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Markets for You

22 Feb 2019

Indices Performance

Global Indices	21-Feb	Prev_Day	Abs. Change	% Change [#]
Dow Jones	25,851	25,954	-104	-0.40
Nasdaq	7,460	7,489	-29	-0.39
FTSE	7,167	7,229	-61	-0.85
Nikkei	21,464	21,431	33	0.15
Hang Seng	28,630	28,514	116	0.41
Indian Indices	21-Feb	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	35,898	35,756	142	0.40
Nifty 50	10,790	10,735	54	0.51
Nifty 100	10,925	10,865	60	0.55
Nifty Bank	27,052	26,956	97	0.36
SGX Nifty	10,796	10,762	34	0.31
S&P BSE Power	1,793	1,787	6	0.34
S&P BSE Small Cap	13,414	13,272	142	1.07
S&P BSE HC	13,507	13,379	128	0.96

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
21-Feb	23.02	1.20	26.31	1.25
Month Ago	24.06	1.15	26.29	1.23
Year Ago	23.44	1.17	25.18	1.09

Nifty 50 Top 3 Gainers

Company	21-Feb	Prev_Day	% Change [#]
Indiabulls HFC	684	645	6.01
Tata Motors	170	165	2.97
Bajaj Finserv Limited	6169	5998	2.84

Nifty 50 Top 3 Losers

Company	21-Feb	Prev_Day	% Change [#]
Bharti Infratel	313	318	-1.78
BPCL	335	341	-1.70
Yes Bank	215	218	-1.24

Advance Decline Ratio

	BSE	NSE
Advances	1570	1218
Declines	983	571
Unchanged	146	97

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1283	-1885
MF Flows**	498	15822

*21st Feb 2019; **20th Feb 2019

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	2.05% (Jan-19)	3.38% (Oct-18)	5.07% (Jan-18)
IIP	2.40% (Dec-18)	4.60% (Sep-18)	7.30% (Dec-17)
GDP	7.10% (Sep-18)	8.20% (Jun-18)	6.30% (Sep-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 following media report that the U.S. and China are outlining deals on the contentious trade issues. The U.S. Federal Reserve giving dovish signals also supported sentiment. China's foreign affairs ministry spokesperson said the country would not use the yuan's exchange rate as a bargain to deal with the trade dispute. Today (as of Feb 22), Asian markets opened lower following losses in the U.S. Wall Street amid U.S. weak economic data. Both Nikkei and Hangseng was trading down 0.39% and 0.53%, respectively (as at 8.a.m. IST).
- As per the last close, European markets closed mixed as weak earnings updates and factory activity data in Feb 2019 offset investor optimism about U.S.-China trade talks.
- As per the last close, U.S markets closed lower following batch of largely disappointing U.S. economic data. However, optimism about trade talks between the U.S. and China restricted the losses.

Indian Equity Market

- Indian equity markets gained amid buying by foreign and domestic institutional investors. Positive global cues also helped sentiment as the U.S. Federal Reserve appeared to become dovish on future interest rate hikes. There were also reports of the U.S. and China framing agreements on contentious issues of trade.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.40% and 0.51%, respectively, to close at 35,898.35 and 10,789.85, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap gained 0.88% and 1.07%, respectively.
- The overall market breadth on BSE was strong with 1570 scrips advancing and 983 scrips declining. A total of 146 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Basic Materials was the major gainer, up 1.29%, followed by S&P BSE Metal and S&P BSE Consumer Goods, up 1.14% and 1.02%, respectively. S&P BSE Healthcare and S&P BSE Industrials gained 1.02% and 0.96%, respectively. S&P BSE Information Technology was the major loser, down 0.32%, followed by S&P BSE Teck, down 0.21%.

Domestic News

- The Finance Ministry is expecting bad loan recoveries to touch Rs. 1.80 lakh crore in FY19 as two major cases are at the final stage of resolution. So far, banks have recovered Rs. 1 lakh crore under the Insolvency and Bankruptcy Code (IBC). The recovery could touch Rs. 1.80 lakh crore by Mar 2019 with some of the resolutions at the final stage, Financial Services Secretary said.
- Under National Bulk Handling Corporation's (NBHC) first estimate of rabi production in 2018-19, rabi cereals output is expected to decline 9.91%, while chana/gram is the most affected pulse seeing 9.92% fall in acreage. The northeast monsoon, between Oct and Dec, over India had been "Substantially below Normal". The cumulative rainfall during the post-monsoon season, from Oct 1, 2018, to Dec 31, 2018, has been 44% lower than LPA. Rainfall in the four broad geographical divisions of India during the period has been lower than LPA by 51% each in Central India & East & North East India, 45% in North West India and 36% in South Peninsula.
- ING Group has announced to divest around 1.20% stake (23 lakh shares) in Kotak Mahindra Bank through block deal on Feb 22, 2019. There are expectations that the offer price will be at 3-5% discount to Feb 21's closing price. ING Group was holding 3.06% share in Kotak Mahindra Bank as of Dec 31, 2018.
- Tata Sons chairman has announced plans to bring down the number of subsidiaries owned by the Tata Group's operating companies to a controllable number. Currently, there are more than 1000 subsidiaries. According to the chairman, the group's immediate priorities will be to stabilise the loss-making Jaguar Land Rover unit, focusing on high-growth sectors and to boost weaker businesses such as aviation and infrastructure.
- Loss-making Jet Airways could receive fund infusion worth over Rs. 3,000 crore following massive debt-restructuring and funding from Etihad Airways as well as National Investment and Infrastructure Fund (NIIIF). Etihad, which currently owns 24% in Jet, is a strategic partner and is expected to pour in around Rs. 1,400 crore

