

# Markets for You

24 Oct 2019

Good gets *better*

**Indices Performance**

Global Indices	23-Oct	Prev_Day	Abs. Change	% Change <sup>#</sup>
Russell 3000	1,303	1,300	3	0.23
Nasdaq	8,120	8,104	15	0.19
FTSE	7,261	7,212	48	0.67
Nikkei	22,625	22,549	76	0.34
Hang Seng	26,567	26,786	-219	-0.82
Indian Indices	23-Oct	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	39,059	38,964	95	0.24
Nifty 50	11,604	11,588	16	0.14
Nifty 100	11,762	11,750	13	0.11
Nifty 500	9,459	9,448	10	0.11
Nifty Bank	29,460	29,411	48	0.16
S&P BSE Power	2,001	1,986	15	0.75
S&P BSE Small Cap	13,223	13,190	33	0.25
S&P BSE HC	12,861	12,832	29	0.22

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
23-Oct	26.92	1.18	26.75	1.29
Month Ago	27.42	1.18	28.52	1.32
Year Ago	21.61	1.32	24.41	1.32

**Nifty 50 Top 3 Gainers**

Company	23-Oct	Prev_Day	% Change <sup>#</sup>
HCL Tech	1095	1064	2.88
Eicher Motors	20521	19979	2.71
Maruti	7440	7256	2.54

**Nifty 50 Top 3 Losers**

Company	23-Oct	Prev_Day	% Change <sup>#</sup>
Adani Ports & SEZ	396	421	-5.86
Bharti Airtel	360	374	-3.68
Zee Ente.	242	250	-3.33

**Advance Decline Ratio**

	BSE	NSE
Advances	1209	911
Declines	1275	910
Unchanged	203	129

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1074	60188
MF Flows**	-350	57510

\*23<sup>rd</sup> Oct 2019; \*\*22<sup>nd</sup> 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 mostly lower as Brexit uncertainty deepened after British lawmakers rejected U.K. Prime Minister's plan to fasten his Brexit deal through parliament. The Prime Minister said it was now up to the European Union to take a call on whether it wanted to delay Brexit and till what time. Today (as of Oct 24), Asian markets were down as the Brexit process looked delayed after the U.K. parliament rejected the Prime Minister's fast-track plan to meet the deadline. Both Nikkei and Hang Seng were trading down 0.12% and 0.08%, respectively (as at 8.a.m. IST).
- European markets gained as U.K. lawmakers voted in favour of Prime Minister's Withdrawal Agreement Bill. They, however, rejected plans to get Brexit approved within three days. The ball is now in the European Union's court for a verdict on whether to grant an extension to the Oct 31, 2019, deadline and for how long.
- U.S. markets were up a tad as corporate earnings optimism overcame the lower than expected results of a couple of industry majors. The third-quarter earnings season of U.S. companies has mostly beat expectations.

**Indian Equity Market**

- Indian equity markets got back to their winning ways as sentiment buoyed over corporate earnings and progress in U.S.-China trade talks. The two countries seem to be coming closer to signing a partial deal. On the earnings front, the cut in corporate tax rate by the government recently is bearing results as a major automaker gained from it and beat earnings expectations.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.24% and 0.14% to close at 39,058.83 and 11,604.10, respectively. S&P BSE MidCap lost 0.08% and S&P BSE SmallCap gained 0.25%.
- The overall market breadth on BSE was weak with 1,209 scrips advancing and 1,275 scrips declining. A total of 203 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Auto was the major gainer, up 1.18%, followed by S&P BSE IT, up 1.15%, and S&P BSE Consumer Durables, up 0.8%. S&P BSE Telecom was the major loser, down 3.04%, followed by S&P BSE Oil & Gas, down 1.45%, and S&P BSE Energy, down 1.43%.

**Domestic News**

- Media reports showed the government has relaxed fuel retailing regulations to allow non-oil companies to set up petrol pumps. This is being done to increase competition. Information & Broadcasting minister said the opening of fuel retailing will increase investment and competition. Presently, to get a fuel retailing licence in India, a company needs to invest Rs. 2,000 crore in either hydrocarbon exploration and production, refining, pipelines or liquefied natural gas (LNG) terminals.
- A major global rating agency said Indian financial sector is facing rising risk of contagion and failure of any large finance company will adversely impact economic growth. A bank failure could disturb interbank market, payments, upset credit availability and unfavorably affect economic growth, according to the report.
- The Cabinet has approved agreements signed with other countries in various fields like traditional medicine, and science and technology. These included administrative arrangement on cooperation in the field of Railways between the Ministry of Railways and the Directorate General for Mobility and Transport of the European Commission.
- The government has decided to merge two public sector undertakings (PSUs) BSNL and MTNL under its revival package. The package will help the loss-making telecom PSUs raise sovereign bonds, monetise assets and provide voluntary retirement scheme (VRS) for employees. Till the time the two firms are merged, MTNL will be a subsidiary of BSNL. MTNL is listed but has its net worth already eroded. BSNL is unlisted.
- Bajaj Auto's second quarter profit increased 22% to Rs. 1402 crore as the company benefitted from a tax expense reversal of Rs. 182 crore due to the recent lowering of corporate tax rate. The earnings were better than expected. Revenue from operations dipped 4% YoY to Rs. 7,707 crore. Total volumes during the quarter slid 12% to 1,173,591 units compared with 1,339,444 units in the same quarter of the previous quarter.
- HCL Technologies' consolidated net profit grew 6.9% to Rs. 2,711 crore for the Sep 2019 quarter compared with Rs. 2,534 crore in the year-ago period. The company raised its revenue growth forecast to 17% for FY20.

