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# Markets for You

22 Mar 2019

## Indices Performance

Global Indices	21-Mar	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	25,963	25,746	217	0.84
Nasdaq	7,839	7,729	110	1.42
FTSE	7,355	7,291	64	0.88
Nikkei	Closed	21,609	NA	NA
Hang Seng	29,072	29,321	-249	-0.85
Indian Indices	20-Mar	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	38,387	38,363	23	0.06
Nifty 50	11,521	11,532	-11	-0.10
Nifty 100	11,681	11,697	-15	-0.13
Nifty Bank	29,832	29,768	64	0.22
SGX Nifty	11,561	11,599	-38	-0.33
S&P BSE Power	1,984	2,015	-31	-1.54
S&P BSE Small Cap	14,824	14,873	-49	-0.33
S&P BSE HC	14,280	14,270	11	0.08

## P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
20-Mar	27.85	1.14	28.24	1.17
Month Ago	22.97	1.20	26.50	1.26
Year Ago	22.72	1.19	24.69	1.29

## Nifty 50 Top 3 Gainers

Company	20-Mar	Prev_Day	% Change <sup>#</sup>
Indiabulls HFC	733	698	4.96
Hindalco	207	202	2.37
Infosys	739	722	2.31

## Nifty 50 Top 3 Losers

Company	20-Mar	Prev_Day	% Change <sup>#</sup>
HPCL	275	291	-5.38
Zee Ente.	443	466	-4.84
BPCL	389	408	-4.57

## Advance Decline Ratio

	BSE	NSE
Advances	1088	691
Declines	1597	1160
Unchanged	167	97

## Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	2190	39031
MF Flows**	-540	2594

\*20<sup>th</sup> Mar 2019; \*\*19<sup>th</sup> Mar 2019

## Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	2.57% (Feb-19)	3.38% (Oct-18)	4.44% (Feb-18)
IIP	1.70% (Jan-19)	8.40% (Oct-18)	7.50% (Jan-18)
GDP	6.60% (Dec-18)	7.10% (Sep-18)	7.70% (Dec-17)

Since May-17, MOSPI has revised base year of IIP &amp; WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

## Global Indices

- Asian equity markets were mainly higher after the U.S. Federal Reserve in its meeting hinted that it could no longer raise rates in 2019. This level of dovishness was more than the markets had expected from the Fed. The gains were capped amid Brexit concerns and U.S.-China trade talk worries. The U.S. President warned that U.S. might maintain tariffs on Chinese goods for a "substantial period" to make Beijing comply with a trade deal. Today (as of Mar 22), Asian markets opened higher following an overnight surge on Wall Street. Both Nikkei and Hangseng were trading up 0.10% and 0.50%, respectively (as at 8.a.m. IST).
- As per the last close, European markets closed mixed following concerns over Brexit uncertainty and U.S. China trade tensions. However, rise in U.K. retail sales in Feb 2019 and Bank of England keeping interest rates on hold as expected boosted the U.K. market.
- As per the last close, U.S markets closed higher following gains from technology stocks and upbeat U.S. economic data. However, indications by the U.S. Federal Reserve of keeping the rates unchanged in 2019 restricted the gains.

## Indian Equity Market

- Indian equity markets were flat as weakness in the rupee and rising oil prices made investors book some profits. The markets had been gaining for the past seven sessions. Global cues were mixed too as trade worries re-emerged on media reports that China is not conceding to U.S. demands. Also, investors awaited U.S. Federal Reserve's (Fed) interest-rate decision later in the day.
- Key benchmark indices S&P BSE Sensex gained 0.06% and Nifty 50 lost 0.10% to close at 38,386.75 and 11,521.05, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap lost 0.36% and 0.33%, respectively.
- The overall market breadth on BSE was weak with 1088 scrips advancing and 1597 scrips declining. A total of 170 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Realty was the major gainer, up 2.21%, followed by S&P BSE Information Technology and S&P BSE Teck, up 0.93% and 0.55%, respectively. S&P BSE Capital Goods and S&P BSE Finance gained 0.48% and 0.21%, respectively. The biggest loser was S&P BSE Oil and Gas down 2.26%, followed by S&P BSE Utilities and S&P BSE Power, down 1.84% and 1.54%, respectively.

## Domestic News

- According to media reports, economists have raised concerns over a sharp slowdown in the Indian economy and batted for a monetary policy boost to support growth. This happened at a meeting with the Reserve Bank of India (RBI) governor. The governor met more than 12 economists to get their views on the economy ahead of the Monetary Policy Committee (MPC) decision scheduled on Apr 4, 2019. Most economists expect the six-member MPC to cut the repo rate by 25 basis points for the second time to 6.00%, which is a level last seen in Aug 2017.
- The RBI governor has called for a permanent status to the Finance Commission and a robust expenditure planning without compromising on fiscal consolidation. Fiscal federalism is gathering momentum in the era of goods and services tax (GST). The governor said there is a need to ensure consistencies between finance commissions so that there is some certainty in the flow of funds to states.
- India has expressed concern over the widening trade deficit with China. The deficit with China has grown to more than \$58 billion. India's ambassador to China said India is working with the Chinese for ensuring greater market access to Indian agricultural products. The bilateral trade will cross the \$100 billion mark this year, he said.
- The finance minister said there is need for setting up of GST Council-like federal institutions to promote healthcare, rural development and agriculture sector. Such institutions will help by optimally utilising resources of the centre and states, he said. The successful establishing of GST Council, which is a constitutional body for making suggestions to the union and state governments on issues related to GST, needs to be repeated in other areas. He said agriculture, rural development and healthcare are areas where the central government spends a lot of money on supporting farmers, creating infrastructure and building health centres for poor population. Also, the state governments are spending money on these sectors.

