

**RELIANCE**

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FUND

# Markets for You

27 Aug 2019

Indices Performance

Global Indices	26-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
Russell 3000	1,276	1,260	15	1.22
Nasdaq	7,854	7,752	102	1.32
FTSE	Closed	7,095	NA	NA
Nikkei	20,261	20,711	-450	-2.17
Hang Seng	25,680	26,179	-499	-1.91
Indian Indices	26-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	37,494	36,701	793	2.16
Nifty 50	11,058	10,829	229	2.11
Nifty 100	11,153	10,926	227	2.08
Nifty 500	8,965	8,791	174	1.98
Nifty Bank	27,951	26,959	993	3.68
S&P BSE Power	1,890	1,861	29	1.58
S&P BSE Small Cap	12,387	12,186	201	1.65
S&P BSE HC	12,549	12,461	88	0.71

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
26-Aug	26.21	1.24	27.36	1.34
Month Ago	27.10	1.22	27.73	1.32
Year Ago	24.63	1.16	28.06	1.16

Nifty 50 Top 3 Gainers

Company	26-Aug	Prev_Day	% Change <sup>#</sup>
YESBANK	63	59	6.16
ADANI PORTS	368	349	5.40
HDFC	2148	2044	5.12

Nifty 50 Top 3 Losers

Company	26-Aug	Prev_Day	% Change <sup>#</sup>
JSWSTEEL	214	221	-2.97
SUNPHARMA	419	428	-1.98
HEROMOTOCO	2591	2640	-1.87

Advance Decline Ratio

	BSE	NSE
Advances	1705	1344
Declines	811	490
Unchanged	123	115

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1829	52294
MF Flows**	1628	39206

\*26<sup>th</sup> Aug 2019; \*\*23<sup>rd</sup> Aug 2019

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	3.15%	2.99%	4.17%
	(Jul-19)	(Apr-19)	(Jul-18)
IIP	2.00%	2.70%	7.00%
	(Jun-19)	(Mar-19)	(Jun-18)
GDP	5.80%	6.60%	8.10%
	(Mar-19)	(Dec-18)	(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 started the week with steep losses as the trade war took a turn for the worse over the weekend. U.S. and China announced retaliatory tariffs against one another, which overshadowed a dovish speech by the U.S. Fed chief and hit sentiment. Today (as of Aug 27), Asian markets opened higher tracking developments on the U.S.-China trade front. While Nikkei was trading higher 1.12%, Hang Seng was down 0.09% (as at 8.a.m. IST).
- European markets were little changed after the U.S. President relaxed trade war fears saying China is ready to come back to the negotiating table
- U.S. markets gained at the start of the week after the U.S. President said China is ready to restart talks following a phone call on Aug 25, 2019. Over the weekend the two countries had announced retaliatory tariffs against each other but the President's statement soothed investor nerves.

Indian Equity Market

- Indian equity markets made handsome gains as investors reacted to the announcement of slew of measures announced by the finance minister to boost the economy after the close of markets on Aug 23, 2019. The government rolled back the increase in surcharge on foreign portfolio investors and announced relief packages for the auto and finance sectors.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 2.16% and 2.11% to close at 37,494.12 and 11,057.85, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap gained 1.57% and 1.65%, respectively.
- The overall market breadth on BSE was strong with 1705 scrips advancing and 811 scrips declining. A total of 123 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Finance was the major gainer, up 3.86%, followed by S&P BSE Realty and S&P BSE Bankex, which gained 3.6% and 3.57%, respectively. S&P BSE Capital Goods and S&P BSE Industrials gained 2.84% and 2.37%, respectively. S&P BSE Metal was the only loser, down 1.12%.

Domestic News

- The government has extended the last date of filing annual goods and services tax return to Nov 30, 2019, from Aug 31, 2019.
- A major global advisory has said in its report the Indian government should move towards a simple tax structure with a single corporate tax rate of 25%, without any surcharge or cess above it. The report titled "India: Redefining its growth path" observed that the minimum alternate tax should be withdrawn, and dividend distribution tax should be replaced by the withholding tax. In the Union Budget 2019-20, finance minister proposed to raise the annual turnover threshold limit from Rs. 250 crore to Rs. 400 crore for using a lower corporate tax rate of 25%, lowering the corporate tax rate of companies earning up to Rs 400 crore from the previous 30%.
- Media reports showed the government could relax foreign direct investment (FDI) rules in many sectors, including single-brand retail trading and digital media, to attract overseas players. Other sectors where FDI rules could be eased are coal and contract manufacturing. The government may allow 100% FDI in contract manufacturing. In the existing foreign investment policy, 100% foreign direct investment is allowed in the manufacturing sector under the automatic route.
- A top U.S. Senator said India is "the worst" in terms of high tariffs on U.S. products. This comes before U.S. President's crucial meeting with the Indian Prime Minister on the sidelines of the G-7 Summit in France.
- A major global bank said the Indian government could announce two more tranches of support measures over the next fortnight. The finance minister announced a series of measures, including rollback of increase in super-rich tax on foreign and domestic equity investors, exemption of start-ups from 'angel tax', a package to address the problems in the auto sector and upfront infusion of Rs. 70,000 crore in public sector banks. All this comes as economic growth is at a five-year low.

