

**RELIANCE**

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# Markets for You

05 Aug 2019

**Indices Performance**

| Global Indices    | 02-Aug | Prev_Day | Abs. Change | % Change <sup>#</sup> |
|-------------------|--------|----------|-------------|-----------------------|
| Russell 3000      | 1,288  | 1,302    | -14         | -1.07                 |
| Nasdaq            | 8,004  | 8,111    | -107        | -1.32                 |
| FTSE              | 7,407  | 7,585    | -178        | -2.34                 |
| Nikkei            | 21,087 | 21,541   | -454        | -2.11                 |
| Hang Seng         | 26,919 | 27,566   | -647        | -2.35                 |
| Indian Indices    | 02-Aug | Prev_Day | Abs. Change | % Change <sup>#</sup> |
| S&P BSE Sensex    | 37,118 | 37,018   | 100         | 0.27                  |
| Nifty 50          | 10,997 | 10,980   | 17          | 0.16                  |
| Nifty 100         | 11,100 | 11,081   | 20          | 0.18                  |
| Nifty 500         | 8,944  | 8,936    | 8           | 0.09                  |
| Nifty Bank        | 28,205 | 28,367   | -162        | -0.57                 |
| S&P BSE Power     | 1,938  | 1,964    | -26         | -1.30                 |
| S&P BSE Small Cap | 12,496 | 12,552   | -56         | -0.44                 |
| S&P BSE HC        | 12,555 | 12,587   | -32         | -0.25                 |

**P/E Dividend Yield**

| Date      | Sensex |            | Nifty |            |
|-----------|--------|------------|-------|------------|
|           | P/E    | Div. Yield | P/E   | Div. Yield |
| 2-Aug     | 26.11  | 1.25       | 27.09 | 1.34       |
| Month Ago | 28.69  | 1.18       | 29.28 | 1.23       |
| Year Ago  | 23.84  | 1.18       | 27.89 | 1.20       |

**Nifty 50 Top 3 Gainers**

| Company       | 02-Aug | Prev_Day | % Change <sup>#</sup> |
|---------------|--------|----------|-----------------------|
| Bharti Airtel | 344    | 324      | 6.07                  |
| Asian Paints  | 1545   | 1505     | 2.69                  |
| Bajaj Auto    | 2601   | 2538     | 2.48                  |

**Nifty 50 Top 3 Losers**

| Company        | 02-Aug | Prev_Day | % Change <sup>#</sup> |
|----------------|--------|----------|-----------------------|
| Indiabulls HFC | 490    | 522      | -6.19                 |
| HPCL           | 253    | 263      | -3.80                 |
| NTPC           | 123    | 127      | -2.96                 |

**Advance Decline Ratio**

|           | BSE  | NSE  |
|-----------|------|------|
| Advances  | 1077 | 793  |
| Declines  | 1388 | 1013 |
| Unchanged | 132  | 110  |

**Institutional Flows (Equity)**

| Description (Cr) | Inflow/Outflow | YTD   |
|------------------|----------------|-------|
| FII Flows*       | -1167          | 63596 |
| MF Flows**       | 2898           | 23818 |

\*2<sup>nd</sup> Aug 2019; \*\*31<sup>st</sup> Jul 2019

**Economic Indicator**

| YoY(%) | Current           | Quarter Ago       | Year Ago          |
|--------|-------------------|-------------------|-------------------|
| CPI    | 3.18%<br>(Jun-19) | 2.86%<br>(Mar-19) | 4.92%<br>(Jun-18) |
| IIP    | 3.10%<br>(May-19) | 0.20%<br>(Feb-19) | 3.80%<br>(May-18) |
| GDP    | 5.80%<br>(Mar-19) | 6.60%<br>(Dec-18) | 8.10%<br>(Mar-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 saw heavy selling pressure after the U.S. President escalated his trade war with China, stating the country was moving too slowly on a trade agreement. Today (as of Aug 05), Asian markets opened lower amid concerns over trade dispute between U.S. and China. Further, investors remained focused on general strike in Hong Kong. Nikkei and Hangseng were trading down 1.62% and 1.95%, respectively (as at 8.a.m. IST).

• As per the last close, European markets declined after U.S. President said he would put a 10% tariff on the remaining \$300 billion of Chinese imports from next month.

• As per the last close, U.S. markets fell after the U.S. President upped the ante on U.S.-China trade front with announcement of 10% tariff on the remaining \$300 billion worth of Chinese imports. Meanwhile, investors remained focused on U.S. job growth data that slowed in Jul as against Jun, but, came in line with market expectations.

