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# Markets for You

17 Jun 2019

## Indices Performance

Global Indices	14-Jun	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	26,090	26,107	-17	-0.07
Nasdaq	7,797	7,837	-40	-0.52
FTSE	7,346	7,369	-23	-0.31
Nikkei	21,117	21,032	85	0.40
Hang Seng	27,118	27,295	-176	-0.65
Indian Indices	14-Jun	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	39,452	39,741	-289	-0.73
Nifty 50	11,823	11,914	-91	-0.76
Nifty 100	11,899	11,995	-96	-0.80
Nifty Bank	30,614	30,976	-362	-1.17
SGX Nifty	11,815	11,922	-108	-0.90
S&P BSE Power	1,990	2,004	-14	-0.71
S&P BSE Small Cap	14,366	14,476	-110	-0.76
S&P BSE HC	12,899	13,008	-109	-0.84

## P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
14-Jun	27.98	1.22	29.24	1.23
Month Ago	27.42	1.25	27.98	1.17
Year Ago	23.33	1.14	27.42	1.22

## Nifty 50 Top 3 Gainers

Company	14-Jun	Prev_Day	% Change <sup>#</sup>
Bharti Infratel	275	271	1.36
Sun Pharma	393	390	0.72
Vedanta	170	168	0.65

## Nifty 50 Top 3 Losers

Company	14-Jun	Prev_Day	% Change <sup>#</sup>
Zee Ente.	337	353	-4.57
IndusInd Bank	1427	1489	-4.17
Indiabulls HFC	672	694	-3.18

## Advance Decline Ratio

	BSE	NSE
Advances	791	520
Declines	1739	1289
Unchanged	136	119

## Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	8	77568
MF Flows**	-52	2210

\*14<sup>th</sup> Jun 2019; \*\*13<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 witnessed mixed trend as concerns over U.S.-China trade dispute kept underlying sentiment cautious. Meanwhile, rising tension in the Middle East, led to supply concerns of crude oil prices. The resultant strength in oil prices supported gains in the oil stocks. Today (as of June 17), Asian markets opened on a positive note ahead of the U.S. Federal Reserve policy meet later during the week. Both Nikkei and Hang Seng were trading higher 0.27% and 1.27%, respectively (as at 8 a.m. IST).
- As per the last close, European markets fell on rising concerns about geopolitical tensions and economic slowdown. International Energy Agency (IEA) revised downward its full-year guidance about a lower estimate for global oil demand growth due to trade concerns and fears of a global recession.
- As per the last close, U.S markets declined as Technology stocks came under pressure after a U.S. based IT hardware major lowered its full-year revenue guidance despite upbeat Mar quarter earnings.

## Indian Equity Market

- Indian equity markets slipped in the red amid increased trade tension between U.S. and India. According to media reports, India will impose tariff on 29 U.S. items in retaliation to Washington's withdrawal of key trade privileges for New Delhi. Market participants also remained cautious due to rise in crude oil prices as attacks on tankers in Gulf of Oman escalated U.S.-Iran tensions and raised concerns over supply flows.
- The downturn was restricted as wholesale price inflation slipped to 22-month low in May, helped by falling prices of food articles, fuel and power items.
- Key benchmark indices S&P BSE Sensex and Nifty 50 slipped 0.73% and 0.76% to close at 39452.07 and 11823.30, respectively. Meanwhile, S&P BSE Mid-Cap and S&P BSE Small-Cap fell 1.02% and 0.76%, respectively.
- The overall market breadth on BSE remained weak with 1739 scrips declining and 791 scrips advancing. A total of 136 scrips remained unchanged.
- On the BSE sectoral front, barring S&P BSE Capital Goods, all the indices closed in the red.

## Domestic News

- India's Wholesale Price Index (WPI) - based inflation slowed down to 2.45% in May 2019 from 3.07% in Apr 2019 and 4.78% in May 2018. This marked nearly two-year low. Fuel and power inflation came in at 0.98% in May 2019, significantly down from 3.84% in Apr 2019. Inflation for manufactured products fell to 1.28% as against 1.72% in the previous month. Meanwhile, food articles inflation came in at 6.99% as against 7.37% in Apr.
- Government data showed that India's trade deficit widened to \$15.36 billion in May 2019 from \$15.33 billion in the previous month and \$14.62 billion in the same month of the previous year. India's trade deficit widened as imports grew 4.31% in May 2019, higher than exports growth of 3.93%. Oil imports rose by 8.23% to \$12.44 billion and non-oil imports grew 2.9% to \$32.91 billion.
- The Reserve Bank of India (RBI) announced that it will infuse Rs. 12,500 crore into the financial system through bond purchases on Jun 20, 2019. RBI stated that the decision is based on evaluation of the evolving liquidity conditions and assessment of durable liquidity needs going forward.
- The government has lowered the contribution under the Employees' State Insurance (ESI) Act to 4% from 6.5%. This includes a reduction of 1.5% in employers' contribution to 3.25% and 1% reduction in employees' contribution to 0.75%. Besides, increasing the takehome salary of workers, the move is expected to lower the financial burden of employers.
- According to the media reports, India is preparing to impose higher tariffs on 29 U.S. goods including almonds, walnuts and apples from week ended Jun 21, 2019 after a delay of about a year. The announcement comes following withdrawal of key trade privileges for India by U.S under the Generalized System of Preferences (GSP). This scheme permitted duty-free exports of up to \$5.6 billion from the country.

