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Markets for You

22 May 2019

Indices Performance

Global Indices	21-May	Prev_Day	Abs. Change	% Change [#]
Dow Jones	25,877	25,680	197	0.77
Nasdaq	7,786	7,702	83	1.08
FTSE	7,329	7,311	18	0.25
Nikkei	21,272	21,302	-29	-0.14
Hang Seng	27,657	27,788	-130	-0.47
Indian Indices	21-May	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	38,970	39,353	-383	-0.97
Nifty 50	11,709	11,828	-119	-1.01
Nifty 100	11,786	11,904	-118	-0.99
Nifty Bank	30,308	30,760	-451	-1.47
SGX Nifty	11,740	11,830	-90	-0.76
S&P BSE Power	1,917	1,945	-28	-1.42
S&P BSE Small Cap	14,293	14,381	-88	-0.61
S&P BSE HC	13,260	13,341	-81	-0.61

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
21-May	28.71	1.20	29.18	1.12
Month Ago	28.34	1.12	29.33	1.12
Year Ago	23.71	1.18	26.08	1.22

Nifty 50 Top 3 Gainers

Company	21-May	Prev_Day	% Change [#]
Dr.Reddy	2667	2589	3.00
Bharti Infratel	276	270	2.43
RIL	1340	1326	1.05

Nifty 50 Top 3 Losers

Company	21-May	Prev_Day	% Change [#]
Tata Motors	177	190	-7.02
BPCL	374	392	-4.43
Zee Ente.	348	363	-4.08

Advance Decline Ratio

	BSE	NSE
Advances	960	605
Declines	1610	1198
Unchanged	142	83

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1607	63825
MF Flows**	-215	4980

*21st May 2019; **20th 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 markets witnessed mixed trend as worries over escalating U.S.-China trade tension reduced to some extent after U.S. Commerce Department temporarily eased some restrictions imposed on Chinese telecom giant in order to minimise disruption for its customers. Today (as of May 22), Asian markets opened on a mixed note. Investors remained cautious as trade tensions continued to linger between the U.S. and China. However, Nikkei and Hangseng rose 0.18% and 0.09%, respectively (as at 8.a.m. IST).
- As per the last close, European markets closed almost higher as U.S. decided to temporarily ease trade restrictions on a Chinese tech giant. Reports that eurozone consumer confidence have rose to its highest level in seven months in May boosted market sentiment. However, downward revision in global growth outlook for 2019 by OECD restricted the gains.
- As per the last close, U.S markets closed almost higher on reports that U.S. has temporarily eased trade restrictions on a Chinese telecom giant. However, reports of unexpected drop in existing home sales in Apr restricted the gains.

Indian Equity Market

- Indian equity markets closed in the red as investors resorted to profit booking after a steep rise in the previous session. Investors are focusing on election outcome throughout this week. Meanwhile, oil sector remained under pressure after a few of the oil majors witnessed declines on weak earnings results for FY19. Fall in pharma sector as a pharma company plunged after posting loss in the quarter ended Mar 2019 added to the losses.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.97% and 1.01% to close at 38,969.80 and 11,709.10, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap fell 0.84% and 0.61%, respectively.
- The overall market breadth on BSE was weak with 1,610 scrips declining and 960 scrips advancing. A total of 142 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Auto stood as the major loser and fell 2.60%, followed by S&P BSE Telecom that fell 1.61%. S&P BSE Metal and S&P BSE Teck fell 1.55% and 1.50%, respectively. S&P BSE Bankex and S&P BSE Power fell 1.48% and 1.42%, respectively. However, S&P BSE Consumer Durables was the major gainer and grew 0.65% followed by S&P BSE Energy that grew 0.19%.

Domestic News

- According to the Organisation for Economic Co-operation and Development (OECD), the gross domestic product (GDP) of the Indian economy is expected to rise to 7.25% in FY19 and 7.5% in FY20 on the back of lower domestic inflationary pressures, improved financial conditions and rising rural consumption. In addition, OECD opined that lower global crude oil prices and recent strengthening of the rupee against the greenback will reduce pressure on domestic inflationary pressures and help contain the current account deficit.
- The Reserve Bank of India's (RBI) central board will set up a specialised supervisory and regulatory cadre within the central bank to strengthen the supervision and regulation of commercial banks, urban cooperative banks and non-banking financial companies. The move comes after the board reviewed the current economic situation, global and domestic challenges and various areas of operations of the RBI.
- According to a report by the Retirement fund body, Employment Provident Fund Organisation, net employment generation stood at 8.14 lakh in Mar 2019 as compared to 7.88 lakh in Feb 2019. In FY19, 67.59 lakh jobs were created. In Mar 2019, 2.25 lakh jobs were created in the age group of 22 years to 25 years and 2.14 lakh jobs were created in age group of 18 years to 21 years.
- According to a major domestic credit rating agency, the speciality chemicals market is expected to grow at a compounded annualised growth rate of 12% to 13% over the next five years. The projection comes as the domestic rating agency noted that opportunities have opened up for the Indian market and there is scope for further investment in the speciality chemicals segment as plants have been closed in European Union and China due to increasing concerns over the environment.
- A report from a major domestic credit rating agency showed that steel production in the country may be severely impacted if there is a delay in the auction of iron ore mines whose licenses are expected to decline by Mar next year. Subsequently, the credit profile of the non-integrated steel players and merchant miners may come under pressure.

