

# Markets for You

15 Oct 2019

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## Indices Performance

Global Indices	14-Oct	Prev_Day	Abs. Change	% Change#
Russell 3000	1,298	1,299	-1	-0.08
Nasdaq	8,049	8,057	-8	-0.10
FTSE	7,213	7,247	-34	-0.46
Nikkei	Closed	21,799	NA	NA
Hang Seng	26,522	26,308	213	0.81

  

Indian Indices	14-Oct	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	38,214	38,127	87	0.23
Nifty 50	11,341	11,305	36	0.32
Nifty 100	11,456	11,413	43	0.37
Nifty 500	9,193	9,161	31	0.34
Nifty Bank	28,182	28,043	139	0.50
S&P BSE Power	1,916	1,920	-4	-0.20
S&P BSE Small Cap	12,788	12,772	16	0.12
S&P BSE HC	12,258	12,152	106	0.87

## P/E Dividend Yield

	Sensex		Nifty	
Date	P/E	Div. Yield	P/E	Div. Yield
14-Oct	26.63	1.21	26.20	1.32
Month Ago	26.42	1.23	27.23	1.39
Year Ago	22.52	1.28	25.33	1.28

## Nifty 50 Top 3 Gainers

Company	14-Oct	Prev_Day	% Change#
Tata Motors	128	121	5.40
ONGC	135	129	4.84
Bharti Airtel	394	383	2.78

## Nifty 50 Top 3 Losers

Company	14-Oct	Prev_Day	% Change#
Infosys	786	815	-3.52
Bajaj Finance	3883	3973	-2.26
Power Grid	198	201	-1.29

## Advance Decline Ratio

	BSE	NSE
Advances	1220	919
Declines	1295	914
Unchanged	219	104

## Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-568	50660
MF Flows**	-110	55313

\*14<sup>th</sup> Oct 2019; \*\*10<sup>th</sup> Oct 2019

## Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	3.99% (Sep-19)	3.18% (Jun-19)	3.70% (Sep-18)
IIP	-1.10% (Aug-19)	4.50% (May-19)	4.80% (Aug-18)
GDP	5.00% (Jun-19)	5.80% (Mar-19)	8.00% (Jun-18)

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

## Global Indices

- Asian equity markets gained after the U.S. and China cracked a "phase one" trade deal at the end of their talks last week. As a result, the U.S. agreed to delay tariff hikes planned from Oct 15, 2019. Today (as of Oct 15), Asian markets opened with caution as overnight doubts emerged about the partial U.S.-China trade deal. Both Nikkei and Hang Seng were trading up 1.72% and 0.03%, respectively (as at 8.a.m. IST).
- European markets went down as a partial deal reached between U.S. and China looked vague. Under the deal, the U.S. agreed to postpone a hike in tariffs from 25% to 30% on at least \$250 billion of Chinese goods, starting from Oct 15, 2019. But news appeared that China wants another round of talks before signing the phase one of the proposed deal.
- U.S. markets lost after conflicting news appeared about the partial U.S.-China trade deal. Media reports showed China wants another round of talks before signing a pact called by the U.S. President as "a very substantial phase one deal" between the two countries. U.S. Treasury Secretary said he expects the mid-Dec round of tariff hikes to take start if no deal is reached between the countries.

## Indian Equity Market

- Indian equity markets started the week with mild gains though the start was shaky. Weak IIP data kept investors on their toes but firm global cues and an extremely successful debut by the Indian Railway Catering and Tourism Corporation (IRCTC) at the stock exchange supported sentiment. Investors also awaited inflation data, due to be released later in the day.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.23% and 0.32% to close at 38,214.47 and 11,341.15, respectively. S&P BSE MidCap and S&P BSE SmallCap gained 0.44% and 0.12%, respectively.
- The overall market breadth on BSE was weak with 1,220 scrips advancing and 1,295 scrips declining. A total of 219 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Telecom was the major gainer, up 2.24% followed by S&P BSE Realty, up 1.99% and S&P BSE Auto, up 1.63%. S&P BSE IT was the major loser, down 0.9% followed by S&P BSE Teck, down 0.5% and S&P BSE Power, down 0.2%.

