

Markets for You

07 Oct 2019

Good gets *better*

Indices Performance				
Global Indices	04-Oct	Prev_Day	Abs. Change	% Change#
Russell 3000	1,289	1,271	19	1.47
Nasdaq	7,982	7,872	110	1.40
FTSE	7,155	7,078	78	1.10
Nikkei	21,410	21,342	68	0.32
Hang Seng	25,821	26,110	-289	-1.11
Indian Indices	04-Oct	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	37,673	38,107	-434	-1.14
Nifty 50	11,175	11,314	-139	-1.23
Nifty 100	11,303	11,445	-141	-1.24
Nifty 500	9,092	9,198	-107	-1.16
Nifty Bank	27,732	28,414	-682	-2.40
S&P BSE Power	1,901	1,910	-9	-0.47
S&P BSE Small Cap	12,809	12,910	-102	-0.79
S&P BSE HC	12,274	12,342	-67	-0.55

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
4-Oct	26.43	1.23	25.75	1.34
Month Ago	25.78	1.27	26.61	1.42
Year Ago	22.58	1.28	25.63	1.27

Nifty 50 Top 3 Gainers				
Company	04-Oct	Prev_Day	% Change#	
ONGC	130	128	1.13	
Infosys	793	786	1.00	
TCS	2079	2060	0.93	

Nifty 50 Top 3 Losers				
Company	04-Oct	Prev_Day	% Change#	
Zee Ente.	237	252	-5.84	
Ultratech Cem	3980	4147	-4.03	
Grasim Indus	654	680	-3.72	

Advance Decline Ratio				
	BSE		NSE	
Advances	953		671	
Declines	1664		1178	
Unchanged	248		98	

Institutional Flows (Equity)			
Description (Cr)	Inflow/Outflow		YTD
FII Flows*	-1112		53237
MF Flows**	31		53820

*4th Oct 2019; **4th Oct 2019

Economic Indicator			
YoY(%)	Current	Quarter Ago	Year Ago
CPI	3.21% (Aug-19)	3.05% (May-19)	3.69% (Aug-18)
IIP	4.30% (Jul-19)	3.20% (Apr-19)	6.50% (Jul-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 equity markets were mixed as on the one hand optimism prevailed that the U.S. Federal Reserve will cut interest rates. On the other, cautiousness was seen ahead of the release of U.S. Labor Department's monthly jobs report for Sep 2019, scheduled later in the day. Today (as of Oct 7), Asian markets traded mixed ahead of U.S.-China trade talks expected later in the week. Both Nikkei and Hang Seng were trading lower 0.26% and 1.11%, respectively (as at 8.a.m. IST).
- European markets went up as a U.S. jobs report showed employment grew steadily and the jobless rate touched a 50-year low. The healthy report eased global growth slowdown fears.
- U.S. markets gained as the Labor Department's jobs report fulfilled investors' expectations. The unemployment rate came in at a 50-year low. The report eased recession fears, but also kept hopes that the Federal Reserve will cut rates later this month alive.

Indian Equity Market

- Indian equity markets fell even as the Reserve Bank of India (RBI) cut its key policy rate by 25 basis points. Investors got worried over the economy as RBI slashed its growth forecast for 2019-20 to 6.1% from 6.9%. The central bank said domestic demand conditions remained weak amid subdued prospects for exports.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 1.14% and 1.23% to close at 37,673.31 and 11,174.75, respectively. S&P BSE MidCap and S&P BSE SmallCap lost 0.94% and 0.79%, respectively.
- The overall market breadth on BSE was weak with 953 scrips advancing and 1,664 scrips declining. A total of 248 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE IT was the major gainer, up 0.74% followed by S&P BSE Teck, up 0.32%. S&P BSE Bankex was the major loser, down 2.45% followed by S&P BSE Consumer Durables, down 2.1% and S&P BSE Capital Goods, down 1.95%.

Domestic News

- The IHS Markit Services Purchasing Managers' (PMI) fell to a 19-month low of 48.7 in Sep 2019 from 52.4 in Aug 2019. The Composite PMI Output Index also subsequently fell and contracted for the first time in 19 months from 52.6 in Aug 2019 to 49.8 in Sep 2019. The services PMI fell as sales and business activity contracted in Sep 2019.
- The Monetary Policy Committee (MPC) lowered key policy repo rate by 25 bps from 5.40% to 5.15% in its fourth bi-monthly monetary policy review. The key policy repo rate thus stands at its lowest level in nine years. This is the fifth consecutive rate cut by the MPC in this calendar year. MPC has thus lowered key policy repo rate by 135 bps in 2019. The MPC retained its accommodative stance on the monetary policy and will continue to do as long as it is necessary to revive growth with retail inflation remaining within its medium-term target.
- MPC noted that domestic demand has remained subdued. It also observed that continued trade tensions coupled with concerns of slowdown in global growth have hurt the export prospects of the economy. With domestic inflationary pressures expected to remain within its medium-term target for the rest of FY20, the MPC cut interest rates to give a boost to the domestic demand which would help in restoring the growth momentum of the country.
- MPC downgraded the growth projections of the Indian economy to 6.1% for FY20 from its earlier projection of 6.9%. For Q2FY20, MPC projected the growth of the Indian economy at 5.3%, while the growth projections of the Indian economy for the second half of FY20 was lowered to 6.6%-7.2% from the earlier projection of 7.3%-7.5%. Similarly, the growth projections for Q1FY21 was lowered to 7.2% from the earlier projection of 7.4%.

