

Markets for You

16 Oct 2019

Good gets *better*

Indices Performance				
Global Indices	15-Oct	Prev_Day	Abs. Change	% Change#
Russell 3000	1,313	1,298	15	1.13
Nasdaq	8,149	8,049	100	1.24
FTSE	7,212	7,213	-2	-0.03
Nikkei	22,207	21,799	408	1.87
Hang Seng	26,504	26,522	-18	-0.07
Indian Indices	15-Oct	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	38,506	38,214	292	0.76
Nifty 50	11,428	11,341	87	0.77
Nifty 100	11,544	11,456	89	0.77
Nifty 500	9,254	9,193	61	0.67
Nifty Bank	28,555	28,182	373	1.32
S&P BSE Power	1,939	1,916	23	1.19
S&P BSE Small Cap	12,774	12,788	-14	-0.11
S&P BSE HC	12,345	12,258	87	0.71

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
15-Oct	26.73	1.21	26.40	1.31
Month Ago	26.42	1.23	27.23	1.39
Year Ago	22.28	1.29	25.42	1.28

Nifty 50 Top 3 Gainers			
Company	15-Oct	Prev_Day	% Change#
Eicher Motors	19199	18328	4.75
Vedanta Limited	154	148	3.86
Zee Ente.	251	243	3.21

Nifty 50 Top 3 Losers			
Company	15-Oct	Prev_Day	% Change#
Bharti Airtel	384	394	-2.52
Infosys	768	786	-2.26
Bharti Infratel	257	259	-0.96

Advance Decline Ratio		
	BSE	NSE
Advances	1080	855
Declines	1398	955
Unchanged	179	127

Institutional Flows (Equity)		
Description (Cr)	Inflow/Outflow	YTD
FII Flows*	6153	56814
MF Flows**	396	55520

*15th Oct 2019; **14th Oct 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 equity markets were mixed as the partial U.S.-China trade deal announced last week remained vague in the absence of proper details. Renewed Brexit uncertainty and cautiousness ahead of earnings results from big U.S. banks dictated market movement. Today (as of Oct 16), Asian markets opened with caution as the partial U.S.-China trade deal remained clouded. Both Nikkei and Hang Seng were trading up 1.56% and 0.50%, respectively (as at 8.a.m. IST).
- European markets gained after a European Union (EU) negotiator said a Brexit deal was possible. An important meeting between European leaders which could decide the fate of Brexit, is underway at a two-day EU summit. The U.K. is scheduled to leave the EU on Oct 31, 2019, and the U.K. Prime Minister has said the deadline must be honoured.
- U.S. markets gained after the corporate earnings season started strongly. A multinational investment bank and financial services behemoth's third quarter earnings beat expectations.

Indian Equity Market

- Indian equity markets added to last session's gains mainly on the back of good earnings show by a consumer major and firm global cues. Also, investors expect the Reserve Bank of India (RBI) to further cut rates.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.76% and 0.32% to close at 38,506.09 and 11,341.15 respectively. S&P BSE MidCap gained 0.72% and S&P BSE SmallCap lost 0.11%.
- The overall market breadth on BSE was weak with 1,104 scrips advancing and 1,363 scrips declining. A total of 190 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Auto was the major gainer, up 2.36% followed by S&P BSE Metal, up 1.56% and S&P BSE Bankex, up 1.31%. S&P BSE Telecom was the major loser, down 2.15% followed by S&P BSE Teck, down 0.8% and S&P BSE IT, down 0.66%.
- Among the 31-stock sensitive Sensex pack, Vedanta was the major gainer, up 3.79%, followed by Mahindra & Mahindra and Hero MotoCorp that grew 2.83% and 2.63%, respectively. Bharti Airtel was the major loser, down 2.53%, followed by Infosys and Tata Motors, down 2.27% and 0.67%, respectively.

Domestic News

- Government data showed that India's trade deficit narrowed to \$10.86 billion in Sep 2019 from \$14.95 billion in the same period of the previous year. India's trade deficit narrowed as imports fell 13.85% to \$36.89 billion in Sep 2019 while exports came down at a comparatively slower rate of 6.57% to \$26.03 billion in Sep 2019. Oil imports fell 18.33% to \$8.98 billion in Sep from \$10.99 billion in the year-ago period. Merchandise exports fell 6.57% to \$26.03 billion in Sep compared with a year earlier.
- The International Monetary Fund (IMF) said India should go for further monetary policy easing and broad-based structural reforms to reverse a cyclical demand slowdown. The bank cut its growth projection for the country to 6.1% in FY20 from its Jul 2019 forecast of 7%. The downward revision of 1.2 percentage points for 2019 and 0.5 percentage point for 2020 reflects a weaker than expected outlook for domestic demand, IMF said, media reports showed.
- The Reserve Bank of India (RBI) has issued guidelines on 'on tap' authorisation of payment systems, including minimum networth criteria for different players. This has been done to encourage innovation and competition. In a circular, RBI said it has been decided to offer on-tap authorisation for Bharat Bill Payment Operating Unit (BBPOU), Trade Receivables Discounting System (TReDS) and White Label ATMs (WLAs). The payment system operators should ensure interoperability among different retail payment systems. The authorisation would be given based on merits of the proposal, and RBI's assessment of potential for additional entities in that segment.
- The Reserve Bank of India (RBI) has imposed a monetary penalty of Rs. 1 crore on Lakshmi Vilas Bank and Rs. 75 lakh on Syndicate Bank for violating asset classification and fraud detection norms.
- Air India Ltd plans to raise up to Rs. 2,500 crore through a short-term loan (STL) from domestic lenders by the end of Oct 2019, media report showed. Proceeds of the loan would be used to repay a portion of the dues the airline owes its vendors, including oil marketing companies.

