

Markets for You

10 Oct 2019

Good gets *better*

Indices Performance				
Global Indices	09-Oct	Prev_Day	Abs. Change	% Change#
Russell 3000	1,278	1,264	13	1.06
Nasdaq	7,904	7,824	80	1.02
FTSE	7,167	7,143	23	0.33
Nikkei	21,456	21,588	-131	-0.61
Hang Seng	25,683	25,893	-211	-0.81
Indian Indices	09-Oct	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	38,178	37,532	646	1.72
Nifty 50	11,313	11,126	187	1.68
Nifty 100	11,424	11,239	185	1.64
Nifty 500	9,178	9,041	137	1.52
Nifty Bank	28,786	27,768	1,018	3.67
S&P BSE Power	1,916	1,885	31	1.62
S&P BSE Small Cap	12,796	12,713	83	0.66
S&P BSE HC	12,089	11,976	113	0.94

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
9-Oct	26.81	1.21	26.13	1.32
Month Ago	26.12	1.25	27.05	1.39
Year Ago	22.01	1.31	24.91	1.30

Nifty 50 Top 3 Gainers				
Company	09-Oct	Prev_Day	% Change#	
IndusInd Bank	1309	1241	5.45	
Bharti Airtel	359	342	5.23	
ICICI Bank	437	416	4.95	

Nifty 50 Top 3 Losers				
Company	09-Oct	Prev_Day	% Change#	
Yes Bank	43	46	-5.26	
Hero Moto	2604	2674	-2.60	
Titan Industries Limited	1230	1259	-2.28	

Advance Decline Ratio				
	BSE		NSE	
Advances	1241		986	
Declines	1280		862	
Unchanged	178		100	

Institutional Flows (Equity)			
Description (Cr)	Inflow/Outflow		YTD
FII Flows*	-368		51991
MF Flows**	889		55423

*9th Oct 2019; **9th 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 mostly lower on declining hopes for a U.S.-China trade dispute resolution. Tensions arose after the U.S. administration put visa restrictions on Chinese officials and also expanded its trade blacklist to some of China's top artificial intelligence firms. Today (as of Oct 10), Asian markets opened lower on dimmed hopes around 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 went up ahead of the high-level trade negotiations between U.S. and China, scheduled on Oct 10, 2019. Investors are expecting a deal to be cracked at the meet that will partially if not fully solve the dispute.
- U.S. markets gained as investors hoped for U.S.-China trade talks to result in a deal, even if it's a limited pact. Media reports showed China is ready to accept a partial trade deal if no more tariffs are imposed by the U.S. President.

Indian Equity Market

- Indian equity markets gained as investors resorted to short covering and sentiment boosted ahead of the second quarter earnings of a major private bank and others. The government increasing dearness allowance by 5% also supported sentiment.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 1.72% and 1.68% to close at 38,177.95 and 11,313.30, respectively. S&P BSE MidCap and S&P BSE SmallCap gained 1.38% and 0.66% respectively.
- The overall market breadth on BSE was weak with 1,241 scrips advancing and 1,280 scrips declining. A total of 178 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Telecom was the major gainer, up 4.92% followed by S&P BSE Bankex, up 3.67% and S&P BSE Finance, up 2.84%. S&P BSE IT was the major loser, down 0.92% followed by S&P BSE Consumer Durables, down 0.35% and S&P BSE Teck, down 0.19%.

Domestic News

- The government has hiked the dearness allowance (DA) to 17% from 12% effective from Jul 2019. The decision was approved in a cabinet meet chaired by the Prime Minister. The move will benefit at least 50 lakh government employees and 65 lakh pensioners. It will cost the exchequer Rs. 16,000 crore and the increase is based on the recommendations of the 7th Pay Commission.
- The new International Monetary Fund (IMF) chief has said the largest emerging market economies like India are experiencing an even "more pronounced" effect of the global downturn. The chief warned that the global economy is witnessing "synchronized slowdown" which will result in slower growth for 90% of the world in 2019. The managing director of IMF said the widespread deceleration means that growth this year will fall to its lowest rate since the beginning of the decade.
- The Reserve Bank of India (RBI) has not approved of the merger of Lakshmi Vilas Bank Ltd with Indiabulls Housing Finance Ltd, media reports showed. This ends months of uncertainty around the proposed merger.
- The Anil Ambani group has appointed Anmol Ambani (27) and Anshul Ambani (24), sons of Anil Ambani, as directors on the board of infrastructure arm Rlnfra. The company has also appointed retired Army officer Lt Gen Syed Ata Hasnain as an independent director on the board of the company, the company said, media reports showed.
- According to media reports, Air India hopes to meet its fund requirements by raising loans against the government guarantee for Rs. 2,500 crore and run its business smoothly till the sale process concludes.
- The U.S. Food and Drug Administration (FDA) has issued a warning letter to Torrent Pharmaceuticals Ltd's Indrad plant in Gujarat after an inspection of the facility in Apr 2019, media reports showed.

