

Markets for You

14 Oct 2019

Good gets *better*

Indices Performance				
Global Indices	11-Oct	Prev_Day	Abs. Change	% Change#
Russell 3000	1,299	1,284	15	1.19
Nasdaq	8,057	7,951	106	1.34
FTSE	7,247	7,186	61	0.84
Nikkei	21,799	21,552	247	1.15
Hang Seng	26,308	25,708	601	2.34
Indian Indices	11-Oct	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	38,127	37,880	247	0.65
Nifty 50	11,305	11,235	71	0.63
Nifty 100	11,413	11,345	68	0.60
Nifty 500	9,161	9,113	49	0.53
Nifty Bank	28,043	28,013	29	0.10
S&P BSE Power	1,920	1,915	5	0.27
S&P BSE Small Cap	12,772	12,723	49	0.38
S&P BSE HC	12,152	12,090	63	0.52

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
11-Oct	26.78	1.21	26.11	1.32
Month Ago	26.20	1.24	27.13	1.39
Year Ago	21.86	1.31	24.75	1.31

Nifty 50 Top 3 Gainers			
Company	11-Oct	Prev_Day	% Change#
Cipla	441	422	4.55
Vedanta Limited	147	141	4.18
Infosys	815	783	4.05

Nifty 50 Top 3 Losers			
Company	11-Oct	Prev_Day	% Change#
Yes Bank	40	41	-3.30
Indian Oil	143	148	-3.24
GAIL	125	127	-1.88

Advance Decline Ratio		
	BSE	NSE
Advances	1105	879
Declines	1366	952
Unchanged	157	111

Institutional Flows (Equity)		
Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-80	51228
MF Flows**	-110	55313

*1st 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	-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 equity markets gained on positive developments in U.S.-China trade talks. The U.S. President hinted that the two countries are progressing well in the trade talks while Chinese media reported that Beijing was willing to forge an agreement to avoid further escalation. Today (as of Oct 14), Asian markets opened higher on renewed hopes of U.S.-China trade talks. Both Nikkei and Hang Seng were trading up 1.15% and 0.75%, respectively (as at 8.a.m. IST).
- European markets went up as the first day of trade talks between U.S. and China ended with markets hoping for a partial trade deal. A limited deal would delay increases in U.S. tariffs planned for next week. U.S. President described the discussions as "very, very good".
- U.S. markets gained after the President said China and the U.S. have reached the first phase of an important trade deal. This would then delay tariff hikes that were to start next week.

Indian Equity Market

- Indian equity markets gained on the last day of the week. Positive global cues supported sentiment as Brexit concerns eased and investors expected U.S. and China to crack a partial trade deal in their ongoing negotiations. Markets were also upbeat over the good start to the earnings season with the leading IT company beating expectations.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.65% and 0.63% to close at 38,127.08 and 11,305.05, respectively. S&P BSE MidCap and S&P BSE SmallCap gained 0.24% and 0.38%, respectively.
- The overall market breadth on BSE was weak with 1,105 scrips advancing and 1,366 scrips declining. A total of 186 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Metal was the major gainer, up 2.44%, followed by S&P BSE IT, up 1.74%, and S&P BSE Teck, up 1.57%. S&P BSE Oil & Gas was the major loser, down 0.41%, followed by S&P BSE Energy, down 0.41%, and S&P BSE Utilities, down 0.08%.

