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# Markets for You

13 Jun 2019

## Indices Performance

Global Indices	12-Jun	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	26,005	26,049	-44	-0.17
Nasdaq	7,793	7,823	-30	-0.38
FTSE	7,368	7,398	-31	-0.42
Nikkei	21,130	21,204	-75	-0.35
Hang Seng	27,308	27,789	-481	-1.73
Indian Indices	12-Jun	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	39,757	39,950	-194	-0.48
Nifty 50	11,906	11,966	-59	-0.50
Nifty 100	11,989	12,054	-64	-0.53
Nifty Bank	30,966	31,265	-300	-0.96
SGX Nifty	11,919	11,983	-65	-0.54
S&P BSE Power	1,993	2,010	-17	-0.82
S&P BSE Small Cap	14,549	14,619	-70	-0.48
S&P BSE HC	13,045	13,128	-83	-0.63

## P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
12-Jun	28.39	1.20	29.45	1.22
Month Ago	28.44	1.23	28.14	1.17
Year Ago	23.51	1.13	27.60	1.22

## Nifty 50 Top 3 Gainers

Company	12-Jun	Prev_Day	% Change <sup>#</sup>
Tata Steel	506	493	2.71
GAIL	310	306	1.32
ONGC	171	169	0.95

## Nifty 50 Top 3 Losers

Company	12-Jun	Prev_Day	% Change <sup>#</sup>
Indiabulls HFC	621	675	-7.93
Bharti Infratel	273	283	-3.50
Yes Bank	135	140	-3.44

## Advance Decline Ratio

	BSE	NSE
Advances	998	694
Declines	1522	1124
Unchanged	159	99

## Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	302	78204
MF Flows**	144	1808

\*12<sup>th</sup> Jun 2019; \*\*11<sup>th</sup> Jun 2019

## Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	3.05% (May-19)	2.57% (Feb-19)	4.87% (May-18)
IIP	3.40% (Apr-19)	1.60% (Jan-19)	4.50% (Apr-18)
GDP	5.80% (Mar-19)	6.60% (Dec-18)	8.10% (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 markets traded lower following escalating trade tension between U.S. and China. Weak Chinese producer price inflation data for May also weighed on the sentiments, although consumer price inflation accelerated during the same period. Today (as of June 13), Asian markets opened lower following losses in the Wall Street. Investors are expected to remain focused on violent clashes between protesters and riot police over a controversial extradition bill in Hong Kong. Nikkei and Hangseng fell 0.28% and 0.72%, respectively (as at 8.a.m. IST).
- As per the last close, European markets closed lower amid intensifying trade tensions between U.S. and China. Further, reports that European Union is closer to taking disciplinary action over Italy's growing debt weighed on the market sentiment.
- As per the last close, U.S markets closed lower as lingering trade concerns weighed on the market sentiment. U.S. President reportedly stated that he had no interest in moving ahead with China unless it agreed on some major points. Weakness in tech and banking shares weighed on the indices.

## Indian Equity Market

- Indian equity markets closed in the red on weak global cues after U.S. President warned Chinese Premier that the White House would impose another round of tariff on the Chinese imports. Further, reports that a major housing finance company has misappropriated thousands of crores of public money muted buying interest. Also, investors remained cautious ahead of the consumer price inflation and index of industrial production data for May and Apr 2019 scheduled later in the day.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.48% and 0.50% to close at 39,756.81 and 11,906.20, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap fell 0.79% and 0.48%, respectively.
- The overall market breadth on BSE was weak with 1,522 scrips declining and 998 scrips advancing. A total of 159 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Realty stood as the major loser and fell 1.94%, followed by S&P BSE Telecom that fell 1.55%. S&P BSE Capital Goods and S&P BSE Auto fell 1.15% and 1.12%, respectively. S&P BSE Bankex and S&P BSE Finance fell 1.01% and 0.93% respectively.

## Domestic News

- Government data showed that India's Index of Industrial Production (IIP) growth rose 3.4% YoY in Apr 2019 as against revised growth of 0.4% (decline of 0.1% originally reported) in Mar 2019 and increase of 4.5% in Apr 2018. The current reading is highest in seven months. The electricity, mining and manufacturing sector rose 6%, 5.1% and 2.8% in Apr 2019 compared with a rise of 2.1%, 3.8% and 4.9% a year ago, respectively.
- India's consumer inflation accelerated to 3.05% YoY in May 2019 from upwardly revised growth of 2.99% (originally reported 2.92%) in Apr 2019 but slowed compared with 4.87% in May 2018. Food inflation grew 1.83% in May 2019 compared with a growth of 1.10% in Apr 2019 and a growth of 3.10% in the same month of the previous year. Vegetables inflation also accelerated to 5.46% YoY from 2.87% in Apr 2019. Pulses and products inflation rose 2.13% YoY in May 2019 from decline of 0.89% in the previous month.
- As per media reports, government is planning a new labour legislation by merging 44 labour laws under four categories-- wages, social security, industrial safety & welfare, and industrial relations. The laws related to social security will be merged to create a single social security law or code. Laws related to wages will be combined to create one wage law and same for laws related to industrial safety & welfare, and industrial relations. The proposed new labour law will help investors and is expected to accelerate growth.
- As per media reports, the government will take measures to restrict imports of defective or sub-standard steel to help domestic manufacturers. As per the report, the local players prefer imports of defective or sub-standard steel as it is cheaper. Further, it was decided to provide steel at affordable prices to engineering exporters as the domestic steel makers charge huge margins from them.