FII Derivative Trade Statistics		14-Jun	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	2663.76	2941.92	20237.72
Index Options	364413.93	362272.62	54757.49
Stock Futures	11135.30	11232.84	86339.86
Stock Options	4917.73	4760.26	4683.72
Total	383130.72	381207.64	166018.79

Derivative Statistics- Nifty Options			
	14-Jun	Prev_Day	Change
Put Call Ratio (OI)	1.26	1.37	-0.11
Put Call Ratio(Vol)	0.90	0.85	0.05

Debt Watch				
	14-Jun	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.83%	5.69%	5.91%	6.09%
T-Repo	5.66%	5.74%	5.84%	NA
Repo	5.75%	5.75%	6.00%	6.25%
Reverse Repo	5.50%	5.50%	5.75%	6.00%
91 Day T-Bill	5.98%	5.91%	6.34%	6.50%
364 Day T-Bill	6.10%	6.05%	6.46%	7.05%
10 Year Gilt	6.92%	6.97%	7.38%	7.94%
G-Sec Vol. (Rs.Cr)	92107	48346	56075	27770
FBIL MIBOR	5.80%	5.94%	6.05%	6.25%
3 Month CP Rate	6.70%	6.60%	7.50%	7.65%
5 Year Corp Bond	8.00%	7.91%	8.52%	8.82%
1 Month CD Rate	6.03%	5.77%	6.85%	6.99%
3 Month CD Rate	6.33%	6.13%	7.41%	7.38%
1 Year CD Rate	7.15%	7.12%	7.54%	8.46%

Currency Market			
Currency	14-Jun	Prev_Day	Change
USD/INR	69.56	69.36	0.30
GBP/INR	88.20	88.02	0.20
EURO/INR	78.43	78.37	0.07
JPY/INR	0.64	0.64	0.31

Commodity Prices				
Commodity	14-Jun	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	52.42	53.90	61.77	66.91
Brent Crude(\$/bl)	64.57	65.54	73.52	73.86
Gold(\$/oz)	1341	1340	1297	1302
Gold(Rs./10 gm)	33061	32607	32245	31049

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 Jun 2019 Futures were at 11,838.05, a premium of 14.75 points, above the spot closing of 11,823.30. The turnover on NSE's Futures and Options segment decreased to Rs. 7,63,021.64 crore on Jun 14, 2019, compared with Rs. 24,76,549.11 crore on Jun 13, 2019.
- The Put-Call ratio stood at 0.92 compared with the previous session's close of 0.73.
- The Nifty Put-Call ratio stood at 1.26 compared with the previous session's close of 1.37.
- Open interest on Nifty Futures stood at 20.13 million, compared with the previous session's close of 19.82.

#### Indian Debt Market

- Bond yield eased with fall in crude oil prices. In addition, inflation of 3.05% for May was well below the central bank's target of 4%. These factors strengthened speculations on monetary easing. Besides, RBI's unexpected announcement of bond purchase under open market operation indicated liquidity infusion.
- Yield on the 10-year benchmark paper (7.26% GS 2029) declined 9 bps to close at 6.92% compared with the previous close of 7.01% after trading in a range of 6.92% to 7.03%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 12,457 crore (gross) on Jun 14, 2019, compared with Rs. 5,142 crore (gross) as on Jun 13, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 11,970 crore on Jun 13, 2019.

#### Currency Market Update

- The Indian rupee depreciated against the greenback on deepening trade worries between the U.S. and China. This dampened investors' sentiments on riskier assets, thus weighing down on the local currency.
- The euro declined following weaker-than-expected growth in German wholesale price index. This raised speculations of muted inflationary pressure across the eurozone. Besides, strengthening greenback amid the upcoming U.S. Federal Reserve's policy meeting also weighed on the common currency.

#### Commodity Market Update

- Gold prices went north of \$1,350 an ounce with deepening U.S.-China trade tussle, slowdown in Chinese industrial output growth, and rising U.S.-Iran geopolitical worries.
- Brent crude prices declined as the International Energy Agency (IEA) lowered the demand outlook for oil in 2019.

#### International News

- A preliminary report from University of Michigan showed that U.S. consumer sentiment index fell to 97.9 in Jun 2019 from 100.0 in May 2019 due to deterioration in expectations. Index of consumer expectations fell to 88.6 in Jun from 93.5 in May. The fall reflects concerns about the impact of higher tariffs.
- A report from National Bureau of Statistics showed that China's industrial production missed market expectations and grew 5% YoY in May 2019. It was expected to remain stable at 5.4%. The weaker pace reflected higher tariffs imposed by the U.S. Meanwhile, retail sales grew 8.6% in May after surging 7.2% in Apr.

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