Domestic News

- Government data released showed Index of Industrial production (IIP) shrunk 1.1% in Aug 2019 compared with 4.3% growth in Jul 2019 and 4.8% in Aug 2018. Manufacturing and electricity fell 1.2% and 0.9% in Aug against 5.2% and 7.6% growth in Aug 2018, respectively. From Apr to Aug 2019, IIP growth eased to 2.4% YoY from 5.3% recorded in the corresponding period last year. USE-based classification showed, consumer durables output dropped 9.1% YoY in Aug 2019 compared with 5.5% rise a year ago while infrastructure/construction goods output fell 4.5% from 8.0% rise in the year-ago period.
- India's passenger vehicle sales declined 23.7% YoY in Sep 2019 to 2,23,317 units compared with 2,92,660 units sold in the year-ago period, media reports cited Society of Indian Automobile Manufacturers (SIAM) data. This marks the 11th straight consecutive month of decline. Passenger car sales declined 33.4% to 1,31,281 units in Sep, according to SIAM. Vehicle sales across categories in Sep fell 22.4% YoY to 2,004,932 units due to a slowdown in the economy, floods in some states and lack of credit availability from financial institutions.
- India's second largest software exporter by revenue Infosys Ltd's net profit for the second quarter ended Sep 2019 grew 6.2% to Rs. 4,037 crore from Rs. 3,802 crore in the previous quarter ended Jun 2019. Revenue grew 3.8% sequentially to Rs. 22,629 crore from Rs. 21,803 crore in the previous quarter. The company increased the lower end of its FY20 revenue guidance revising it to 9-10% from 8.5-10% earlier, on the back of strong large deal momentum and market share gains. Annually, Infosys's net profit declined 2.2%.
- India's largest information technology services company by revenue Tata Consultancy Services Ltd's (TCS) revenue grew 8.4% YoY at Rs. 38,977 crore for the quarter ended Sep 2019. Profit was up 1.8% YoY at Rs. 8,042 crore. The company missed expectations on both counts. TCS saw single digit growth in this quarter after four successive quarters of double digit growth, mainly on account of volatility in the financial services sector.

Good gets better

FII Derivative Trade Statistics			
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	3629.11	4313.77	13244.95
Index Options	402790.87	398382.97	50541.69
Stock Futures	11723.98	11950.73	88493.24
Stock Options	4811.85	4904.28	3880.16
Total	422955.81	419551.75	156160.04

Derivative Statistics- Nifty Options			
	11-Oct	Prev_Day	Change
Put Call Ratio (OI)	1.14	1.00	0.14
Put Call Ratio(Vol)	0.86	0.82	0.04

Debt Watch				
	11-Oct	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.04%	5.19%	5.32%	6.42%
T-Repo	4.58%	4.81%	5.17%	NA
Repo	5.15%	5.15%	5.40%	6.50%
Reverse Repo	4.90%	4.90%	5.15%	6.25%
91 Day T-Bill	5.15%	5.18%	5.32%	6.90%
364 Day T-Bill	5.38%	5.40%	5.65%	7.52%
10 Year Gilt	6.73%	6.69%	6.68%	7.99%
G-Sec Vol. (Rs.Cr)	36,469	64,959	39,952	39,373
FBIL MIBOR	5.20%	5.45%	5.45%	6.51%
3 Month CP Rate	6.00%	6.05%	5.80%	7.70%
5 Year Corp Bond	7.59%	7.38%	7.56%	8.81%
1 Month CD Rate	5.00%	5.24%	5.10%	6.82%
3 Month CD Rate	5.31%	5.41%	5.66%	7.13%
1 Year CD Rate	6.21%	6.23%	6.46%	8.44%

Currency Market			
Currency	11-Oct	Prev_Day	Change
USD/INR	71.03	71.05	-0.02
GBP/INR	88.43	86.86	1.57
EURO/INR	78.24	78.05	0.19
JPY/INR	0.66	0.66	0.00

Commodity Prices				
Commodity	11-Oct	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	54.71	52.79	55.61	70.92
Brent Crude(\$/bl)	61.48	60.02	63.91	81.69
Gold (\$/oz)	1489	1504	1497	1224
Gold(Rs./10 gm)	38154	38151	37902	31310

Source: Thomson Reuters Eikon

Disclaimer:

