

Markets for You

05 Nov 2019

Good gets *better*

Indices Performance				
Global Indices	04-Nov	Prev_Day	Abs. Change	% Change#
Russell 3000	1,342	1,340	2	0.16
Nasdaq	8,433	8,386	47	0.56
FTSE	7,370	7,302	67	0.92
Nikkei	Closed	22,851	NA	NA
Hang Seng	27,547	27,101	447	1.65
Indian Indices	04-Nov	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	40,302	40,165	137	0.34
Nifty 50	11,941	11,891	51	0.43
Nifty 100	12,089	12,048	41	0.34
Nifty 500	9,732	9,704	28	0.29
Nifty Bank	30,333	30,331	3	0.01
S&P BSE Power	1,986	1,988	-2	-0.08
S&P BSE Small Cap	13,631	13,601	30	0.22
S&P BSE HC	13,321	13,300	21	0.16

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
4-Nov	27.61	1.15	27.59	1.25
Month Ago	26.43	1.23	25.75	1.34
Year Ago	22.72	1.26	25.40	1.25

Nifty 50 Top 3 Gainers			
Company	04-Nov	Prev_Day	% Change#
Bharti Infratel	215	202	6.12
JSW Steel	250	238	5.30
Bajaj Finserv	8707	8385	3.84

Nifty 50 Top 3 Losers			
Company	04-Nov	Prev_Day	% Change#
Zee Ente.	296	310	-4.33
Indian Oil	139	143	-2.77
Maruti Suzuki	7424	7619	-2.55

Advance Decline Ratio			
	BSE	NSE	
Advances	1433	1075	
Declines	1156	774	
Unchanged	166	125	

Institutional Flows (Equity)		
Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1807	72349
MF Flows**	-1769	55691

*4th Nov 2019; **31st 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 traded higher as investors took positive cues from the upbeat U.S. jobs data released last week coupled with optimism over the U.S.- China trade deal. Today (as of Nov 5), Asian markets traded higher, led by strong performance overnight on Wall Street. Both Nikkei and Hang Seng were trading up 0.86% and 0.14%, respectively (as at 8.a.m. IST).
- European markets witnessed buying spree, led by strong optimism over a positive breakthrough of the trade deal between U.S. and China. The U.S. Commerce Secretary said that licenses would be granted shortly for American firms to sell to one of the major Chinese telecommunications giants.
- U.S. markets rose, led by hopes of long-term U.S.- China trade deal. The U.S. Commerce Secretary expressed optimism that the phase one of a trade deal could be signed this month. Additionally, strong earning reports and rebound in jobs data contributed to the rally.

Indian Equity Market

- Indian equity markets closed in the green at record-highs. Upbeat earnings results by some of the corporate majors from various sectors and solid foreign fund inflows supported buying interest. Gains in metal and information technology stocks boosted the indices. Gains were extended on positive global cues amid growing optimism over U.S. and China trade talks and upbeat U.S. jobs data for Oct 2019. Impact of rate cut by the U.S. Federal Reserve last week continued to act as a positive catalyst.
- Key benchmark indices S&P BSE Sensex and Nifty 50 grew 0.34% and 0.43% to close at 40,301.96 and 11,941.30, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap grew 0.01% and 0.22%, respectively.
- On the BSE sectoral front, S&P BSE Metal stood as the major gainer and grew 3.20%, followed by S&P BSE Telecom that grew 2.11%. China's upbeat manufacturing data for Oct and optimism over U.S. and China trade talks helped the metal sector. S&P Basic Materials and S&P BSE information technology grew 1.42% and 1.02%, respectively. As per media reports, an information technology major gained after no evidence was received to support the allegations in a whistleblower letter received in Oct as per which its CEO was reportedly accused of shoring up profits through irregular accounting.

Domestic News

- According to a major credit rating agency, growth in bank credit may fall sharply to a range of 8%-8.5% in FY20 from 13.3% in FY19. The decline reflects fall in incremental credit in first half of FY20. It expects YoY growth in volume of bonds outstanding to moderate to approximately 4% in FY20 as against 12% in FY19. As per the agency, this is because of bond markets being risk averse towards NBFCs.
- Draft papers for approximately 125 mutual fund schemes have been filed by asset management companies with Securities and Exchange Board of India so far in 2019. This is much lower than 211 such documents submitted in entire 2018. With just two months to go for the year to end, the fund houses have attributed fewer NFO's to investors' weak sentiment and liquidity crisis in debt funds.
- The union housing and urban affairs minister stated that the central government will launch an e-commerce platform for real estate sector. The urban affairs minister had a discussion with Confederation of Real Estate Developers Association of India (CREDAI) and National Real Estate Development Council (NAREDCO). The launch of e-commerce platform aims to bring in transparency in the sector and offer only certified projects.
- According to media reports, the government is considering setting up of approximately ten integrated mega parks with state-of-the-art infrastructure near ports. This is aimed to attract foreign direct investment.
- According to media reports, HDFC Bank's standalone profit jumped 60.5% on a yearly basis to Rs 3,961.53 crore for the quarter ended Sep 2019 compared with Rs. 2,467.08 crore profit in the same quarter of the previous year.
- Indian IT services major Infosys Ltd clarified that it did not receive any evidence that lends support to the allegations made by a whistleblower letter sent last month.
- Tata Power has entered into a partnership with the Rockefeller Foundation under which it will set up micro-grids based on renewable power and manage electricity supply in rural areas.
- Amazon India and Bookmyshow has entered into a partnership where customers can now book movie tickets on the e-commerce website.

