

# Markets for You

06 Nov 2019

Good gets *better*

Indices Performance				
Global Indices	05-Nov	Prev_Day	Abs. Change	% Change#
Russell 3000	1,339	1,342	-4	-0.27
Nasdaq	8,435	8,433	1	0.02
FTSE	7,388	7,370	18	0.25
Nikkei	23,252	Closed	NA	NA
Hang Seng	27,683	27,547	136	0.49
Indian Indices	05-Nov	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	40,248	40,302	-54	-0.13
Nifty 50	11,917	11,941	-24	-0.20
Nifty 100	12,056	12,089	-33	-0.27
Nifty 500	9,694	9,732	-38	-0.39
Nifty Bank	30,220	30,333	-113	-0.37
S&P BSE Power	1,981	1,986	-5	-0.26
S&P BSE Small Cap	13,522	13,631	-109	-0.80
S&P BSE HC	13,188	13,321	-133	-1.00

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
5-Nov	27.60	1.15	27.59	1.25
Month Ago	26.43	1.23	25.75	1.34
Year Ago	22.72	1.26	25.33	1.26

Nifty 50 Top 3 Gainers			
Company	05-Nov	Prev_Day	% Change#
Bharti Infratel	222	215	3.40
Yes Bank	68	66	3.25
Bajaj Finance	4228	4113	2.79

Nifty 50 Top 3 Losers			
Company	05-Nov	Prev_Day	% Change#
Zee Ente.	286	296	-3.36
IndusInd Bank	1320	1352	-2.38
Ultratech Cem	4147	4239	-2.15

Advance Decline Ratio			
	BSE	NSE	
Advances	989	690	
Declines	1505	1147	
Unchanged	162	113	

Institutional Flows (Equity)		
Description (Cr)	Inflow/Outflow	YTD
FII Flows*	81	72430
MF Flows**	-559	55132

\*5<sup>th</sup> Nov 2019; \*\*1<sup>st</sup> Nov 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 extended the rally as investors took positive cues from the latest developments on the U.S.- China trade talks on signing a partial deal. According to media reports, U.S. is considering dropping tariffs on \$112 billion worth of Chinese imports. Today (as of Nov 6), Asian markets edged higher with investors awaiting further developments on the U.S.- China trade talks. Both Nikkei and Hang Seng were trading up 0.86% and 0.14%, respectively (as at 8.a.m. IST).
- European markets edged higher with investors taking positive cues from the media reports stating that U.S. is considering dropping tariffs on \$112 billion worth of Chinese imports. However, a mixed series of corporate earning numbers capped the gains.
- Majority of the U.S. markets dipped marginally as investors waited for more concrete developments on the U.S.- China trade talks before continuing to buy stocks following the recent run to record highs. Meanwhile, survey results showing strong growth in U.S. service sector raised concerns over the outlook for Fed's interest rate.

## Indian Equity Market

- After closing at record highs in the previous session, Indian equity markets closed in the red amid profit booking. Reports that India has decided not to join a 16-nation grouping led by China known as the Regional Comprehensive Economic Partnership (RCEP) weighed on the market sentiment. Losses were extended after IHS Markit India Services Business Activity Index came in below 50 for the 2nd consecutive month in Oct, thereby indicating contraction. Further, investors remained concerned over the government's ability to adhere to fiscal deficit target.
- However, losses were restricted amid positive global cues on hopes of further progress in U.S. and China trade talks and reports that U.S. may drop some of the tariffs it has imposed on imports from China.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.13% and 0.20% to close at 40,248.23 and 11,917.20, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap fell 1.13% and 0.80%, respectively.
- The overall market breadth on BSE was weak with 1,505 scrips declining and 989 scrips advancing. A total of 162 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Consumer Durables stood as the major loser and fell 1.28%, followed by S&P BSE Healthcare that fell 1.00%. S&P BSE Capital Goods and S&P BSE Metal fell 0.97% and 0.87%, respectively.

## Domestic News

- Results of a private survey showed that the India's service sector activity declined for the second straight month in Oct 2019. The IHS Markit Services Purchasing Managers' Index (PMI) continued to remain below 50 as it stood at 49.2 in Oct 2019 as compared to 48.7 in Sep 2019. The Composite PMI Output Index also subsequently fell to 49.6 in Oct 2019 from 49.8 in Sep 2019.
- Securities and Exchange Board of India has come out with consolidated operational guidelines for foreign portfolio investors (FPIs) and designated depository participants (DDPs). Under the new norms, all insurance entities and funds that belong to FATF (Financial Action Task Force) member countries will be classified as category-I FPIs. In case of unregulated funds or entity where the regulated investment manager is from non-FATF member country, they will be classified as category-II FPIs. An FPI who wants to make a transition from category-II to I can do so after providing requisite information and applicable fees to the DDP. SEBI further barred FPIs from issuing offshore derivative instruments (ODIs) referencing derivatives or to hedge their ODIs with derivative positions on stock exchanges in India. However, an FPI coming under category I can do so through a separate FPI registration.
- SEBI revived Aadhaar-based eKYC for mutual funds. This time SEBI did not specify any upper monetary limit contrary to the previous version of eKYC which had an investment limit of up to Rs. 50,000. Under the new norms mutual fund distributors and advisors who are registered with SEBI can complete the eKYC process by registering themselves with a KYC user agency (KUA) as a sub-KUA. This KUA would be registered with Unique Identification Authority of India. Only resident Indians will be eligible for the eKYC process. Else, an investor will also be able to complete the KYC on a registered or whitelisted device that is operated by the intermediary using biometric details.
- According to media reports, ICICI Bank has closed down its project finance division in Sep 2019 due to lack of fresh demand for loans in the infrastructure sector.

