

Markets for You

11 Oct 2019

Good gets *better*

Indices Performance

Global Indices	10-Oct	Prev_Day	Abs. Change	% Change#
Russell 3000	1,284	1,278	6	0.50
Nasdaq	7,951	7,904	47	0.60
FTSE	7,186	7,167	20	0.28
Nikkei	21,552	21,456	96	0.45
Hang Seng	25,708	25,683	25	0.10
Indian Indices	10-Oct	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	37,880	38,178	-298	-0.78
Nifty 50	11,235	11,313	-79	-0.70
Nifty 100	11,345	11,424	-79	-0.69
Nifty 500	9,113	9,178	-65	-0.71
Nifty Bank	28,013	28,786	-772	-2.68
S&P BSE Power	1,915	1,916	-1	-0.04
S&P BSE Small Cap	12,723	12,796	-73	-0.57
S&P BSE HC	12,090	12,089	0	0.00

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
10-Oct	26.64	1.22	25.95	1.33
Month Ago	26.12	1.25	27.05	1.39
Year Ago	22.33	1.29	25.30	1.28

Nifty 50 Top 3 Gainers

Company	10-Oct	Prev_Day	% Change#
Bharti Airtel	377	359	4.97
Grasim Indus	697	670	3.91
RIL	1363	1325	2.87

Nifty 50 Top 3 Losers

Company	10-Oct	Prev_Day	% Change#
IndusInd Bank	1229	1309	-6.12
Yes Bank	41	43	-5.32
GAIL	127	132	-3.60

Advance Decline Ratio

	BSE	NSE
Advances	858	644
Declines	1591	1188
Unchanged	180	111

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-683	51308
MF Flows**	-110	55313

 *10th Oct 2019; **10th 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 contradictory reports on the progress of U.S.-China trade talks made investors tread cautiously. While some media reports suggested U.S.-China trade talks could collapse midway, the White House cleared the air on such rumours. Today (as of Oct 11), Asian markets opened higher on renewed 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 on renewed trade hopes as the U.S. President said he would meet the Chinese Vice Premier. Investors have got more optimistic of a trade deal between the two economies after the U.S. President's message.
- U.S. markets gained after the President said he will meet the Chinese Vice Premier on Oct 11, 2019. This renewed hopes of the two countries making progress in their trade negotiations.

Indian Equity Market

- Indian equity markets lost after the non-performing assets (NPA) problem of banks resurfaced together with economic growth concerns. A major private sector bank's gross NPAs increased in the Sep 2019 quarter. A top global rating agency cut its India's growth forecast for FY20 citing pronounced slowdown due to long-lasting factors.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 0.78% and 0.7% to close at 37,880.40 and 11,234.55 respectively. S&P BSE MidCap and S&P BSE SmallCap lost 0.87% and 0.57% respectively.
- The overall market breadth on BSE was weak with 858 scrips advancing and 1,591 scrips declining. A total of 180 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Telecom was the major gainer, up 3.76%, followed by S&P BSE Energy, up 1.69% and S&P BSE Teck, up 0.24%. S&P BSE Bankex was the major loser, down 2.61%, followed by S&P BSE Realty, down 2.16% and S&P BSE Finance, down 2.03%.

Domestic News

- The finance minister said the government is giving sector-specific solutions to fight the slowdown in economic growth. India's GDP has slowed to a six-year low of 5% for the Jun 2019 quarter. This led to downward revisions in expectations, including from the Reserve Bank of India which now expects GDP growth to come down to 6.1% in FY20.
- Government data showed India's rice exports in Aug 2019 fell 29% YoY to 644,249 tonne, government data showed. This happened because of weak demand from African countries for non-basmati rice, among other factors.
- Media reports showed the government has made a committee of officers to suggest measures to boost goods services tax (GST) revenue collections and administration. The terms of reference of the panel include making suggestions about systemic changes in GST including checks and balances to prevent misuse and measures to improve voluntary compliance.
- A major global rating agency has cut its 2019-20 growth forecast for India to 5.8% from 6.8% earlier. The firm said the economy was experiencing a pronounced slowdown partly related to long-lasting factors. Earlier, Asian Development Bank and the Organisation of Economic Co-operation and Development lowered FY20 growth forecast for India by 50 basis points and 1.3 percentage points to 6.5% and 5.9%, respectively. The Reserve Bank of India also slashed its growth projection for the economy by 80 basis points to 6.1% for FY20.
- Media reports showed the ministry of new and renewable energy (MNRE) said that the deadline for installing 175 giga-watt (GW) of renewable energy is Dec 31, 2022. The pace of adding renewable generation capacities in FY19 slowed down because of devaluation of the rupee, rising finance costs, government-mandated tariff caps in reverse auctions and cancellation of renewable project tenders. In FY19, the country added 8.6 GW against 11.3 GW and 11.8 GW added in FY17 and FY18, respectively. The installed renewable capacity now is 81.3 GW.

