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# Markets for You

15 May 2019

## Indices Performance

Global Indices	14-May	Prev_Day	Abs. Change	% Change <sup>#</sup>
Dow Jones	25,532	25,325	207	0.82
Nasdaq	7,734	7,647	87	1.14
FTSE	7,242	7,164	78	1.09
Nikkei	21,067	21,191	-124	-0.59
Hang Seng	28,122	28,550	-428	-1.50
Indian Indices	14-May	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	37,319	37,091	228	0.61
Nifty 50	11,222	11,148	74	0.66
Nifty 100	11,318	11,250	68	0.61
Nifty Bank	28,829	28,660	169	0.59
SGX Nifty	11,253	11,118	135	1.21
S&P BSE Power	1,867	1,844	23	1.23
S&P BSE Small Cap	13,844	13,802	42	0.30
S&P BSE HC	13,452	13,310	142	1.07

## P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
14-May	27.42	1.25	27.98	1.17
Month Ago	28.18	1.12	29.06	1.13
Year Ago	24.17	1.14	26.82	1.19

## Nifty 50 Top 3 Gainers

Company	14-May	Prev_Day	% Change <sup>#</sup>
Indiabulls HFC	697	659	5.76
Bharti Airtel	337	319	5.63
Sun Pharma	419	398	5.36

## Nifty 50 Top 3 Losers

Company	14-May	Prev_Day	% Change <sup>#</sup>
Tech Mahindra	790	817	-3.33
TCS	2092	2129	-1.71
Bajaj Finance	2882	2932	-1.71

## Advance Decline Ratio

	BSE	NSE
Advances	1193	859
Declines	1325	963
Unchanged	123	95

## Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-953	67275
MF Flows**	1246	691

\*14<sup>th</sup> May 2019; \*\*10<sup>th</sup> May 2019

## Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	2.92% (Apr-19)	2.11% (Dec-18)	4.58% (Apr-18)
IIP	-0.10% (Mar-19)	2.50% (Dec-18)	5.30% (Mar-18)
GDP	6.60% (Dec-18)	7.00% (Sep-18)	7.70% (Dec-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 down after China announced its counter steps to U.S. increasing tariff on Chinese imports worth \$200 billion. China on its part put tariffs on around \$60 billion of U.S. goods. U.S. could increase tariffs on another \$300 billion Chinese imports as the country is laying the ground for it. Today (as of May 15), Asian markets opened mostly higher as they partially recovered from losses earlier this week on escalating tensions between U.S. and China. Investors await China's industrial production data for Apr 2019 due later in the day. Hangseng rose 0.54% while Nikkei fell 0.11% (as at 8.a.m. IST).
- As per the last close, European markets closed on a higher note amid bargain hunting. Further, investors remained optimistic that the U.S. and China will finally work out a way to end their trade dispute.
- As per the last close, U.S markets closed almost higher amid bargain hunting following the sell-off seen in the previous session. Optimism that U.S. and China will eventually reach a trade deal despite the retaliatory tariffs announced by China, boosted market sentiment. Gains in oil, semiconductor and tobacco stocks boosted the indices.

## Indian Equity Market

- Indian equity markets gained after nine straight sessions of fall. The thrust came from the release of Apr 2019 inflation data, showing retail price rises remain well below the Reserve Bank of India's medium target. The inflation level has raised interest rate-cut expectations.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.61% and 0.66%, respectively, to close at 37,318.53 and 11,222.05, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap gained 0.62% and 0.30%, respectively.
- The overall market breadth on BSE was weak with 1220 scrips advancing and 1287 scrips declining. A total of 134 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Telecom was the major gainer, up 2.81%, followed by S&P BSE Energy and S&P BSE Capital Goods, up 1.66% and 1.46%, respectively. S&P BSE Utilities and S&P BSE Oil & Gas gained 1.29% and 1.24%, respectively. Only two sectors lost, S&P BSE Information Technology was the major loser, down 1.23%, followed by S&P BSE Teck, down 0.76%.

## Domestic News

- India's Wholesale Price Index (WPI) - based inflation slowed down to 3.07% in April 2019 from 3.18% in Mar 2019 and 3.62% in Apr 2018. Fuel and power inflation came in at 3.84% in Apr 2019 as against 5.41% in Mar 2019. Inflation for manufactured products came in at 1.72% as against 2.16% in the previous month. Meanwhile, food articles inflation came in at 7.37% in Apr 2019 as against 5.68% in Mar 2019.
- According to the media reports, an official stated that exporters of goods and services and suppliers to SEZ units would likely receive the goods and service tax (GST) refunds automatically from Jun 2019. This comes as the revenue department plans to bring in faceless scrutiny of refunds and faster claim settlement. Currently, only exporters who have paid Integrated Goods and Services Tax (IGST) while exporting goods have the facility of automatic refund.
- According to the media reports, the U.S. Department of Agriculture attache in New Delhi has stated that Indian sugar production is expected to fall 8.4% in 2019-20 from the record-large 30.3 million tonnes in 2018-19. The decline is expected to come as the harvest area has come down that has subsequently lowered the average sugar recovery rate.
- According to the media reports, the government is set to review investments by central public sector enterprises (CPSEs) in state-level entities. This comes as part of a restructuring exercise to confirm that these CPSEs are not burdened with unrelated ventures or loss-making firms.
- ITC Ltd.'s net profit increased 18.72% for the Mar 2019 quarter to Rs. 3,482 crore compared with Rs. 2932 crore in the same quarter of the previous year. Revenue for the quarter was Rs. 12,206 crore compared with Rs. 10,586.80 crore in the year-ago period. ITC has appointed Sanjiv Puri as the new chairman of the company with immediate effect after chairman Y C Deveshwar passed away on May 11, 2019.
- UCO Bank's net loss has narrowed to Rs. 1,552.02 crore in the Mar 2019 quarter compared with a net loss of Rs. 2,134.36 crore during the corresponding quarter of FY18. The bank is grappling with persistent high levels of bad loan ratio.