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FII Derivative Trade Statistics		23-Oct	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	5250.68	3922.47	13272.78
Index Options	198149.96	197952.10	59832.27
Stock Futures	17109.31	16791.66	92327.37
Stock Options	9436.19	9752.05	6299.83
Total	229946.14	228418.28	171732.25

Derivative Statistics- Nifty Options			
	23-Oct	Prev_Day	Change
Put Call Ratio (OI)	1.19	1.20	-0.01
Put Call Ratio(Vol)	0.89	0.98	-0.09

Debt Watch				
	23-Oct	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.06%	5.05%	5.36%	6.53%
T-Repo	4.91%	4.73%	5.33%	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%	5.09%	5.37%	6.93%
364 Day T-Bill	5.28%	5.37%	5.55%	7.45%
10 Year Gilt	6.69%	6.66%	6.75%	7.89%
G-Sec Vol. (Rs.Cr)	21392	41517	50815	33965
FBIL MIBOR*	5.25%	5.22%	5.45%	6.60%
3 Month CP Rate	5.80%	5.80%	5.75%	8.20%
5 Year Corp Bond	7.51%	7.50%	7.55%	8.82%
1 Month CD Rate	4.94%	4.90%	5.46%	6.96%
3 Month CD Rate	5.23%	5.57%	5.48%	8.38%
1 Year CD Rate	5.88%	5.97%	6.39%	8.37%

Currency Market			
Currency	23-Oct	Prev_Day	Change
USD/INR	70.94	70.87	0.06
GBP/INR	91.33	91.96	-0.63
EURO/INR	78.92	79.06	-0.14
JPY/INR	0.65	0.65	0.00

Commodity Prices				
Commodity	23-Oct	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	55.85	53.37	58.64	66.44
Brent Crude(\$/bl)	61.36	59.84	65.55	79.56
Gold(\$/oz)	1492	1489	1522	1230
Gold(Rs./10 gm)	38295	38203	37743	31909

Source: Thomson Reuters Eikon

\*As on previous trading day

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**Derivatives Market**

- Nifty Oct 2019 Futures stood at 11,624.70, a premium of 20.60 points above the spot closing of 11,604.10. The turnover on NSE's Futures and Options segment rose to Rs. 12,78,289.90 crore on October 23, 2019, compared with Rs. 10,27,370.49 crore on October 22, 2019.
- The Put-Call ratio stood at 0.88 compared with the previous session's close of 0.91.
- The Nifty Put-Call ratio stood at 1.19 compared with the previous session's close of 1.2.
- Open interest on Nifty Futures stood at 16.48 million, compared with the previous session's close of 16.72 million.

**Indian Debt Market**

- Bond yields eased with sharp decline in U.S. Treasury yields following ambiguity over Brexit negotiations. However, gains were restricted by the ongoing concerns over a fiscal slippage.
- Yield on the 10-year benchmark paper (7.26% GS 2029) dropped 2 bps to 6.69% compared with the previous close of 6.71% after trading in a range of 6.67% to 6.70%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 5,789 crore (gross) on Oct 23, 2019 compared with borrowings of Rs. 3,872 crore (gross) on Oct 22, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 11,753 crore on Oct 22, 2019.
- Banks borrowed Rs. 4,690 crore under the central bank's Marginal Standing Facility on Oct 22, 2019 compared with borrowings of Rs. 4,975 crore on Oct 18, 2019.

**Currency Market Update**

- The Indian rupee rose against the U.S. dollar following selling of the greenback by foreign banks. However, renewed uncertainty over Brexit capped the gains. The rupee rose 0.03% to close at Rs. 70.91 per dollar compared with the previous close of Rs. 70.93.
- Euro inched up against the greenback on reports that the European Union may approve a three-month extension to the Oct 31 deadline for Britain's exit from the euro zone. Euro was trading at \$1.1129, up 0.04% compared with the previous close of \$1.1124.

**Commodity Market Update**

- Gold prices rose on growing possibility of a rate cut by the U.S. Federal Reserve in its upcoming monetary policy review.
- Brent crude prices rose after data from U.S. Energy Information Administration showed that U.S. crude inventories decreased by 1.7 million barrels in the week ending October 18, 2019.

**International News**

- Preliminary data from the European Commission showed euro zone consumer confidence weakened more than expected in Oct 2019, its lowest level in 10 months. The flash consumer confidence index fell to -7.6 from -6.5 in Sep 2019.
- The outgoing European Central Bank (ECB) president will be chairing his final monetary policy meeting on Oct 24, 2019. He is set to hand over the reins of ECB to former IMF managing director at the end of the month and is unlikely to announce any monetary policy change after the Governing Council meeting. The Italian economist's exit comes at a time when growth in the 19-nation euro area is sagging and inflation is far away from ECB's goal of "below, but close to 2%".





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