Good gets better

FII Derivative Trade Statistics			
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	4593.82	4760.61	12167.42
Index Options	328965.87	328746.25	57914.51
Stock Futures	14231.74	13328.34	89177.09
Stock Options	5294.36	5349.47	3676.95
Total	353085.79	352184.67	162935.97

Derivative Statistics- Nifty Options			
	10-Oct	Prev_Day	Change
Put Call Ratio (OI)	1.00	1.20	-0.20
Put Call Ratio(Vol)	0.82	0.87	-0.05

Debt Watch				
	10-Oct	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.07%	5.22%	5.32%	6.45%
T-Repo	4.73%	4.92%	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	5.17%	5.20%	5.31%	6.90%
364 Day T-Bill	5.38%	5.44%	5.62%	7.52%
10 Year Gilt	6.69%	6.61%	6.58%	8.03%
G-Sec Vol. (Rs.Cr)	23791	48134	29021	35386
FBIL MIBOR*	5.20%	5.45%	5.45%	6.50%
3 Month CP Rate	6.05%	6.05%	5.80%	7.80%
5 Year Corp Bond	7.53%	7.46%	7.47%	8.84%
1 Month CD Rate	5.02%	5.30%	5.15%	6.82%
3 Month CD Rate	5.29%	5.58%	5.69%	7.04%
1 Year CD Rate	6.21%	6.27%	6.47%	8.45%

Currency Market			
Currency	10-Oct	Prev_Day	Change
USD/INR	71.05	71.11	-0.06
GBP/INR	86.86	86.79	0.07
EURO/INR	78.05	77.93	0.13
JPY/INR	0.66	0.66	0.00

Commodity Prices				
Commodity	10-Oct	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	53.52	52.36	57.32	73.13
Brent Crude(\$/bl)	59.97	58.90	63.52	84.16
Gold(\$/oz)	1494	1505	1486	1194
Gold(Rs./10 gm)	38361	37919	38254	31021

Source: Thomson Reuters Eikon

*As on previous trading day

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Derivatives Market

- Nifty Oct 2019 Futures stood at 11,254.25, a premium of 19.70 points above the spot closing of 11,234.55. The turnover on NSE's Futures and Options segment rose to Rs.25,59,668.78 crore on October 10, 2019, compared with Rs.15,58,081.67 crore on October 09, 2019.
- The Put-Call ratio stood at 0.67 compared with the previous session's close of 0.84.
- The Nifty Put-Call ratio stood at 1.00 compared with the previous session's close of 1.20.
- Open interest on Nifty Futures stood at 15.65 million, compared with the previous session's close of 15.61 million.

Indian Debt Market

- Bond yields rose as market participants preferred to remain on the side-lines ahead of the release of domestic retail inflation data for Sep 2019 which is due next week and the outcome of the high-level trade talks between the U.S. and China.
- Yield on the 10-year benchmark paper (7.26% GS 2029) rose 3 bps to 6.69% compared with the previous close of 6.66% after trading in a range of 6.67% to 6.69%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 4,391 crore (gross) on Oct 10, 2019 compared with borrowings of Rs. 4,617 crore (gross) on Oct 9, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 14,930 crore on Oct 9, 2019.
- Banks borrowed Rs. 4,645 crore under the central bank's Marginal Standing Facility on Oct 9, 2019 compared with borrowings of Rs. 5,890 crore on Oct 7, 2019.

Currency Market Update

- The Indian rupee fell initially against the greenback following losses in the domestic equity market. However, the losses were neutralized on reports that U.S. is considering a previously agreed currency pact with China and selling of the greenback by foreign banks.
- The euro rose against the greenback as market participants remained optimistic about progress toward a U.S.-China trade deal and agreement on Britain's exit from the European Union. Hopes of a rate cut by the U.S. Federal Reserve later during the month further weakened the greenback.

Commodity Market Update

- Gold prices dipped as investors resorted to riskier assets like stocks amid rising optimism about progress in U.S.-China trade negotiations.
- Brent crude prices slipped below \$60 per barrel level following the release of a report showing an increase in U.S. crude inventories in the week ended Oct 4.

International News

- A Labor Department report showed a modest decrease in first-time claims for U.S. unemployment benefits in the week ended Oct 5, 2019. Initial jobless claims dropped to 210,000, a decrease of 10,000 from the previous week's 220,000.
- Office for National Statistics data showed the U.K. economy expanded in three months to Aug 2019 for the second consecutive time, suggesting it could avoid a recession ahead of Brexit. Rolling three-month gross domestic product growth increased to 0.3% from 0.1% in three months to Jul 2019.



**Thank you for
your time.**

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