FII Derivative Trade Statistics		21-Feb		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	3193.61	2447.22	31289.78	
Index Options	173831.20	171625.10	67025.20	
Stock Futures	12455.01	12188.55	90592.37	
Stock Options	7150.51	7262.33	10837.97	
Total	196630.33	193523.20	199745.32	

Derivative Statistics- Nifty Options			
	21-Feb	Prev_Day	Change
Put Call Ratio (OI)	1.38	1.30	0.08
Put Call Ratio(Vol)	0.98	0.87	0.10

Debt Watch				
	21-Feb	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.28%	6.28%	6.49%	5.95%
T-Repo	6.26%	6.21%	6.52%	--
Repo	6.25%	6.25%	6.50%	6.00%
Reverse Repo	6.00%	6.00%	6.25%	5.75%
91 Day T-Bill	6.38%	6.35%	6.54%	6.32%
364 Day T-Bill	6.47%	6.49%	6.79%	6.61%
10 Year Gilt	7.54%	7.52%	7.57%	7.71%
G-Sec Vol. (Rs.Cr)	18081	33308	41537	12976
FBIL MIBOR*	6.37%	6.35%	6.48%	6.05%
3 Month CP Rate	7.75%	7.15%	7.60%	7.89%
5 Year Corp Bond	8.47%	8.36%	8.45%	8.19%
1 Month CD Rate	6.60%	6.41%	6.71%	6.24%
3 Month CD Rate	7.38%	7.07%	7.11%	7.22%
1 Year CD Rate	7.60%	7.60%	7.95%	7.50%

Currency Market			
Currency	21-Feb	Prev_Day	Change
USD/INR	71.15	71.18	-0.02
GBP/INR	92.72	92.93	-0.21
EURO/INR	80.62	80.71	-0.09
JPY/INR	0.64	0.64	0.00

Commodity Prices				
Commodity	21-Feb	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	56.90	54.35	53.67	61.71
Brent Crude(\$/bl)	67.45	64.39	62.19	64.55
Gold(\$/oz)	1323	1312	1280	1324
Gold(Rs./10 gm)	33531	32845	32154	30393

Source: Thomson Reuters Eikon

*As on previous trading day

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Derivatives Market

- Nifty Feb 2019 Futures were at 10,804.45, a premium of 14.60 points, over the spot closing of 10,789.85. The turnover on NSE's Futures and Options segment increased to Rs. 15,14,786.09 crore on Feb 21, 2019, compared with Rs. 10,11,506.05 crore on Feb 20, 2019.
- The Put-Call ratio stood at 0.82, compared with the previous session's close of 0.91.
- The Nifty Put-Call ratio stood at 1.38 compared with the previous session's close of 1.30.
- India VIX decreased 6.78% to 15.8975 compared with 17.0550 at the previous trading session.
- Open interest on Nifty Futures stood at 24.05 million as against the previous session's close at 24.34 million.

Indian Debt Market

- Bond yields were nearly steady as market participants await the minutes of the Monetary Policy Committee's meeting to get clarity on the governor's rationale behind the softer policy stance.
- Yield on the 10-year benchmark paper (7.17% GS 2028) remained unchanged at 7.55% as compared with the previous session's close after trading in the range of 7.54% to 7.56%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,858 crore (gross) on Feb 21, 2019, compared with Rs. 18,726 crore (gross) as on Feb 20, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 15,583 crore on Feb 20, 2019.
- Banks did not borrow under the central bank's Marginal Standing Facility on Feb 20, 2019 compared with borrowing of Rs. 215 crore on Feb 18, 2019.

Currency Market Update

- The Indian rupee depreciated with rise in greenback demand from oil importers and surge in crude oil prices. The rupee closed at 71.25 a dollar, down 0.20% compared with the previous close of 71.11.
- The euro moved up following the rise in eurozone government bond yields. In addition, a survey revealing strong French business activity in Feb supported the common currency. The euro was last seen trading at 1.1346 a dollar, up 0.10% compared with the previous close of 1.1335.

Commodity Market Update

- Gold prices drifted lower as greenback firmed following the minutes of the U.S. Federal Reserve's policy meeting held in Jan.
- Brent crude prices moved up due to the OPEC-led production cut to tighten the oil market.

International News

- As per the minutes of the U.S. Federal Reserve's latest policy meeting, "a patient approach would have the added benefit of giving policymakers an opportunity to judge the response of economic activity and inflation to the recent steps taken to normalize the stance of monetary policy". The minute stated that additional data would help policymakers gauge the trajectory of business and consumer sentiment and the impact of the financial tightening on aggregate demand.
- Preliminary survey data from IHS Markit showed that eurozone's private sector expanded at the fastest pace in three months in Feb 2019. The flash Composite Purchasing Managers' Index grew to 51.4 from 51 in Jan 2019. The flash services PMI grew to a 3-month high of 52.3 from 51.2 in Jan 2019. In contrast, the manufacturing PMI fell to a 68-month low of 49.2 from 50.5 in the previous month.

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