

# Markets for You

04 Nov 2019

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Indices Performance				
Global Indices	01-Nov	Prev_Day	Abs. Change	% Change#
Russell 3000	1,340	1,328	12	0.92
Nasdaq	8,386	8,292	94	1.13
FTSE	7,302	7,248	54	0.75
Nikkei	22,851	22,927	-76	-0.33
Hang Seng	27,101	26,907	194	0.72
Indian Indices	01-Nov	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	40,165	40,129	36	0.09
Nifty 50	11,891	11,877	13	0.11
Nifty 100	12,048	12,037	11	0.09
Nifty 500	9,704	9,690	14	0.15
Nifty Bank	30,331	30,066	264	0.88
S&P BSE Power	1,988	1,987	1	0.07
S&P BSE Small Cap	13,601	13,558	43	0.32
S&P BSE HC	13,300	13,229	71	0.54

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
1-Nov	27.33	1.15	27.47	1.26
Month Ago	26.66	1.21	26.17	1.32
Year Ago	22.07	1.30	24.98	1.27

Nifty 50 Top 3 Gainers			
Company	01-Nov	Prev_Day	% Change#
Zee Ente.	310	261	18.76
Bharti Infratel	202	190	6.72
IndusInd Bank	1380	1313	5.08

Nifty 50 Top 3 Losers			
Company	01-Nov	Prev_Day	% Change#
Yes Bank	67	70	-5.40
TCS	2201	2270	-3.03
Indian Oil	143	147	-2.83

Advance Decline Ratio			
	BSE	NSE	
Advances	1416	1074	
Declines	1174	791	
Unchanged	177	99	

Institutional Flows (Equity)		
Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1990	70542
MF Flows**	-198	57436

\*1<sup>st</sup> Nov 2019; \*\*30<sup>th</sup> Oct 2019

Economic Indicator			
YoY(%)	Current	Quarter Ago	Year Ago
CPI	3.99% (Sep-19)	3.18% (Jun-19)	3.70% (Sep-18)
IIP	-1.10% (Aug-19)	4.50% (May-19)	4.80% (Aug-18)
GDP	5.00% (Jun-19)	5.80% (Mar-19)	8.00% (Jun-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 the prospects for a long-term U.S.-China trade deal offset upbeat data from China. Chinese and Hong Kong markets witnessed buying spree after private survey showed that Chinese manufacturing activity expanded at the fastest pace since early 2017 in Oct. Today (as of Nov 4), Asian markets largely rose amid optimism on the U.S.-China trade front. While Nikkei was trading down 0.33%, Hang Seng was up 1.13% (as at 8.a.m. IST).
- European markets rose as investor cheered strong U.S. jobs report and an unexpected bounce in Chinese manufacturing activity. However, uncertainty about the U.S. and China agreeing on a long-term trade deal continued to restrict gains.
- U.S. markets rose after report from Labor Department showed that U.S. economy added 128000 jobs in Oct, surpassing market expectation of addition of 75000 jobs. The stronger than expected jobs data instilled confidence among the investors on the economy.

## Indian Equity Market

- Indian equity markets managed to close in the green following volatile trade. Investor sentiment got a boost following China's upbeat manufacturing activity data for Oct 2019 as it eased some concerns over delays in the U.S. and China trade deal. However, indications of severity of domestic economic slowdown muted buying interest. Nikkei India Manufacturing PMI fell to two years low in Oct and eight core infrastructure industries data fell to 5.2% in Sep 2019.
- Reports that profit of one of the largest commercial oil company has plunged 83% in the quarter ended Sep weighed on the market sentiment. Further, investors remained cautious as they awaited fresh cues from the upcoming quarterly results next week.
- Key benchmark indices S&P BSE Sensex and Nifty 50 grew 0.09% and 0.11% to close at 40,165.03 and 11,890.60, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap grew 0.18% and 0.32%, respectively.
- On the BSE sectoral front, S&P BSE Metal stood as the major gainer and grew 2.50%, followed by S&P BSE Telecom that grew 1.49%. S&P Basic Materials and S&P BSE Bankex grew 1.02% and 0.84%, respectively. A leading private sector bank has announced selection of a potential successor to its current Managing Director and Chief Executive Officer whose tenure will end in March 2020.

## Domestic News

- Nikkei India Manufacturing Purchasing Managers' Index (PMI) fell to 50.6 in Oct 2019 from 51.4 in Sep 2019 and Aug 2019. This marked a two-year low. New orders and output rose at a slower pace. Business confidence fell to its lowest level in more than two-and-a-half years and job creation weakened to six-month low. Though sales grew for the twenty-fourth consecutive month, the increase was the slowest over this period.
- According to a government data, the Goods and Services Tax (GST) collection fell to Rs. 95,380 crore in Oct 2019 as against Rs. 1,00,710 crore in the year-ago period. However, it was above the collection of Rs. 91,916 crore in Sep 2019. The collection came in below Rs. 1 trillion mark for the third consecutive month.
- According to data from the Centre for Monitoring Indian Economy (CMIE), India's unemployment rate rose to 8.5% in Oct 2019, up from 7.2% in Sep 2019. This marked the highest rate since Aug 2016. The downside reflects slowdown in the economy.
- Yes Bank reported a consolidated net loss of Rs. 629.1 crore in the Sep quarter of 2019 compare with a profit of Rs 951.47 crore in the corresponding period of the previous fiscal due to a rise in bad loans. Gross and net NPAs jumped to 7.39% and 4.35% as on Sep 30, 2019, from 1.60% and 0.84% a year ago, respectively.
- Dr Reddy's Laboratories saw 33% YoY rise in profit before tax (PBT) to Rs. 766.4 crore in the September quarter of FY20 due to one-off gains. Net profit has more than doubled to Rs. 1,092.5 crore. The drug major also witnessed 26% YoY rise in revenues to Rs. 4,801 despite a flat growth in the US.
- E-commerce major Flipkart losses fell from Rs. 46,895 crore (\$6.6 billion) in FY18 to Rs. 17,231 crore (\$2.42 billion) for FY19 (March end), owing to a sharp decline in expenditure. The Bengaluru-headquartered company has reported revenue of Rs. 43,615 crore (\$6.14 billion) in FY19.

