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# Markets for You

28 Feb 2019

## Indices Performance

Global Indices	27-Feb	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	25,985	26,058	-73	-0.28
Nasdaq	7,555	7,549	5	0.07
FTSE	7,107	7,151	-44	-0.61
Nikkei	21,557	21,449	107	0.50
Hang Seng	28,757	28,772	-15	-0.05
Indian Indices	27-Feb	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	35,905	35,974	-68	-0.19
Nifty 50	10,807	10,835	-29	-0.26
Nifty 100	10,962	10,982	-20	-0.18
Nifty Bank	26,799	26,953	-154	-0.57
SGX Nifty	10,801	10,828	-28	-0.25
S&P BSE Power	1,812	1,820	-8	-0.45
S&P BSE Small Cap	13,573	13,550	23	0.17
S&P BSE HC	13,711	13,668	43	0.31

## P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
27-Feb	26.15	1.20	26.36	1.25
Month Ago	23.68	1.17	26.14	1.25
Year Ago	23.95	1.15	25.87	1.12

## Nifty 50 Top 3 Gainers

Company	27-Feb	Prev_Day	% Change <sup>#</sup>
Ultratech Cem	3889	3789	2.65
Bajaj Auto	2915	2859	1.94
United Phos	869	855	1.67

## Nifty 50 Top 3 Losers

Company	27-Feb	Prev_Day	% Change <sup>#</sup>
Bharti Infratel	297	308	-3.65
Wipro	374	388	-3.42
Vedanta	165	170	-2.98

## Advance Decline Ratio

	BSE	NSE
Advances	1140	849
Declines	1401	955
Unchanged	163	90

## Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1663	13373
MF Flows**	-371	15302

\*27<sup>th</sup> Feb 2019; \*\*26<sup>th</sup> 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 mostly higher as investors welcomed dovish comments by the U.S. Federal Reserve chairman on monetary policy. The chief iterated the U.S. central bank will stay patient on monetary policy keeping in mind the economic headwinds. They also looked forward to the second summit between the U.S. President and North Korean leader in Vietnam. Today (as of Feb 28), Asian markets opened lower following geopolitical concerns and trade concerns. Both Nikkei and Hangseng was trading up 0.38% and 0.13%, respectively (as at 8.a.m. IST).
- As per the last close, European markets closed lower as investors were cautious over second summit between the U.S. President and North Korean leader. More than expected fall in eurozone economic sentiment in Feb 2019 also weighed on the market.
- As per the last close, U.S markets closed mostly lower following renewed concerns over U.S. China trade war after a U.S. Trade Representative indicated that a trade deal was not yet certain. A slew of geopolitical issues also weighed on the market.

## Indian Equity Market

- Indian equity markets dipped over escalating tensions between India and Pakistan. The two are engaging in air confrontations and fears are that the situation could go out of hand. The market had started the day on a positive note on upbeat global cues after the Federal Reserve chairman iterated that the central bank will be patient while hiking rates in the future.
- Key benchmark indices S&P BSE Sensex and Nifty 50 dropped 0.19% and 0.26% to close at 35,905.43 and 10,806.65, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap lost 0.40% and 0.17%, respectively.
- The overall market breadth on BSE was weak with 1140 scrips advancing and 1401 scrips declining. A total of 163 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Capital Goods was the major gainer, up 1.13%, followed by S&P BSE Industrials and S&P BSE Basic Materials, up 0.49% and 0.48%, respectively. S&P BSE Healthcare and S&P BSE Auto gained 0.31% each. S&P BSE Consumer Durables was the major loser, down 0.7%, followed by S&P BSE Power and S&P BSE Bankex, down 0.45% and 0.44%, respectively. S&P BSE Telecom and S&P BSE Metal lost 0.43% and 0.42%, respectively.

## Domestic News

- The task force established to draft a new direct tax law to replace the existing Income Tax Act has sought 2-3 months extension from the finance minister. The task force was scheduled to submit the report by Feb 28, 2019. With a 3-month extension, the report of the task force would come before the final budget for 2019-20 fiscal — to be presented in Jul 2019 after the general elections. The Prime Minister, during the annual conference of tax officers in Sep 2017, had observed that the Income-tax Act, 1961, was drafted more than 50 years ago and needs to be redrafted. The task force was assigned to draft direct tax laws in line with the regulations prevalent in other countries, incorporating international best practices, and keeping in mind the economic needs of the country.
- The government has detected Rs. 20,000 crore worth goods and services tax (GST) evasion so far in FY19. It will take more steps to check frauds and increase compliance, according to media reports. Central Board of Indirect Taxes and Customs member (Investigation) said the department would soon call a meeting of the representatives of the real estate sector to understand transition issues faced by the sector after reduction in GST rates.
- The government could transfer Rs. 2,000 each to at least 10 million more farmers by Mar 1, 2019. This will carry forward the PM-KISAN scheme that Prime Minister launched on Feb 24, 2019. The government has registered 37.1 million farmers from across the country. After the second round of fund transfer later in the week, the government will make payments on a regular basis as and when data is validated by the Public Financial Management System (PFMS).
- Syndicate Bank announced that it is planning to bring down the gross NPA to below 12% and the net NPA to below 6% in the current year from the existing level of 12.5% and 6.5%, respectively. According to the bank's chief executive officer (CEO), the bank has made a profit in the third quarter after posting losses in the previous quarters of FY19. The CEO also expects to settle bad loans worth Rs. 18,000 crore early.