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FII Derivative Trade Statistics			
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	4242.49	5305.02	13320.25
Index Options	482875.95	479969.23	45769.53
Stock Futures	13339.80	13243.03	90682.27
Stock Options	4685.04	4725.00	2747.86
Total	505143.28	503242.28	152519.91

Derivative Statistics- Nifty Options			
	04-Oct	Prev_Day	Change
Put Call Ratio (OI)	0.97	1.01	-0.03
Put Call Ratio(Vol)	0.85	0.83	0.02

Debt Watch				
	04-Oct	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.19%	5.24%	5.35%	6.32%
T-Repo	4.81%	5.18%	5.22%	NA
Repo	5.15%	5.40%	5.40%	6.50%
Reverse Repo	4.90%	5.15%	5.15%	6.25%
91 Day T-Bill	5.18%	5.30%	5.37%	7.09%
364 Day T-Bill	5.40%	5.52%	5.67%	7.73%
10 Year Gilt	6.69%	6.74%	6.55%	8.16%
G-Sec Vol. (Rs.Cr)	64959	44214	33606	27393
FBIL MIBOR*	5.45%	5.45%	5.45%	6.49%
3 Month CP Rate	6.05%	5.95%	5.85%	8.40%
5 Year Corp Bond	7.38%	7.52%	7.37%	9.07%
1 Month CD Rate	5.24%	5.55%	5.19%	7.13%
3 Month CD Rate	5.41%	5.79%	5.63%	7.38%
1 Year CD Rate	6.23%	6.45%	6.49%	8.59%

Currency Market			
Currency	04-Oct	Prev_Day	Change
USD/INR	70.87	71.12	-0.25
GBP/INR	87.52	87.42	0.10
EURO/INR	77.78	77.89	-0.11
JPY/INR	0.66	0.66	0.00

Commodity Prices				
Commodity	04-Oct	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	52.79	55.90	56.17	74.39
Brent Crude(\$/bl)	60.02	63.37	60.92	86.41
Gold(\$/oz)	1504	1497	1552	1199
Gold(Rs./10 gm)	38151	37481	39011	31057

Source: Thomson Reuters Eikon

*As on previous trading day

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Derivatives Market

- Nifty Oct 2019 Futures stood at 11,215.15, a premium of 40.40 points above the spot closing of 11,174.75. The turnover on NSE's Futures and Options segment fell to Rs.9,76,983.06 crore on October 04, 2019, compared with Rs. 27,91,988.47 crore on October 03, 2019.
- The Put-Call ratio stood at 0.88 compared with the previous session's close of 0.70.
- The Nifty Put-Call ratio stood at 0.97 compared with the previous session's close of 1.01.
- Open interest on Nifty Futures stood at 16.47 million, compared with the previous session's close of 16.78 million.

Indian Debt Market

- Bond yields fell initially after the Monetary Policy Committee announced 25 basis points rate cut in the meeting. However, the trend reversed later as investors booked profits after the policy announcement.
- Yield on the 10-year benchmark paper (7.26% GS 2029) rose 8 bps to 6.69% compared with the previous close of 6.61% after trading in a range of 6.58% to 6.69%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,832 crore (gross) on Oct 4, 2019 compared with borrowings of Rs. 3,833 crore (gross) on Oct 3, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 40,548 crore on Oct 3, 2019.
- Banks borrowed Rs. 619 crore under the central bank's Marginal Standing Facility on Oct 3, 2019 compared with borrowings of Rs. 895 crore on Oct 1, 2019.

Currency Market Update

- The Indian rupee rose initially against the greenback as the latter weakened following weak U.S. data. However, the gains were erased amid decline in domestic equity market. The rupee closed at 70.88 a dollar, same as previous day close.
- The euro rose against the greenback as the latter weakened amid concerns over political risk in the U.S. and ongoing trade talks with China. The euro closed at 1.0976, up 0.11% compared with previous close of 1.0964.

Commodity Market Update

- Gold prices remained almost steady. Bets that the U.S. Fed would cut interest rates aggressively in 2019 got tempered following reports that unemployment rate fell to near a 50-year low.
- Brent crude prices witnessed gains following reports from U.S. labor department.

International News

- A Labor Department report showed U.S. employment increased by less than expected in Sep 2019. The report also showed the unemployment rate unexpectedly dropped to a nearly 50-year low. Non-farm payroll employment rose by 136,000 jobs in Sep.
- Germany's construction sector expanded modestly in September, led by a growth in housing activity that offset slower declines in commercial and civil engineering, survey data from IHS Markit showed on Friday.



**Thank you for
your time.**

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