FII Derivative Trade Statistics 20-Mar			
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	3206.95	2919.41	28018.46
Index Options	218092.77	217538.61	80343.13
Stock Futures	12351.11	12952.04	92807.03
Stock Options	8405.78	8371.82	9553.81
Total	242056.61	241781.88	210722.43

Derivative Statistics- Nifty Options			
	20-Mar	Prev_Day	Change
Put Call Ratio (OI)	1.71	1.78	-0.07
Put Call Ratio(Vol)	1.05	1.05	0.00

Debt Watch				
	20-Mar	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.20%	6.17%	6.29%	5.92%
T-Repo	6.20%	6.14%	6.34%	NA
Repo	6.25%	6.25%	6.25%	6.00%
Reverse Repo	6.00%	6.00%	6.00%	5.75%
91 Day T-Bill	6.27%	6.35%	6.40%	6.06%
364 Day T-Bill	6.42%	6.48%	6.50%	6.45%
10 Year Gilt	7.36%	7.38%	7.34%	7.62%
G-Sec Vol. (Rs.Cr)	22332	27976	23364	25012
FBIL MIBOR*	6.25%	6.26%	6.31%	6.04%
3 Month CP Rate	7.50%	7.55%	7.75%	7.25%
5 Year Corp Bond	8.44%	8.39%	8.40%	8.14%
1 Month CD Rate	7.75%	7.16%	6.65%	6.89%
3 Month CD Rate	7.28%	7.30%	7.39%	6.82%
1 Year CD Rate	7.46%	7.85%	7.62%	7.27%

Currency Market			
Currency	20-Mar	Prev_Day	Change
USD/INR	68.86	68.58	0.28
GBP/INR	91.28	91.01	0.28
EURO/INR	78.14	77.82	0.33
JPY/INR	0.62	0.62	0.00

Commodity Prices				
Commodity	21-Mar	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	59.93	60.07	56.85	63.36
Brent Crude(\$/bl)	68.74	68.79	67.36	65.24
Gold(\$/oz)	1309	1312	1338	1311
Gold(Rs./10 gm)*	31812	32225	33730	30251

Source: Thomson Reuters Eikon

\*As on Mar 20, 2019

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### Derivatives Market

- Nifty Mar 2019 Futures were at 11,553.20, a premium of 32.15 points, over the spot closing of 11,521.05. The turnover on NSE's Futures and Options segment increased to Rs. 18,85,084.00 crore on Mar 20, 2019, compared with Rs. 10,70,873.47 crore on Mar 19, 2019.
- The Put-Call ratio stood at 0.76, compared with the previous session's close of 0.90.
- The Nifty Put-Call ratio stood at 1.71 compared with the previous session's close of 1.78.
- India VIX decreased 2.98% to 16.0000 compared with 16.4925 at the previous trading session.

### Indian Debt Market

- Bond yields eased following gains in the domestic currency, supported by greenback sales and hopes of foreign fund inflows. However, investors stayed on the sidelines ahead of the Federal Reserve's policy outcome, which restricted further fall in the yield.
- Yield on the existing 10-year benchmark paper (7.17% GS 2028) declined 2 bps to 7.52% as compared with the previous session's close of 7.54% after trading in the range of 7.51% to 7.54%.
- Yield on the upcoming new 10-year benchmark paper (7.26% GS 2029) declined 2 bps to close at 7.36% compared with the previous session's close of 7.38% after trading in the range of 7.36% to 7.39%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 5,016 crore (gross) on Mar 20, 2019, compared with Rs. 6,261 crore (gross) as on Mar 19, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 9,444 crore on Mar 19, 2019.

### Currency Market Update

- The Indian rupee appreciated against the greenback, supported by dollar sales by exporters and on expectations of foreign fund inflows. However, further upside was restricted ahead of the outcome of the Federal Reserve policy meeting.
- The euro fell against the greenback as investor risk sentiment dampened on renewed concerns of global trade war after the U.S. President indicated that the U.S. tariffs on China would remain in place "for a substantial period of time".

### Commodity Market Update

- Gold prices rose after the U.S. Fed, in its policy meeting, announced to leave interest rates unchanged while also indicating the central bank no longer expects to raise rates in 2019.
- Brent Crude prices traded marginally higher, backed by supply cuts led by the OPEC, coupled with U.S. sanctions on Iran and Venezuela.

### International News

- Preliminary data from the Office for National Statistics showed U.K. consumer price inflation unexpectedly increased in Feb 2019. This was for the first time in six months. The consumer price index rose 1.9% YoY following a 1.8% increase in Jan. Expectations were for inflation rate to remain unchanged.
- Eurostat data showed euro zone construction output fell in Jan 2019 after rising in the previous two months. This reflects declines in both building and civil engineering segments.

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