## Domestic News

- Consumer price index-based inflation rate increased to 3.99% in Sep 2019 from an upwardly revised 3.28% in Aug 2019 (3.21% originally reported) and 3.70% in Sep 2018. Inflation of food and beverages surged to 4.70% in Sep 2019 from 2.96% in Aug 2019, for vegetables to 15.40% from 6.90%, meat and fish to 10.29% from 8.51%, and pulses and products to 8.40% from 6.94%. Consumer Food Price Index increased to 2.99% in Sep from 2.36% in Aug and 0.29% in Sep 2018.
- Government data showed that wholesale price index-based inflation (WPI) eased to 0.33% in Sep 2019 compared with 1.08% in Aug 2019 and 5.22% in the same month of the previous year. The rate of inflation for primary articles eased from 6.43% in Aug to 5.54% in Sep. The rate of inflation for non-food articles eased from 4.76% in Aug to 2.18% in Sep.
- Finance minister said public-sector banks have sufficient liquidity, adding that efforts are being made to ensure that large corporates release their dues to micro, small and medium enterprises (MSME) ahead of Diwali. The minister held a review meeting with heads of public-sector banks and asked them to provide bill discounting facility to MSMEs against payments due from large corporates. Around Rs. 40,000 crore is due to the MSME sector according to returns filed by large corporates, the minister said.
- The World Bank has cut its economic growth forecast for India to 6% for FY20 from its Apr 2019 estimate of 7.5%. The bank cited a broad-based and severe cyclical slowdown. In its South Asian Economic Focus report, the bank said growth is expected to gradually recover to 6.9% in 2020-21 and to 7.2% in 2021-22. This comes after other multinational institutions and rating firms and brokerages have cut economic growth estimates for the country.
- Hindustan Unilever Ltd's (HUL) consolidated net profit increased 23.4% to Rs. 1,818 crore in the Jul-Sep 2019 quarter compared with Rs. 1,473 crore in the a year-ago period. The largest packaged consumer goods maker in India sold more personal and home care products and benefited from low raw material costs. Net sales at the company rose 6.07% to Rs. 9,931 crore against Rs. 9,363 crore in the same period last financial year. Raw material costs fell 3.64% YoY to Rs. 3,331 crore.

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FII Derivative Trade Statistics		14-Oct	
(Rs Cr)		Buy	Sell
Index Futures	5374.32	4712.84	13050.28
Index Options	208576.60	209437.67	54312.07
Stock Futures	13486.04	14167.11	88506.32
Stock Options	6436.26	6281.03	4431.36
Total	233873.22	234598.65	160300.03

### Derivative Statistics- Nifty Options

	14-Oct	Prev_Day	Change
Put Call Ratio (OI)	1.18	1.14	0.04
Put Call Ratio(Vol)	0.88	0.86	0.02

### Debt Watch

	14-Oct	Wk Ago	Mth. Ago	Year Ago
Call Rate	5.06%	5.12%	5.29%	6.42%
T-Repo	4.59%	4.81%	5.28%	NA
Repo	5.15%	5.15%	5.40%	6.50%
Reverse Repo	4.90%	4.90%	5.15%	6.25%
91 Day T-Bill	5.12%	5.20%	5.30%	6.87%
364 Day T-Bill	5.35%	5.36%	5.62%	7.51%
10 Year Gilt	6.68%	6.68%	6.64%	7.99%
G-Sec Vol. (Rs.Cr)	28759	27528	54062	35220
FBIL MIBOR*	5.22%	5.45%	5.45%	6.50%
3 Month CP Rate	6.00%	6.05%	5.65%	7.80%
5 Year Corp Bond	7.56%	7.46%	7.51%	8.86%
1 Month CD Rate	4.95%	5.14%	5.36%	6.82%
3 Month CD Rate	5.06%	5.31%	5.38%	7.14%
1 Year CD Rate	6.17%	6.19%	6.23%	8.42%