The information herein is meant only for general reading purposes and contains all factual and statistical information pertaining to Industry and markets which have been obtained from independent third party sources and which are deemed to be reliable. The information provided cannot be considered as guidelines, recommendations or as a professional guide for the readers. It may be noted that since Reliance Nippon Life Asset Management Company Limited (RNLAM) (formerly Reliance Capital Asset Management Limited) has not independently verified the accuracy or authenticity of such information or data, or for that matter the reasonableness of the assumptions upon which such data and information has been processed or arrive data; RNLAM does not in any manner assures the accuracy or authenticity of such data and information. Some of the statements & assertions contained in these materials may reflect RNLAM's views or opinions, which in turn may have been formed on the basis of such data or information. The Sponsor(s), the Investment Manager, the Trustee or any of their respective directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such data or information. Whilst no action has been solicited based upon the information provided herein, due care has been taken to ensure that the facts are accurate and opinions given are fair and reasonable, to the extent possible. This information is not intended to be an offer or solicitation for the purchase or sale of any financial product or instrument. Recipients of this information should rely on information/data arising out of their own investigations. Before making any investments, the readers are advised to seek independent professional advice, verify the contents in order to arrive at an informed investment decision. None of the Sponsor(s), the Investment Manager, the Trustee, their respective directors, employees, affiliates or representatives shall be liable in any way for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including on account of lost profits arising from the information contained in this material.

 Readers are requested to click here for ICRON disclaimer - <http://www.icronline.com/legal/standard-disclaimer.html>
Derivatives Market

- Nifty Oct 2019 Futures stood at 11,311.70, a premium of 6.65 points above the spot closing of 11,305.05. The turnover on NSE's Futures and Options segment fell to Rs. 9,49,606.63 crore on October 11, 2019, compared with Rs.25,59,668.78 crore on October 10, 2019.
- The Put-Call ratio stood at 0.90 compared with the previous session's close of 0.67.
- The Nifty Put-Call ratio stood at 1.14 compared with the previous session's close of 1.00.
- Open interest on Nifty Futures stood at 15.94 million, compared with the previous session's close of 15.65 million.

Indian Debt Market

- Bond yields rose with the surge in U.S. Treasury yields. In addition, speculations of rise in retail inflation and worries over a fiscal slippage adversely impacted market sentiment.
- Yield on the 10-year benchmark paper (7.26% GS 2029) rose 4 bps to 6.73% compared with the previous close of 6.69% after trading in a range of 6.69% to 6.74%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 4,232 crore (gross) on Oct 11, 2019 compared with borrowings of Rs. 4,391 crore (gross) on Oct 10, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 31,185 crore on Oct 10, 2019.
- Banks borrowed Rs. 5,335 crore under the central bank's Marginal Standing Facility on Oct 10, 2019 compared with borrowings of Rs. 4,645 crore on Oct 9, 2019.

Currency Market Update

- The Indian rupee gained against the greenback following gains in domestic equity market and hopes of a trade deal between the U.S. and China. The rupee closed at 71.02 a dollar compared with the previous close 71.07.
- The euro gained against the greenback on hopes of progress in trade negotiations between U.S. and China and increased possibility of an orderly British exit from the European Union. The euro closed at 1.1041 compared with previous close of 1.1004.

Commodity Market Update

- Gold prices fell as easing concerns around trade conflict between U.S. and China reduced the safe haven appeal of the bullion.
- Brent crude prices surged following media reports of an explosion on an Iranian tanker and optimism that U.S and China can agree at least on a partial trade deal.

International News

- University of Michigan preliminary data showed a continued improvement in U.S. consumer sentiment in Oct 2019. The report said the consumer sentiment index climbed to 96.0 in Oct after rising to 93.2 in Sep 2019. The continued increase beat expectations.
- Final data from Destatis showed Germany's consumer price inflation slowed as initially estimated in Sep 2019 to the lowest since early 2018. Consumer price inflation slowed to 1.2% in Sep from 1.4% in Aug 2019. This was the lowest rate since Feb 2018, when the rate was 1.1%.


Good gets better

**Thank you for
your time.**

Good gets *better*