bill in 2017 is a major overhaul of tax structure and will help to widen the tax base and improve revenues of state governments.
- Government has said India and the U.S. have agreed to engage regularly at various levels to resolve outstanding trade issues by exploring mutually beneficial suitable solutions. U.S. commerce secretary is visiting India to attend the 11th Trade Winds Business Forum and Mission hosted by the U.S. Department of Commerce.
- The government is preparing a clarification on passing bankruptcy resolutions that are stalled because many homebuyers did not vote. This follows a reference from the National Company Law Tribunal (NCLT) to the ministry of corporate affairs in a case where the panel of creditors dominated by homebuyers could not clear a rescue plan from a consortium as many homebuyers stayed away.
- According to media reports, Vedanta Ltd posted a better than expected fourth-quarter profit. It came on the back of an increase in international demand for zinc. Rising global prices of metals such as zinc and copper have helped Vedanta fight challenges from mine shutdowns in India. Revenue from its international zinc segment surged 22% to Rs. 1,002 crore (\$144.34 million) from Rs. 822 crore in the year-ago period.
- According to media reports, engineering and farm equipment maker Escorts' net profit rose 7.8% to Rs. 121.35 crore for the Mar quarter helped by robust tractor sales. The company had reported a net profit of Rs. 112.54 crore for the same period of previous fiscal. Revenue from operations rose to Rs. 1,631.66 crore for the period under review compared with Rs. 1,436.10 crore in the fourth quarter of 2017-18.
- According to media reports, drug firm Sanofi India reported a 12.60% rise in its net profit to Rs. 92.9 crore for the first quarter ended Mar 2019. The company had posted a net profit of Rs. 82.5 crore for the corresponding period of the previous fiscal.

FII Derivative Trade Statistics			
07-May			
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	1833.67	2746.33	22049.91
Index Options	115086.83	113781.67	57133.09
Stock Futures	10832.85	11396.38	85058.69
Stock Options	4902.31	4869.73	5442.09
Total	132655.66	132794.11	169683.78

Derivative Statistics- Nifty Options			
	07-May	Prev_Day	Change
Put Call Ratio (OI)	1.14	1.30	-0.16
Put Call Ratio(Vol)	0.84	0.78	0.06

Debt Watch				
	07-May	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.94%	6.15%	5.98%	5.94%
T-Repo	5.81%	6.01%	5.77%	NA
Repo	6.00%	6.00%	6.00%	6.00%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.43%	6.45%	6.18%	6.22%
364 Day T-Bill	6.49%	6.49%	6.30%	6.48%
10 Year Gilt	7.38%	7.41%	7.35%	7.62%
G-Sec Vol. (Rs.Cr)	37555	22574	39093	25757
FBIL MIBOR*	6.09%	6.22%	6.04%	6.00%
3 Month CP Rate	7.80%	7.50%	6.80%	7.70%
5 Year Corp Bond	8.51%	8.46%	8.38%	8.41%
1 Month CD Rate	6.88%	7.36%	6.54%	6.65%
3 Month CD Rate	7.22%	7.40%	6.65%	7.16%
1 Year CD Rate	7.44%	7.63%	7.11%	7.76%

Currency Market			
Currency	07-May	Prev_Day	Change
USD/INR	69.31	69.36	-0.05
GBP/INR	90.97	91.00	-0.03
EURO/INR	77.70	77.64	0.07
JPY/INR	0.63	0.63	0.00

Commodity Prices				
Commodity	07-May	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	61.36	63.78	63.05	70.69
Brent Crude(\$/bl)	70.87	71.87	70.52	75.74
Gold(\$/oz)	1284	1283	1291	1314
Gold(Rs./10 gm)	31496	31723	31615	31191

Source: Thomson Reuters Eikon \*As on previous trading day

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#### Derivatives Market

- Nifty May 2019 Futures were at 11,541.90, a premium of 44.00 points, above the spot closing of 11,497.90. The turnover on NSE's Futures and Options segment rose to Rs. 9,81,837.10 crore on May 7, 2019, compared with Rs. 6,84,284.97 crore on May 6, 2019.
- The Put-Call ratio stood at 0.89 compared with the previous session's close of 0.84.
- The Nifty Put-Call ratio stood at 1.14 compared with the previous session's close of 1.30.
- Open interest on Nifty Futures stood at 20.02 million as against the previous session's close at 20.11 million.

#### Indian Debt Market

- Bond yields eased following the drop in crude oil prices below the \$71 per barrel mark with the rising U.S.-China trade conflict. In addition, expectation of better liquidity, particularly after the general election, also positively impacted the market sentiment.
- Yield on the 10-year benchmark paper (7.26% GS 2029) declined 1 bps to 7.38% compared with the previous session's close of 7.39% after trading in a range of 7.38% to 7.43%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 4,551 crore (gross) on May 7, 2019, compared with Rs. 4,436 crore (gross) as on May 6, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 40,530 crore on May 6, 2019.
- Banks did not borrow under the central bank's Marginal Standing Facility on May 6, 2019 compared with borrowings of Rs. 317 crore on May 3, 2019.

#### Currency Market Update

- The Indian rupee marginally declined as gains from dollar sale by foreign banks we set off by greenback demand from state run banks and private lenders. The rupee closed at 69.45 a dollar, down 0.06% compared with the previous close of 69.41.
- The euro was marginally down after Germany's industrial order data for Mar 2019 came in below expectations. The euro was last seen trading at 1.1194, down 0.03% compared with the previous close of 1.1197.

#### Commodity Market Update

- Gold prices rose marginally following renewed tension over U.S.-China trade conflict as the U.S. President's commented on increasing tariffs on Chinese imports.
- Brent crude prices lowered on concerns over rising trade tension between the U.S. and China.

#### International News

- According to IHS Markit survey data, China's private sector expansion slowed in Apr 2019 while the services sector growth rose marginally. The Caixin composite output index fell to 52.7 in Apr from 52.9 in Mar 2019. Any reading above 50 indicates expansion in the private sector. The services Purchasing Managers' Index, or PMI, rose to 54.5 from 54.4 a month ago. The score was forecast to fall. This is the highest reading since Jan 2018.
- The People's Bank of China has announced reduction in the required reserve ratio for some small and medium-sized banks. The move will take effect on May 15, a state-run news agency reported, citing the central bank. The RRR cut free up about 280 billion yuan, or \$41 billion, that can be given as loans to private small businesses struggling amid the wider economic slowdown, the bank said.

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