FII Derivative Trade Statistics		14-May		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	2550.37	2688.05	19040.52	
Index Options	126546.30	127454.30	62724.75	
Stock Futures	12706.88	12520.57	84140.28	
Stock Options	4824.46	4831.53	6581.58	
Total	146628.01	147494.45	172487.13	

Derivative Statistics- Nifty Options			
	14-May	Prev_Day	Change
Put Call Ratio (OI)	1.28	1.18	0.10
Put Call Ratio(Vol)	0.86	0.81	0.06

Debt Watch				
	14-May	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.91%	5.94%	6.05%	5.91%
T-Repo	5.84%	5.81%	6.00%	NA
Repo	6.00%	6.00%	6.00%	6.00%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.34%	6.43%	6.28%	6.12%
364 Day T-Bill	6.46%	6.49%	6.36%	6.56%
10 Year Gilt	7.38%	7.38%	7.41%	7.83%
G-Sec Vol. (Rs.Cr)	56075	37555	31676	21083
FBIL MIBOR*	6.05%	6.09%	6.10%	6.03%
3 Month CP Rate	7.50%	7.80%	7.00%	7.95%
5 Year Corp Bond	8.52%	8.50%	8.48%	8.52%
1 Month CD Rate	6.85%	6.88%	6.89%	6.61%
3 Month CD Rate	7.41%	7.22%	6.77%	7.41%
1 Year CD Rate	7.54%	7.44%	7.17%	7.89%

Currency Market			
Currency	13-May	Prev_Day	Change
USD/INR	70.26	69.92	0.48
GBP/INR	91.44	90.93	0.56
EURO/INR	78.92	78.49	0.55
JPY/INR	0.64	0.64	0.50

Commodity Prices				
Commodity	14-May	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	61.77	61.36	63.81	70.96
Brent Crude(\$/bl)	73.52	70.87	72.21	79.16
Gold( \$/oz)	1297	1284	1290	1312
Gold(Rs./10 gm)	32245	31496	31673	31427

Source: Thomson Reuters Eikon \*As on previous trading day

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#### Derivatives Market

- Nifty May 2019 Futures were at 11,241.65, a premium of 19.60 points, above the spot closing of 11,222.05. The turnover on NSE's Futures and Options segment rose to Rs. 10,68,438.44 crore on May 14, 2019, compared with Rs. 7,20,742.67 crore on May 13, 2019.
- The Put-Call ratio stood at 0.85 compared with previous close of 0.83.
- The Nifty Put-Call ratio stood at 1.28 compared with previous session's close of 1.18.
- India VIX declined 1.70% to 26.9150 compared with 27.3825 at previous session.
- Open interest on Nifty Futures stood at 17.85 million as against previous close at 18.41 million.

#### Indian Debt Market

- Bond yields eased on expectations of a rate cut in the upcoming policy meeting in Jun 2019. Speculations of rate cut were boosted by India's retail inflation of 2.92% for Apr 2019, which came in much below the central bank's target of 4%.
- Yield on the 10-year benchmark paper (7.26% GS 2029) declined 1 bps to 7.38% compared with the previous session's close of 7.39% after trading in a range of 7.34% to 7.39%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 4,416 crore (gross) on May 14, 2019, compared with Rs. 7,666 crore (gross) as on May 13, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 20,221 crore on May 13, 2019.
- Banks borrowed Rs. 52 crore under the central bank's Marginal Standing Facility on May 13, 2019 compared with borrowings of Rs. 66 crore on May 10, 2019.

#### Currency Market Update

- The Indian rupee appreciated against the greenback, aided by the recovery in the domestic equity market. The rupee closed at 70.46 a dollar, up 0.10% compared with the previous close of 70.53.
- The euro was marginally higher against the greenback after the U.S. President expressed optimism on resolving trade difference with China. Both the economies struck a placatory tone on their trade negotiations. The euro was last seen trading at 1.1232, up 0.05% compared with the previous session's close of 1.1223.

#### Commodity Market Update

- Gold prices moved down after the U.S. President showed hopes in resolving the trade tension with China.
- Brent crude prices were marginally higher on reports of escalating geopolitical tension in the Middle East after Saudi Arabia reported an attack on two of its oil tankers.

#### International News

- According to the Organisation for Economic Co-operation and Development (OECD), the composite leading indicator made to forestall turning points in economic activity suggested easing growth momentum in most major economies. The leading indicator fell to 99.0 in Mar 2019 from 99.1 in Feb 2019.
- The Office for National Statistics said U.K. jobless rate declined in the first quarter to the lowest since 1974, signaling continuing firming of the labor market. The ILO jobless rate came in at 3.8% in the first quarter, while the rate was expected to remain unchanged at 3.9%. The rate has not been lower since last quarter of 1974. In the three months to Mar 2019, the number of people who were unemployed decreased by 65,000 to 1.3 million.

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