FII Derivative Trade Statistics		21-May	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	7719.15	6648.28	20838.10
Index Options	72967.80	71430.25	67945.78
Stock Futures	19156.59	18363.63	91680.69
Stock Options	8035.53	8009.12	8354.60
Total	107879.07	104451.28	188819.17

Derivative Statistics- Nifty Options			
	21-May	Prev_Day	Change
Put Call Ratio (OI)	1.20	1.29	-0.09
Put Call Ratio(Vol)	0.82	0.79	0.03

Debt Watch				
	21-May	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.94%	5.91%	6.08%	5.96%
T-Repo	5.98%	5.84%	5.98%	NA
Repo	6.00%	6.00%	6.00%	6.00%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
91 Day T-Bill	6.35%	6.34%	6.32%	6.25%
364 Day T-Bill	6.40%	6.46%	6.44%	6.80%
10 Year Gilt	7.30%	7.38%	7.42%	7.81%
G-Sec Vol. (Rs.Cr)	23486	56075	21140	27694
FBIL MIBOR*	6.05%	6.05%	6.10%	6.04%
3 Month CP Rate	7.20%	7.50%	7.00%	8.30%
5 Year Corp Bond	8.32%	8.52%	8.54%	8.56%
1 Month CD Rate	6.92%	6.85%	6.93%	7.10%
3 Month CD Rate	7.07%	7.41%	7.13%	7.71%
1 Year CD Rate	7.53%	7.54%	7.49%	8.12%

Currency Market			
Currency	20-May	Prev_Day	Change
USD/INR	69.55	70.17	-0.62
GBP/INR	88.54	89.73	-1.19
EURO/INR	77.57	78.43	-0.87
JPY/INR	0.63	0.64	-0.01

Commodity Prices				
Commodity	21-May	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	62.97	61.77	63.97	72.21
Brent Crude(\$/bl)	73.93	73.52	70.45	79.33
Gold(\$/oz)	1275	1297	1275	1292
Gold(Rs./10 gm)	31540	32245	31394	30881

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 May 2019 Futures were at 11,715.15, a premium of 6.05 points, above the spot closing of 11,709.10. The turnover on NSE's Futures and Options segment fell to Rs. 5,32,797.36 crore on May 21, 2019, compared with Rs. 5,77,910.85 crore on May 20, 2019.
- The Put-Call ratio stood at 0.95 compared with the previous session's close of 0.78.
- The Nifty Put-Call ratio stood at 1.20 compared with the previous session's close of 1.29.
- Open interest on Nifty Futures stood at 20.20 million as against the previous session's close at 20.27 million.

Indian Debt Market

- Bond yields rose as market participants resorted to profit booking. Besides, they preferred to stay on the sidelines ahead of the outcome of the country's multi-phased general election on May 23, 2019.
- Yield on the 10-year benchmark paper (7.26% GS 2029) rose 2 bps to 7.31% compared with the previous close of 7.29% after trading in a range of 7.28% to 7.31%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 8,016 crore (gross) on May 21, 2019, compared with Rs. 7,011 crore (gross) as on May 20, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 18,982 crore on May 20, 2019.
- Banks borrowed Rs. 425 crore under the central bank's Marginal Standing Facility on May 20, 2019 compared with borrowings of Rs. 1,770 crore on May 17, 2019.

Currency Market Update

- The Indian rupee remained nearly flat as traders preferred to stay cautious ahead of the outcome of the country's multi-phased general election.
- The euro edged lower on dollar strength. The rise in U.S. treasury yield and the country's ongoing trade friction with China triggered greenback's safe-haven appeal, which weighed down on the single currency. Besides, euro also remains under pressure ahead of the upcoming European parliamentary elections.

Commodity Market Update

- Gold prices slipped against the greenback following recovery in the stock market after U.S. momentarily pulled back restrictions imposed on a Chinese telecom major.
- Brent crude prices stayed firm with rising tension between U.S. and Iran and OPEC's plan to continue with its production cut.

International News

- The Organization for Economic Co-operation and Development (OECD) has downgraded the global growth outlook for 2019. It expects global growth of 3.2% for 2019 as against previous expectation of a growth of 3.3%. The downgrade reflects trade disputes that is hurting manufacturing and investment decisions. However, it retained growth of 3.4% for 2020.
- According to a report from the Confederation of British Industry, U.K.'s order book balance fell to -10% in May 2019 from -5% in Apr 2019. Meanwhile, the export order books balance fell to -16%. This marked the lowest balance since Jul 2016.



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