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FII Derivative Trade Statistics			
15-Oct			
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	4148.98	3174.19	12835.10
Index Options	174906.35	174314.93	57559.94
Stock Futures	11827.62	11575.65	88773.95
Stock Options	4541.50	4642.74	4549.13
Total	195424.45	193707.51	163718.12

Derivative Statistics- Nifty Options			
	15-Oct	Prev_Day	Change
Put Call Ratio (OI)	1.32	1.18	0.14
Put Call Ratio(Vol)	1.00	0.88	0.12

Debt Watch				
	15-Oct	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.05%	5.12%	5.29%	6.32%
T-Repo	4.60%	4.81%	5.28%	NA
Repo	5.15%	5.15%	5.40%	6.50%
Reverse Repo	4.90%	4.90%	5.15%	6.25%
91 Day T-Bill	5.08%	5.20%	5.30%	6.85%
364 Day T-Bill	5.34%	5.36%	5.62%	7.50%
10 Year Gilt	6.67%	6.68%	6.64%	7.92%
G-Sec Vol. (Rs.Cr)	34075	27528	54062	21354
FBIL MIBOR*	5.20%	5.21%	5.43%	6.49%
3 Month CP Rate	5.90%	6.05%	5.65%	7.80%
5 Year Corp Bond	7.50%	7.43%	7.51%	8.78%
1 Month CD Rate	4.87%	5.14%	5.36%	6.82%
3 Month CD Rate	5.53%	5.31%	5.38%	7.14%
1 Year CD Rate	6.15%	6.19%	6.23%	8.42%

Currency Market			
Currency	15-Oct	Prev_Day	Change
USD/INR	71.32	71.02	0.30
GBP/INR	90.41	89.29	1.12
EURO/INR	78.74	78.29	0.45
JPY/INR	0.66	0.66	0.00

Commodity Prices				
Commodity	15-Oct	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	52.76	52.59	54.71	71.79
Brent Crude(\$/bl)	59.73	59.03	62.14	81.50
Gold (\$/oz)	1481	1505	1488	1227
Gold(Rs./10 gm)	38534	38043	37592	31892

Source: Thomson Reuters Eikon

*As on previous trading day

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Derivatives Market

- Nifty Oct 2019 Futures stood at 11,439.40, a premium of 11.10 points above the spot closing of 11,428.30. The turnover on NSE's Futures and Options segment fell to Rs. 9,30,743.21 crore on October 15, 2019, compared with Rs. 9,49,606.63 crore on October 14, 2019.
- The Put-Call ratio stood at 0.92 compared with the previous session's close of 0.9.
- The Nifty Put-Call ratio stood at 1.32 compared with the previous session's close of 1.18.
- Open interest on Nifty Futures stood at 16.17 million, compared with the previous session's close of 15.67 million.

Indian Debt Market

- Bond yields lowered as market participants resorted to value buying. The yield had initially risen following the release of the country's retail inflation data of 3.99% for Sep, which is the highest since last year Jul.
- Yield on the 10-year benchmark paper (7.26% GS 2029) declined 1 bps to 6.67% compared with the previous close of 6.68% after trading in a range of 6.66% to 6.71%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,842 crore (gross) on Oct 15, 2019 compared with borrowings of Rs. 3,817 crore (gross) on Oct 14, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 24,721 crore on Oct 14, 2019.
- Banks borrowed Rs. 4,535 crore under the central bank's Marginal Standing Facility on Oct 14, 2019 compared with borrowings of Rs. 6,825 crore on Oct 11, 2019.

Currency Market Update

- The Indian rupee weakened against the U.S. dollar as optimism about the likelihood of a U.S.-China trade deal waned which led to fears of a global economic slowdown. The rupee closed at 71.54 a dollar, down 0.44% compared with the previous close 71.23.
- The euro inched up against the greenback as market participants grew optimistic following a report that officials were close to a deal for Britain to exit the European Union. The euro closed at 1.1031, up 0.03% compared with previous close of 1.1028.

Commodity Market Update

- Gold prices fell as investor risk appetite improved on strong earnings reports for the quarter ended Sep 2019 that led to gains in the U.S. equity market.
- Brent crude prices rose after the secretary general of the Organization of the Petroleum Exporting Countries opined that it will adopt necessary action to sustain oil market stability beyond 2020.

International News

- The International Monetary Fund said the global economy is set to expand at the slowest pace in a decade in 2019 amid weak manufacturing momentum, and rising trade and geopolitical tensions. The global lender cut the growth forecast for this year to 3% from 3.3% projected in Apr 2019 in its latest World Economic Outlook. The pace of growth this year will be the lowest since 2008-09 global financial crisis, the report said. The projection for 2020 was lowered to 3.4% from 3.6% forecast in Apr.
- The Federal Reserve Bank of New York's report showing a modest acceleration in the pace of growth in regional manufacturing activity in Oct 2019. The New York Fed's headline general business conditions index edged up to 4.0 in Oct after dipping to 2.0 in Sep 2019.



**Thank you for
your time.**

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