FII Derivative Trade Statistics		12-Jun		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	3232.03	2282.27	20386.83	
Index Options	194189.26	193330.98	57622.97	
Stock Futures	10292.76	9729.86	86451.22	
Stock Options	3994.79	4005.77	4687.36	
Total	211708.84	209348.88	169148.38	

Derivative Statistics- Nifty Options			
	12-Jun	Prev_Day	Change
Put Call Ratio (OI)	1.33	1.49	-0.17
Put Call Ratio(Vol)	0.80	0.97	-0.17

Debt Watch				
	12-Jun	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.69%	5.87%	5.95%	6.10%
T-Repo	5.60%	5.79%	5.96%	NA
Repo	5.75%	6.00%	6.00%	6.25%
Reverse Repo	5.50%	5.75%	5.75%	6.00%
91 Day T-Bill	5.92%	6.05%	6.43%	6.53%
364 Day T-Bill	6.12%	6.16%	6.50%	6.98%
10 Year Gilt	7.01%	7.02%	7.41%	7.97%
G-Sec Vol. (Rs.Cr)	48770	44224	25102	21448
FBIL MIBOR*	5.80%	5.95%	6.07%	6.15%
3 Month CP Rate	6.65%	6.75%	7.70%	7.75%
5 Year Corp Bond	8.04%	8.01%	8.57%	8.79%
1 Month CD Rate	6.06%	6.15%	6.78%	7.07%
3 Month CD Rate	6.44%	6.43%	7.29%	7.17%
1 Year CD Rate	7.32%	7.16%	7.63%	8.40%

Currency Market			
Currency	11-Jun	Prev_Day	Change
USD/INR	69.42	69.46	-0.04
GBP/INR	88.04	88.27	-0.23
EURO/INR	78.58	78.55	0.03
JPY/INR	0.64	0.64	0.00

Commodity Prices				
Commodity	12-Jun	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	51.08	53.45	61.60	66.38
Brent Crude(\$/bl)	63.10	65.00	72.07	73.95
Gold( \$/oz)	1333	1325	1286	1296
Gold(Rs./10 gm)	32590	32407	31751	30858

Source: Thomson Reuters Eikon

\*As on previous trading day

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### Derivatives Market

- Nifty Jun 2019 Futures were at 11,916.70, a premium of 10.50 points, above the spot closing of 11,906.20. The turnover on NSE's Futures and Options segment increased to Rs. 11,29,362.76 crore on Jun 12, 2019, compared with Rs. 9,24,246.40 crore on Jun 11, 2019.
- The Put-Call ratio stood at 0.88 compared with the previous session's close of 0.93.
- The Nifty Put-Call ratio stood at 1.33 compared with the previous session's close of 1.49.
- Open interest on Nifty Futures stood at 19.78 million, compared with the previous session's close of 20.34.

### Indian Debt Market

- Bond yields declined as crude oil prices fell due to weak demand sentiments and a surprise rise of U.S. crude inventory. In addition, market participants' expectation of a lower inflation rate for May 2019 compared with the central bank's target also eased the yield.
- Yield on the 10-year benchmark paper (7.26% GS 2029) declined 3 bps to 7.01% compared with the previous close of 7.04% after trading in a range of 6.99% to 7.03%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 4,347 crore (gross) on Jun 12, 2019, compared with Rs. 4,362 crore (gross) as on Jun 11, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 10,151 crore on Jun 11, 2019.
- RBI conducted 7-day variable rate reverse repo auction for a notified amount of Rs. 20,000 crore for which Rs. 2,490 crore was accepted at a cut-off yield of 5.74%.

### Currency Market Update

- The Indian rupee rose against the greenback with fall in crude oil prices due to weak demand sentiments. Besides, likely inflow of foreign funds too supported the local currency.
- The euro inched down against the greenback on escalating U.S.-China trade feud after the U.S. President declared of hiking tariffs in case trade talks with China at the G20 summit show no progress. This weighed on the market sentiment and adversely impacted the common currency.

### Commodity Market Update

- Gold prices were up against the greenback on rising uncertainty over Sino-U.S. trade development.
- Brent crude prices weakened on feeble demand sentiments amid a slowing Chinese economy.

### International News

- According to a report released by the Labor Department, U.S. producer price index rose 0.2% in May 2019, same as Apr 2019. The marginal increase came as higher prices for services were partly offset by a sharp pullback in energy prices.
- According to a report by the National Bureau of Statistics, China's consumer price inflation (CPI) rose 2.7% YoY in May following 2.5% rise in Apr 2019. The increase came due to rise in food prices inflation by 7.7% from 6.1% a month ago. However, on monthly basis, consumer prices remained unchanged in May.



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