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FII Derivative Trade Statistics			
(Rs Cr)	09-Oct		
	Buy	Sell	Open Int.
Index Futures	3829.78	3219.24	12858.46
Index Options	184434.97	183668.41	53546.45
Stock Futures	11881.12	11496.56	88375.39
Stock Options	4453.58	4492.88	3328.40
Total	204599.45	202877.09	158108.70

Derivative Statistics- Nifty Options			
	09-Oct	Prev_Day	Change
Put Call Ratio (OI)	1.20	0.96	0.24
Put Call Ratio(Vol)	0.87	0.81	0.05

Debt Watch				
	09-Oct	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.07%	5.26%	5.32%	6.39%
T-Repo	4.86%	5.13%	5.20%	NA
Repo	5.15%	5.40%	5.40%	6.50%
Reverse Repo	4.90%	5.15%	5.15%	6.25%
91 Day T-Bill	5.22%	5.25%	5.31%	6.85%
364 Day T-Bill	5.39%	5.48%	5.62%	7.40%
10 Year Gilt	6.66%	6.66%	6.58%	8.08%
G-Sec Vol. (Rs.Cr)	38160	54358	29021	32789
FBIL MIBOR*	5.21%	5.52%	5.50%	6.50%
3 Month CP Rate	6.05%	5.95%	5.80%	7.80%
5 Year Corp Bond	7.50%	7.50%	7.47%	8.96%
1 Month CD Rate	5.07%	5.47%	5.15%	6.87%
3 Month CD Rate	5.31%	5.71%	5.69%	7.01%
1 Year CD Rate	6.22%	6.40%	6.47%	8.37%

Currency Market			
Currency	09-Oct	Prev_Day	Change
USD/INR	71.11	70.98	0.14
GBP/INR	86.79	87.42	-0.63
EURO/INR	77.93	77.93	0.00
JPY/INR	0.66	0.66	0.00

Commodity Prices				
Commodity	09-Oct	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	52.58	52.62	57.83	74.90
Brent Crude(\$/bl)	60.59	58.81	63.86	85.50
Gold (\$/oz)	1505	1499	1499	1189
Gold(Rs./10 gm)	38179	37201	38254	31049

Source: Thomson Reuters Eikon

*As on previous trading day

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Derivatives Market

- Nifty Oct 2019 Futures stood at 11,162.00, a premium of 35.60 points above the spot closing of 11,126.40. The turnover on NSE's Futures and Options segment fell to Rs. 8,66,676.50 crore on October 07, 2019, compared with Rs. 9,76,983.06 crore on October 04, 2019.
- The Put-Call ratio stood at 0.85 compared with the previous session's close of 0.88.
- The Nifty Put-Call ratio stood at 0.96 compared with the previous session's close of 0.97.
- Open interest on Nifty Futures stood at 16.55 million, compared with the previous session's close of 16.47 million.

Indian Debt Market

- Bond yields declined as market participants resorted to short covering ahead of the highly anticipated U.S-China trade talks, which is slated to begin on Oct 10, 2019. Additionally, investors are awaiting the release of domestic retail inflation data, due next week.
- Yield on the 10-year benchmark paper (7.26% GS 2029) fell 2 bps to 6.66% compared with the previous close of 6.68% after trading in a range of 6.64% to 6.67%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 4,617 crore (gross) on Oct 9, 2019 compared with borrowings of Rs. 3,932 crore (gross) on Oct 7, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 14,887 crore on Oct 7, 2019.
- Banks borrowed Rs. 5,890 crore under the central bank's Marginal Standing Facility on Oct 7, 2019 compared with borrowings of Rs. 1,825 crore on Oct 4, 2019.

Currency Market Update

- The Indian rupee fell against the greenback as market participants preferred to remain on the sidelines ahead of high-level trade talks between U.S. and China which is scheduled to begin from Oct 10, 2019. However, gains in the domestic equity market restricted further losses.
- The euro rose against the greenback on hopes of a breakthrough in U.S-China trade talks.

Commodity Market Update

- Gold prices inched up on uncertainty over U.S.-China trade talks and Britain's exit from the European Union.
- Brent crude prices rose after Turkey launched a military operation against Kurdish fighters in northeast Syria which fuelled concerns of disruption in crude production in the region.

International News

- According to the minutes of U.S. Federal Reserve's meeting, a few participants at the Fed's monetary policy meeting in Sep 2019 expressed concerns that the markets expect more interest rate cuts than are appropriate. The minutes said those participants felt it might become necessary for the Fed to seek a better alignment of market expectations regarding the path of rates with policymakers' own expectations.
- A Commerce Department report showed a modest increase in U.S. wholesale inventories in Aug 2019. Wholesale inventories edged up 0.2% in Aug, matching the uptick in Jul 2019.



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