FII Derivative Trade Statistics		27-Feb	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	7198.82	7897.09	31118.94
Index Options	196036.72	196608.71	62657.34
Stock Futures	34002.56	33440.82	94342.54
Stock Options	9236.65	9427.72	11069.14
Total	246474.75	247374.34	199187.96

Derivative Statistics- Nifty Options			
	27-Feb	Prev_Day	Change
Put Call Ratio (OI)	1.37	1.40	-0.03
Put Call Ratio(Vol)	1.31	1.19	0.12

Debt Watch				
	27-Feb	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.26%	6.29%	6.41%	5.93%
T-Repo	6.26%	6.34%	6.39%	NA
Repo	6.25%	6.25%	6.50%	6.00%
Reverse Repo	6.00%	6.00%	6.25%	5.75%
91 Day T-Bill	6.36%	6.40%	6.54%	6.26%
364 Day T-Bill	6.55%	6.50%	6.76%	6.50%
10 Year Gilt	7.67%	7.55%	7.55%	7.67%
G-Sec Vol. (Rs.Cr)	35604	23364	32425	24462
FBIL MIBOR*	6.35%	6.31%	6.54%	6.04%
3 Month CP Rate	7.75%	7.75%	7.65%	7.90%
5 Year Corp Bond	8.43%	8.40%	8.49%	8.13%
1 Month CD Rate	6.75%	6.65%	6.64%	6.24%
3 Month CD Rate	7.34%	7.39%	7.27%	7.25%
1 Year CD Rate	7.96%	7.62%	7.88%	7.56%

Currency Market			
Currency	27-Feb	Prev_Day	Change
USD/INR	71.17	71.10	0.07
GBP/INR	94.22	93.36	0.86
EURO/INR	80.97	80.75	0.22
JPY/INR	0.64	0.64	0.00

Commodity Prices				
Commodity	27-Feb	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	56.87	56.85	53.48	62.93
Brent Crude(\$/bl)	65.49	67.36	61.93	68.23
Gold( \$/oz)	1320	1338	1303	1318
Gold(Rs./10 gm)	33367	33730	32303	30496

Source: Thomson Reuters Eikon

\*As on previous trading day

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

#### Derivatives Market

- Nifty Feb 2019 Futures were at 10,809.45, a premium of 2.80 points, over the spot closing of 10,806.65. The turnover on NSE's Futures and Options segment increased to Rs. 14,77,021.36 crore on Feb 27, 2019.
- The Put-Call ratio stood at 1.10, compared with the previous session's close of 1.03.
- The Nifty Put-Call ratio stood at 1.37 compared with the previous session's close of 1.40.
- India VIX rose 12.24% to 19.2100 compared with 17.1150 at the previous trading session.
- Open interest on Nifty Futures stood at 23.26 million as against the previous session's close at 22.98 million.

#### Indian Debt Market

- Bond yields saw a sharp rise with the rising geo-political risk between India and Pakistan. Concerns escalated after Pakistan carried out airstrikes and shot down two Indian jets.
- Yield on the existing 10-year benchmark paper (7.17% GS 2028) rose 8 bps to close at 7.67% as compared with the previous session's close of 7.59% after trading in the range of 7.59% to 7.70%.
- Yield on the upcoming new 10-year benchmark paper (7.26% GS 2029) rose 5 bps to close at 7.47% compared with the previous session's close of 7.42% after trading in the range of 7.42% to 7.50%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 13,347 crore (gross) on Feb 27, 2019, compared with Rs. 3,342 crore (gross) as on Feb 26, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 38,511 crore on Feb 26, 2019.

#### Currency Market Update

- The Indian rupee fell against the greenback following the rising antagonism and geo-political risk between India and Pakistan. Investors are closely watching any development on the geo-political space. The rupee closed at 71.22 a dollar, down 0.22% compared with the previous close of 70.06.
- The euro rose following the British Prime Minister's proposal for a vote to offer a limited extension on Brexit. The euro was last seen trading at 1.1397 a dollar, up 0.11% compared with the previous close of 1.1385.

#### Commodity Market Update

- Gold prices were mixed ahead of the U.S. Federal Reserve's second day of testimony and U.S. reports on home prices and consumer confidence.
- Brent crude prices rose following reports that OPEC and its allies will continue with their plan of trimming oil supply.

#### International News

- A Commerce Department report, which was delayed by the government shutdown, showed a much steeper than expected decline in U.S. housing starts in Dec 2018. The report said housing starts declined 11.2% to an annual rate of 1.078 million in Dec from the revised Nov 2018 estimate of 1.214 million.
- Conference Board report showed consumer confidence in the U.S. rebounded in Feb 2019 following three straight monthly decreases. The Conference Board said its consumer confidence index jumped to 131.4 in Feb after falling to 121.7 in Jan 2019.

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