**Indian Equity Market**

• Indian equity markets recovered from early losses to end in the green. Strong first quarter earnings by a financial major and news that the Prime Minister's Office is looking into the budget proposal of tax surcharge of foreign portfolio investors and its impact on markets supported markets.

• Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.27% and 0.16% to close at 37,118.22 and 10,997.35, respectively. S&P BSE Mid-Cap gained 0.15% and S&P BSE Small Cap lost 0.44%.

• The overall market breadth on BSE was weak with 1077 scrips advancing and 1388 scrips declining. A total of 132 scrips remained unchanged.

• On the BSE sectoral front, S&P BSE Telecom was the major gainer, up 3.63%, followed by S&P BSE Auto and S&P BSE Teck, which gained 1.07% and 0.91%, respectively. S&P BSE Consumer Discretionary Goods & Services and S&P BSE Consumer Durables gained 0.82% and 0.79%, respectively. S&P BSE Metal was the major loser, down 1.95%, followed by S&P BSE Power and S&P BSE Utilities, down 1.3% and 1.03%, respectively. S&P BSE Oil & Gas and S&P BSE Realty lost 0.86% and 0.82%, respectively.

**Domestic News**

• Media reports showed the government could put on hold a plan to raise the minimum public shareholding in listed companies to 35% from 25%, a source with direct knowledge of the matter said on Friday. The government is also looking for ways to ease concerns of foreign portfolio investors that have pulled out of Indian equity markets after a budget announcement of higher taxes for individuals and trusts earning more than ₹2 crore a year, the source said.

• World Bank data showed India has been pushed to the seventh position in the 2018 worldwide GDP rankings with the U.K. and France advancing to fifth and sixth places. In 2017, India was the sixth largest economy, while France was at the seventh place. The U.S. is the top economy with a GDP of \$20.5 trillion in 2018. China is the second largest economy with \$13.6 trillion, while Japan is at the third place with \$5 trillion. India is still the fastest-growing major economy in the world, but growth is estimated to slow to 7% in FY20.

• RBI data showed bank credit and deposits increased 12.01% and 10.59% to Rs. 96.57 lakh crore and Rs. 126.491 lakh crore, respectively, for the fortnight ended Jul 19, 2019. In the year-ago period, bank credit stood at Rs. 86.09 lakh crore while deposits were at Rs. 114.371 lakh crore.

• Media reports showed, GST collection for Jul 2019 surpassed the one lakh crore mark. Central GST stands at Rs. 17,912 crore; and SGST at Rs. 25,008 crore. The total number of GSTR 3B returns filed for Jun up to July 31 is 75.79 lakh.

• Bharti Airtel posted a loss of Rs. 2,866 crore in the quarter ended Jun 30, 2019. The company had registered a net profit of Rs. 97 crore in the year-ago period. The loss came on the back of rising finance costs and a one-time loss of Rs. 1,445 crore.

• Marico Ltd's first-quarter net profit increased 21.6% to Rs. 315 crore against Rs. 259 crore in the year-ago period on the back of a stable volume growth in the domestic market. Revenue from operations in the period stood at Rs. 2,166 crore, up 6.8%, against the year-ago period.

| FII Derivative Trade Statistics |           | 02-Aug    |           |  |
|---------------------------------|-----------|-----------|-----------|--|
| (Rs Cr)                         | Buy       | Sell      | Open Int. |  |
| Index Futures                   | 4812.98   | 6861.74   | 16061.81  |  |
| Index Options                   | 414012.20 | 411155.11 | 43792.89  |  |
| Stock Futures                   | 12666.71  | 13037.98  | 85783.40  |  |
| Stock Options                   | 5599.94   | 5541.25   | 3421.58   |  |
| Total                           | 437091.83 | 436596.08 | 149059.68 |  |

| Derivative Statistics- Nifty Options |        |          |        |
|--------------------------------------|--------|----------|--------|
|                                      | 02-Aug | Prev_Day | Change |
| Put Call Ratio (OI)                  | 1.09   | 0.84     | 0.25   |
| Put Call Ratio(Vol)                  | 0.79   | 0.81     | -0.01  |