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FII Derivative Trade Statistics		01-Nov		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	7397.28	7740.87	13511.90	
Index Options	358636.54	351920.69	43040.54	
Stock Futures	33944.71	32576.03	88098.91	
Stock Options	1553.63	1727.08	1496.63	
Total	401532.16	393964.67	146147.98	

Derivative Statistics- Nifty Options			
	01-Nov	Prev_Day	Change
Put Call Ratio (OI)	1.41	1.47	-0.06
Put Call Ratio(Vol)	1.03	1.03	0.00

Debt Watch				
	01-Nov	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.07%	5.10%	5.26%	6.41%
T-Repo	4.84%	4.89%	5.13%	NA
Repo	5.15%	5.15%	5.40%	6.50%
Reverse Repo	4.90%	4.90%	5.15%	6.25%
91 Day T-Bill	5.01%	5.00%	5.25%	6.91%
364 Day T-Bill	5.24%	5.26%	5.48%	7.45%
10 Year Gilt	6.45%	6.50%	6.66%	7.82%
G-Sec Vol. (Rs.Cr)	51700	20088	54358	32592
FBIL MIBOR	5.25%	5.25%	5.52%	6.60%
3 Month CP Rate	5.45%	5.65%	5.95%	8.65%
5 Year Corp Bond	7.47%	7.56%	7.50%	8.72%
1 Month CD Rate	4.91%	4.88%	5.47%	7.10%
3 Month CD Rate	5.38%	5.42%	5.71%	7.47%
1 Year CD Rate	5.56%	5.87%	6.40%	8.36%

Currency Market			
Currency	01-Nov	Prev_Day	Change
USD/INR	70.88	70.81	0.07
GBP/INR	91.85	91.50	0.35
EURO/INR	79.12	79.03	0.09
JPY/INR	0.66	0.65	0.01

Commodity Prices				
Commodity	01-Nov	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	55.99	56.49	53.55	63.62
Brent Crude(\$/bl)	60.36	62.90	60.95	70.54
Gold( \$/oz)	1514	1504	1479	1233
Gold(Rs./10 gm)	38703	38630	37201	31697

Source: Thomson Reuters Eikon

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**Derivatives Market**

- Nifty Nov 2019 Futures stood at 11,928.25, a premium of 37.65 points above the spot closing of 11,890.60. The turnover on NSE's Futures and Options segment fell to Rs. 6,19,198.85 crore on November 01, 2019, compared with Rs.26,20,755.55 crore on October 31, 2019.
- The Put-Call ratio remained unchanged compared with the previous session's close of 0.9.
- The Nifty Put-Call ratio stood at 1.41 compared with the previous session's close of 1.47.
- Open interest on Nifty Futures stood at 15.2 million, compared with the previous session's close of 17.78 million.

**Indian Debt Market**

- Bond yields remained unchanged as traders trimmed position following fresh supply from the weekly auction.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) closed unchanged at 6.45% compared with the previous close after trading in a range of 6.42% to 6.45%.
- Yield on the old 10-year benchmark paper (7.26% GS 2029) increased 1 bps to close at 6.66% compared with the previous close of 6.65% after trading in a range of 6.62% to 6.67%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,552 crore (gross) on Nov 1, 2019 compared with borrowings of Rs. 4,382 crore (gross) on Oct 31, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 23,141 crore on Oct 31, 2019.
- Banks borrowed Rs. 5,100 crore under the central bank's Marginal Standing Facility on Oct 31, 2019 compared with borrowings of Rs. 3,375 crore on Oct 30, 2019.

**Currency Market Update**

- The Indian rupee rose against the U.S. dollar following equity-related greenback inflows. The rupee increased 0.16% to close at day's high of 70.81 per U.S. dollar compared with the previous close of 70.92.
- Euro gained against the weak U.S. dollar after data showed a mixed view on the U.S. economy. Further optimism that the U.S. and China will reach a deal to end their trade war reduced safe-haven demand for the greenback. Euro rose 0.13% to close at \$1.1165 compared with the previous of \$1.1150.

**Commodity Market Update**

- Gold prices closed flat amid impact of indication by the U.S. Fed on Oct 30 that further rate cuts in the near-term are unlikely.
- Brent crude prices surged amid upbeat U.S. jobs growth data and China's manufacturing activity data in Oct 2019. Further, signs of progress in U.S. and China trade talks added to the gains.

**International News**

- Data from the Institute for Supply Management showed that the U.S. purchasing managers index rose from 47.8 in Sep 2019 to 48.3 in Oct 2019. Manufacturing activity in the U.S. thus continued to contract in Oct 2019.
- Data from IHS Markit showed that U.K. manufacturing activity decreased at the slowest pace in six months in Oct 2019. The seasonally adjusted IHS Markit/CIPS PMI, stood at 49.6 in Oct 2019 compared to 48.3 in Sep 2019.


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