### Currency Market

Currency	14-Oct	Prev_Day	Change
USD/INR	71.02	71.03	-0.01
GBP/INR	89.29	88.43	0.86
EURO/INR	78.29	78.24	0.05
JPY/INR	0.66	0.66	0.00

### Commodity Prices

Commodity	14-Oct	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	53.52	52.71	54.71	71.36
Brent Crude(\$/bl)	59.45	60.35	62.14	81.05
Gold( \$/oz)	1493	1493	1488	1218
Gold(Rs./10 gm)	38386	38043	37592	31565

Source: Thomson Reuters Eikon

\*As on previous trading day

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### Derivatives Market

- Nifty Oct 2019 Futures stood at 11,336.30, a discount of 4.85 points below the spot closing of 11,341.15. The turnover on NSE's Futures and Options segment fell to Rs. 8,52,895.76 crore on October 14, 2019, compared with Rs. 9,49,606.63 crore on October 11, 2019.
- The Put-Call ratio stood at 0.84 compared with the previous session's close of 0.90.
- The Nifty Put-Call ratio stood at 1.18 compared with the previous session's close of 1.14.
- Open interest on Nifty Futures stood at 15.67 million, compared with the previous session's close of 15.94 million.

### Indian Debt Market

- Bond yields lowered as market participants resorted to short covering. In addition, decline in crude oil prices also helped the yield ease. Besides, market participants are awaiting the release of the country's retail inflation for Sep 2019 for further cues.
- Yield on the 10-year benchmark paper (7.26% GS 2029) declined 5 bps to 6.68% compared with the previous close of 6.73% after trading in a range of 6.68% to 6.75%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,817 crore (gross) on Oct 14, 2019 compared with borrowings of Rs. 4,232 crore (gross) on Oct 11, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 34,578 crore on Oct 11, 2019.
- Banks borrowed Rs. 6,825 crore under the central bank's Marginal Standing Facility on Oct 11, 2019 compared with borrowings of Rs. 5,335 crore on Oct 10, 2019.

### Currency Market Update

- The Indian rupee weakened against the U.S. dollar following greenback purchases by state run banks. Reports that China wanted further trade talks before signing a partial trade deal with the U.S fuelled concerns of hurdles in reaching a final accord which further weakened the rupee. The rupee closed at 71.23 a dollar, down 0.30% compared with the previous close 71.02.
- The euro weakened against the greenback as optimism over a trade deal between U.S. and China waned to some extent and uncertainty over Brexit. The euro closed at 1.1028, down 0.11% compared with previous close of 1.1040.

### Commodity Market Update

- Gold prices rose as the optimism over a potential U.S.-China trade deal took a hit amid reports that China wants to hold another round of trade talks by the end of Oct with U.S. which improved the safe haven appeal of the bullion.
- Brent crude prices fell amid uncertainty over a trade deal between U.S. and China.

### International News

- Eurostat data showed euro zone industrial production expanded in Aug 2019 after easing for two consecutive months. Industrial output grew 0.4 %month-on-month, offsetting a 0.4% fall in Jul 2019. This was the first rise in three months.
- Figures from the China Association of Automobile Manufacturers showed China's car sales fell for the 15th consecutive month in Sep 2019. Car sales decreased 5.2% YoY to 2.271 million units. However, car sales grew 16% from the previous month.
- Data from the General Administration of Customs showed China's exports declined more than expected in Sep 2019, reflecting weak global growth and trade disputes with the U.S. In dollar terms, exports fell 3.2% YoY in Sep 2019. This was bigger than the prior month's 1% fall.



**Thank you for  
your time.**

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