| Debt Watch         |        |         |          |          |
|--------------------|--------|---------|----------|----------|
|                    | 02-Aug | Wk. Ago | Mth. Ago | Year Ago |
| Call Rate          | 5.60%  | 5.56%   | 5.71%    | 6.34%    |
| T-Repo             | 5.58%  | 5.58%   | 5.49%    | NA       |
| Repo               | 5.75%  | 5.75%   | 5.75%    | 6.50%    |
| Reverse Repo       | 5.50%  | 5.50%   | 5.50%    | 6.25%    |
| 91 Day T-Bill      | 5.55%  | 5.66%   | 5.94%    | 6.76%    |
| 364 Day T-Bill     | 5.80%  | 5.90%   | 6.11%    | 7.25%    |
| 10 Year Gilt       | 6.35%  | 6.53%   | 6.85%    | 7.72%    |
| G-Sec Vol. (Rs.Cr) | 73832  | 44495   | 42158    | 51915    |
| FBIL MIBOR         | 5.75%  | 5.70%   | 5.90%    | 6.25%    |
| 3 Month CP Rate    | 6.10%  | 6.25%   | 6.90%    | 7.65%    |
| 5 Year Corp Bond   | 7.77%  | 7.81%   | 8.02%    | 8.61%    |
| 1 Month CD Rate    | 5.64%  | 5.76%   | 5.91%    | 6.72%    |
| 3 Month CD Rate    | 6.09%  | 6.30%   | 6.38%    | 7.18%    |
| 1 Year CD Rate     | 6.79%  | 6.95%   | 7.50%    | 7.95%    |

| Currency Market |        |          |        |
|-----------------|--------|----------|--------|
| Currency        | 02-Aug | Prev_Day | Change |
| USD/INR         | 69.40  | 69.06    | 0.34   |
| GBP/INR         | 84.09  | 83.75    | 0.34   |
| EURO/INR        | 76.94  | 76.31    | 0.63   |
| JPY/INR         | 0.65   | 0.63     | 0.02   |

| Commodity Prices   |        |        |          |          |
|--------------------|--------|--------|----------|----------|
| Commodity          | 02-Aug | Wk Ago | Mth. Ago | Year Ago |
| NYMEX Crude(\$/bl) | 55.62  | 56.03  | 55.97    | 68.90    |
| Brent Crude(\$/bl) | 60.26  | 62.30  | 62.86    | 73.59    |
| Gold(\$/oz)        | 1440   | 1418   | 1418     | 1208     |
| Gold(Rs./10 gm)    | 35341  | 34781  | 33577    | 29577    |

Source: Thomson Reuters Eikon

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**Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.**

#### Derivatives Market

- Nifty Aug 2019 Futures stood at 11,024.05, a premium of 26.70 points above the spot closing of 10,997.35. The turnover on NSE's Futures and Options segment declined to Rs. 11,42,376.65 on Aug 02, 2019, compared with Rs. 27,99,622.77 crore on Aug 1, 2019.
- The Put-Call ratio stood at 0.76 compared with the previous session's close of 0.73.
- The Nifty Put-Call ratio stood at 1.18 compared with the previous session's close of 0.82.
- Open interest on Nifty Futures stood at 20.25 million, compared with the previous session's close of 20.01 million.

#### Indian Debt Market

- Bond yields declined ahead of the upcoming monetary policy meeting next week, where investors are expecting a rate cut. In addition, issuance of sovereign bonds in the overseas markets also aided the market sentiment.
- Yield on the 10-year benchmark paper (7.26% GS 2029) declined 7 bps to close at 6.35% compared with the previous close of 6.42% after trading in a range of 6.31% to 6.36%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,508 crore (gross) on Aug 2, 2019, unchanged from Aug 1, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 19,673 crore on Aug 1, 2019.
- Banks borrowed Rs. 250 crore under the central bank's Marginal Standing Facility on Aug 1, 2019 compared with borrowings of Rs. 920 crore on Jul 31, 2019.

#### Currency Market Update

- The Indian rupee weakened amid escalating trade tension between the U.S. and China following the U.S. President's comment on imposing fresh tariffs on Chinese imports. This dented investors risk appetite for riskier assets.
- The euro was up against the greenback, benefitting from the U.S. President's comment on levying fresh tariffs on Chinese imports worth \$300 billion starting Sep 1. In addition, the market is awaiting the U.S. non-farm payroll figure for further cues.

#### Commodity Market Update

- Gold prices were down as investors resorted to profit booking to capitalize on the recent rally following weakening investor sentiments amid worsening U.S.-China trade relations.
- Brent crude prices were subdued over concerns on aggravating U.S.-China trade feud.

#### International News

- A report released by the Commerce Department showed a rebound in new orders for U.S. manufactured goods in Jun 2019. The Commerce Department said factory orders rose by 0.6 percent in June after tumbling by a downwardly revised 1.3% in May. The rebound in factory orders came as durable goods orders surged up by 1.9% in June after plunging by 2.3 percent in May.
- Eurozone producer price inflation slowed to 0.7% in Jun 2019 from 1.6% in May 2019, due to weak energy prices. Energy prices fell 0.1% versus prior month's 3.1% increase.



Thank you for  
your time.