FII Derivative Trade Statistics		26-Aug		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	6054.54	5626.44	23217.94	
Index Options	216665.02	218671.10	60851.92	
Stock Futures	16963.50	16536.67	91855.41	
Stock Options	8684.79	8785.13	5767.77	
Total	248367.85	249619.34	181693.04	

Derivative Statistics- Nifty Options			
	26-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.21	1.02	0.19
Put Call Ratio(Vol)	0.84	0.78	0.06

Debt Watch				
	26-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.36%	5.30%	5.56%	6.39%
T-Repo	5.20%	5.18%	5.58%	NA
Repo	5.40%	5.40%	5.75%	6.50%
Reverse Repo	5.15%	5.15%	5.50%	6.25%
91 Day T-Bill	5.42%	5.45%	5.66%	6.80%
364 Day T-Bill	5.65%	5.73%	5.90%	7.29%
10 Year Gilt	6.48%	6.59%	6.53%	7.87%
G-Sec Vol. (Rs.Cr)	56940	38343	44495	31439
FBIL MIBOR*	5.40%	5.37%	5.75%	6.55%
3 Month CP Rate	5.90%	6.00%	6.35%	7.80%
5 Year Corp Bond	7.64%	7.95%	7.81%	8.64%
1 Month CD Rate	5.47%	5.36%	5.76%	6.75%
3 Month CD Rate	5.74%	5.54%	6.30%	7.21%
1 Year CD Rate	6.54%	6.56%	6.95%	8.02%

Currency Market			
Currency	26-Aug	Prev_Day	Change
USD/INR	72.18	71.73	0.45
GBP/INR	88.60	87.62	0.98
EURO/INR	80.47	79.39	1.08
JPY/INR	0.69	0.67	0.01

Commodity Prices				
Commodity	26-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	53.51	56.19	56.03	69.46
Brent Crude(\$/bl)	Closed	59.83	62.30	73.60
Gold(\$/oz)	1526	1495	1418	1206
Gold(Rs./10 gm)	38578	37469	34781	29561

Source: Thomson Reuters Eikon

\*As on previous trading day

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**Derivatives Market**

- Nifty Aug 2019 Futures stood at 11,054.20, a discount of 3.65 points below the spot closing of 11,057.85. The turnover on NSE's Futures and Options segment rose to Rs. 15,13,497.60 on August 26, 2019, compared with Rs. 10,43,153.98 crore on August 23, 2019.
- The Put-Call ratio stood at 0.81 compared with the previous session's close of 0.69.
- The Nifty Put-Call ratio stood at 1.21 compared with the previous session's close of 1.02.
- Open interest on Nifty Futures stood at 22.49 million, compared with the previous session's close of 22.32 million.

**Indian Debt Market**

- Bond yields lowered as bond market sentiment turned bullish after a steep fall in U.S. Treasury yield and crude oil price amid escalating U.S.-China trade worries.
- Yield on the 10-year benchmark paper (7.26% GS 2029) eased 9 bps to 6.48% compared with the previous close of 6.57% after trading in a range of 6.48% to 6.53%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 4,354 crore (gross) on Aug 26, 2019 compared with borrowings of Rs. 3,769 crore (gross) on Aug 23, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 11,368 crore on Aug 23, 2019.
- Banks borrowed Rs. 2,250 crore under the central bank's Marginal Standing Facility on Aug 23, 2019 compared with borrowings of Rs. 1 crore on Aug 22, 2019.

**Currency Market Update**

- The Indian plunged to a more than nine month low against the greenback as escalating trade tensions between U.S. and China weighed on the market sentiment. However, gains in the domestic equity market restricted further losses. The rupee closed at 72.02 per dollar, down 0.50% compared with the previous close 71.66.
- The euro fell against the greenback as the latter got some support after U.S. and China sought to ease trade war tensions. The euro closed at 1.1100, down 0.39% compared with the previous close of 1.1144.

**Commodity Market Update**

- Gold prices remained steady as investors continued to monitor the developments of the ongoing U.S.- China trade war. After witnessing initial rally, the precious metal gave up some of its gains after both the nations sought to ease trade war tensions.
- Brent crude oil market remained closed.

**International News**

- A Commerce Department report showed new orders for U.S. durable goods jumped much more than expected in Jul 2019. Durable goods orders surged up 2.1% in Jul following a 1.8% increase in Jun 2019.
- Ifo institute survey results showed Germany's business confidence deteriorated to the lowest level in nearly seven years in Aug 2019 as escalating trade disputes dampened manufacturing activity, pushing the economy to the verge of a recession. The Ifo business climate index fell to 94.3 in Aug from 95.8 in Jul 2019. This was the fifth consecutive fall.

Thank you for  
your time.