Good gets better

FII Derivative Trade Statistics		04-Nov		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	2572.15	2144.09	13752.72	
Index Options	115872.12	114440.36	49601.53	
Stock Futures	14731.26	13636.13	89185.71	
Stock Options	4144.21	4185.23	2959.59	
Total	137319.74	134405.81	155499.55	

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

Debt Watch				
	04-Nov	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.03%	5.10%	5.19%	6.41%
T-Repo	4.84%	4.89%	4.81%	NA
Repo	5.15%	5.15%	5.15%	6.50%
Reverse Repo	4.90%	4.90%	4.90%	6.25%
91 Day T-Bill	5.05%	5.00%	5.18%	6.90%
364 Day T-Bill	5.15%	5.26%	5.40%	7.42%
10 Year Gilt	6.48%	6.50%	6.46%	7.78%
G-Sec Vol. (Rs.Cr)	16949	20088	64959	52876
FBIL MIBOR*	5.25%	5.25%	5.45%	6.59%
3 Month CP Rate	5.45%	5.65%	6.05%	8.60%
5 Year Corp Bond	7.45%	7.50%	7.38%	8.65%
1 Month CD Rate	5.28%	4.88%	5.24%	6.97%
3 Month CD Rate	5.34%	5.42%	5.41%	7.56%
1 Year CD Rate	5.93%	5.87%	6.23%	8.34%

Currency Market			
Currency	04-Nov	Prev_Day	Change
USD/INR	70.68	70.88	-0.20
GBP/INR	91.42	91.85	-0.43
EURO/INR	78.93	79.12	-0.19
JPY/INR	0.65	0.66	0.00

Commodity Prices				
Commodity	04-Nov	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	56.28	55.55	52.79	63.07
Brent Crude(\$/bl)	62.46	60.13	60.02	70.20
Gold(\$/oz)	1509	1492	1504	1232
Gold(Rs./10 gm)	38692	38630	38151	31565

Source: Thomson Reuters Eikon

*As on previous trading day

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Derivatives Market

- Nifty Nov 2019 Futures stood at 11,979.70, a premium of 38.40 points above the spot closing of 11,941.30. The turnover on NSE's Futures and Options segment rose to Rs. 8,17,067.63 crore on November 04, 2019, compared with Rs. 6,19,198.85 crore on November 01, 2019.
- The Put-Call ratio stood at 0.94 compared with the previous session's close of 0.9.
- The Nifty Put-Call ratio stood at 1.44 compared with the previous session's close of 1.41.
- Open interest on Nifty Futures stood at 15.34 million, compared with the previous session's close of 15.2 million.

Indian Debt Market

- Bond yields increased as market participants resorted to profit booking following ambiguity over bond purchases under open market operation.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) rose 3 bps to close at 6.48% compared with the previous close of 6.45% after trading in a range of 6.45% to 6.48%.
- Yield on the old 10-year benchmark paper (7.26% GS 2029) increased 3 bps to close at 6.69% compared with the previous close of 6.66% after trading in a range of 6.66% to 6.69%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 4,052 crore (gross) on Nov 4, 2019 compared with borrowings of Rs. 3,552 crore (gross) on Nov 1, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 18,338 crore on Nov 1, 2019.
- Banks borrowed Rs. 4,030 crore under the central bank's Marginal Standing Facility on Nov 1, 2019 compared with borrowings of Rs. 5,100 crore on Oct 31, 2019.

Currency Market Update

- The Indian rupee inched up against the greenback as the investor risk sentiment improved amid progress in the trade talks between U.S. and China. The rupee rose 0.06% to close at Rs. 70.77 per dollar compared with the previous close of Rs. 70.81.
- Euro fell against the greenback as the latter strengthened after the U.S. nonfarm payroll report for Oct 2019 came better than market expectations. Euro was trading at \$1.1126, down 0.35% compared with the previous close of \$1.1165.

Commodity Market Update

- Gold prices fell as market participants turned optimistic over the ongoing trade talks between U.S. and China.
- Brent crude prices surged on growing expectations of a U.S.-China trade deal. However, further gains were capped after euro zone factory activity contracted sharply in Oct 2019.

International News

- Data from the U.S. Commerce Department showed that U.S. construction spending grew more than expected in Sep 2019. Construction spending grew 0.5% to an annual rate of \$1.294 trillion in Sep 2019 after falling by 0.3% (0.1% uptick originally reported) to a revised rate of \$1.287 trillion in Aug 2019.
- Final data from IHS Markit showed that the manufacturing sector of the euro zone economy contracted less than expected in Oct 2019. The factory Purchasing Managers' Index (PMI) stood at 45.9 in Oct 2019 as compared to 45.7 in Sep 2019. The manufacturing PMI for Germany stood at 42.1 in Oct 2019 as compared to 41.7 in Sep 2019. The manufacturing PMI for Italy fell to 47.7 in Oct 2019 from 47.8 in Sep 2019. The manufacturing PMI for Spain fell to 46.8 in Oct 2019 from 47.7 in Sep 2019. However, the manufacturing PMI for France improved to 50.7 in Oct 2019 from 50.1 in Sep 2019.





Nippon *india* Mutual Fund

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your time.**

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