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FII Derivative Trade Statistics		05-Nov		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	3280.17	3081.05	14052.07	
Index Options	165894.50	164807.49	53001.52	
Stock Futures	13611.85	13882.87	89762.15	
Stock Options	4923.25	4896.92	3331.66	
<b>Total</b>	<b>187709.77</b>	<b>186668.33</b>	<b>160147.40</b>	

Derivative Statistics- Nifty Options			
	05-Nov	Prev_Day	Change
Put Call Ratio (OI)	1.34	1.44	-0.10
Put Call Ratio(Vol)	0.98	1.04	-0.05

Debt Watch				
	05-Nov	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.04%	5.09%	5.19%	6.41%
T-Repo	4.89%	4.84%	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	5.02%	5.05%	5.18%	6.90%
364 Day T-Bill	5.24%	5.27%	5.40%	7.43%
10 Year Gilt	6.52%	6.52%	6.46%	7.81%
G-Sec Vol. (Rs.Cr)	30893	19609	64959	11970
FBIL MIBOR*	5.25%	5.25%	5.45%	6.55%
3 Month CP Rate	5.45%	5.65%	6.05%	8.50%
5 Year Corp Bond	7.49%	7.52%	7.38%	8.64%
1 Month CD Rate	5.32%	4.95%	5.24%	6.91%
3 Month CD Rate	5.39%	5.48%	5.41%	7.49%
1 Year CD Rate	5.94%	5.88%	6.23%	8.32%

Currency Market			
Currency	05-Nov	Prev_Day	Change
USD/INR	70.73	70.68	0.05
GBP/INR	91.11	91.42	-0.31
EURO/INR	78.70	78.93	-0.23
JPY/INR	0.65	0.65	0.00

Commodity Prices				
Commodity	05-Nov	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/b)	56.99	55.29	52.79	63.07
Brent Crude(\$/b)	62.86	60.81	60.02	71.77
Gold( \$/oz)	1484	1487	1504	1231
Gold(Rs./10 gm)	38565	38630	38151	31739

Source: Thomson Reuters Eikon

\*As on previous trading day

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**Derivatives Market**

- Nifty Nov 2019 Futures stood at 11,956.00, a premium of 38.80 points above the spot closing of 11,917.20. The turnover on NSE's Futures and Options segment rose to Rs. 9,26,573.71 crore on November 05, 2019, compared with Rs. 8,17,067.63 crore on November 04, 2019.
- The Put-Call ratio stood at 0.95 compared with the previous session's close of 0.94.
- The Nifty Put-Call ratio stood at 1.34 compared with the previous session's close of 1.44.
- Open interest on Nifty Futures stood at 15.78 million, compared with the previous session's close of 15.34 million.

**Indian Debt Market**

- Bond yields increased owing to sharp rise in U.S. Treasury yields. Besides, the ongoing concerns over a fiscal slippage dampened domestic bond market sentiments.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) rose 4 bps to close at 6.52% compared with the previous close of 6.48% after trading in a range of 6.48% to 6.53%.
- Yield on the old 10-year benchmark paper (7.26% GS 2029) increased 3 bps to close at 6.72% compared with the previous close of 6.69% after trading in a range of 6.69% to 6.73%.
- Banks borrowed Rs. 4,210 crore under the central bank's Marginal Standing Facility on Nov 4, 2019 compared with borrowings of Rs. 4,030 crore on Nov 1, 2019.
- RBI conducted auction of state development loan of eight state governments for notified amount of Rs. 8,300 crore. Of the total, Rs. 7,950 crore was accepted. The cut-off price was in the range of 6.25% to 7.30%, while tenure lied in between 3 years to 12 years.

**Currency Market Update**

- The Indian rupee rose against the U.S. dollar following selling of the greenback by foreign banks. Hopes that U.S. and China are moving closer to a partial deal also added to the gains. The rupee rose 0.11% to close at Rs. 70.69 per dollar compared with the previous close of Rs. 70.77.
- Euro fell against the greenback on concerns of a slowdown in the growth of the euro zone economy. Euro was trading at \$1.1074, down 0.47% compared with the previous close of \$1.1126.

**Commodity Market Update**

- Gold prices plunged as its safe haven appeal dwindled on expectations the U.S. may drop tariffs on Chinese imports.
- Brent crude prices surged on growing expectations of a U.S.-China trade deal and hopes that U.S. might roll back some of the tariffs it has imposed on Chinese imports.

**International News**

- According to a report from the Institute for Supply Management, U.S. non-manufacturing index surpassed market expectations and grew to 54.7 in Oct 2019 from 52.6 in Sep 2019. The upside was driven by surge in business activity index that grew to 57.0 in Oct from 55.2 in Sep. New orders index surged to 55.6 from 53.7 in Sep.
- The People's Bank of China has lowered the rate on its one-year medium-term lending facility by 5 basis points to 3.25% from 3.3%. This marked for the first time since 2016 when China's central bank lowered the medium-term lending rate. It comes amid slowest pace of economic growth in nearly three decades.
- According to a report from IHS Markit, China Caixin composite output index rose to 52.0 in Oct 2019 from 51.9 in Sep 2019. The services Purchasing Managers' Index declined to 51.1 from 51.3 in Sep and marked the slowest rise in services activity in eight months.





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your time.**

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