

# Markets for You

31 Oct 2019

Good gets *better*

**Indices Performance**

Global Indices	30-Oct	Prev_Day	Abs. Change	% Change <sup>#</sup>
Russell 3000	1,331	1,325	6	0.49
Nasdaq	8,304	8,277	27	0.33
FTSE	7,331	7,306	25	0.34
Nikkei	22,843	22,974	-131	-0.57
Hang Seng	26,668	26,787	-119	-0.44
Indian Indices	30-Oct	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	40,052	39,832	220	0.55
Nifty 50	11,844	11,787	57	0.49
Nifty 100	12,003	11,942	61	0.51
Nifty 500	9,648	9,598	49	0.51
Nifty Bank	29,988	29,873	114	0.38
S&P BSE Power	1,982	1,972	10	0.49
S&P BSE Small Cap	13,431	13,384	48	0.36
S&P BSE HC	13,107	13,101	6	0.05

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
30-Oct	27.19	1.15	27.30	1.26
Month Ago	27.04	1.20	26.44	1.31
Year Ago	21.73	1.32	24.55	1.32

**Nifty 50 Top 3 Gainers**

Company	30-Oct	Prev_Day	% Change <sup>#</sup>
GAIL	134	126	6.16
SBI	290	281	3.30
Grasim Indus	735	715	2.83

**Nifty 50 Top 3 Losers**

Company	30-Oct	Prev_Day	% Change <sup>#</sup>
Bharti Infratel	183	193	-5.15
Yes Bank	57	58	-2.32
Maruti	7557	7721	-2.13

**Advance Decline Ratio**

	BSE	NSE
Advances	1380	1030
Declines	1132	792
Unchanged	160	125

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1520	60957
MF Flows**	-79	57357

\*30<sup>th</sup> Oct 2019; \*\*29<sup>th</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 fell as expectations of U.S.-China cracking a partial deal in Nov 2019 dimmed. Investors fixed their eyes on global central bank meetings. The U.S. Federal Reserve is expected to cut interest rates by 25 basis points at its two-day policy meet on Oct 30, 2019. The Bank of Japan will take a call on whether to take more stimulus measures or maintain status quo. Today (as of Oct 31), Asian markets were trading higher after the U.S. Federal Reserve cut interest rates for the third time this year. Both Nikkei and Hang Seng were trading up 0.28% and 0.69%, respectively (as at 8.a.m. IST).
- Majority of the European markets closed on a positive note as investors remained optimistic ahead of the U.S. Federal Reserve's monetary policy statement. Buying interest was also impacted by a mixed bag of earning reports.
- U.S. markets edged higher as investors cheered U.S. Federal Reserve's rate cut decision in its latest policy meeting. Further, the U.S. central bank Chief said that Fed will not go for rate hike again until inflation moves higher.

**Indian Equity Market**

- Indian equity markets gained on optimism that the government could take additional measures to support the economy. Upbeat corporate earnings also buoyed sentiment. The index ended above the 40,000 mark, the first time since Jun 2019.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.55% and 0.49% to close at 40,051.87 and 11,844.10 respectively. S&P BSE MidCap and S&P BSE SmallCap gained 0.65% and 0.36% respectively.
- The overall market breadth on BSE was strong with 1,380 scrips advancing and 1,132 scrips declining. A total of 161 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE IT was the major gainer, up 1.47% followed by S&P BSE Teck, up 1.35% and S&P BSE Oil & Gas, up 1.31%. S&P BSE Consumer Durables was the major loser, down 0.98% followed by S&P BSE Realty, down 0.92% and S&P BSE Metal, down 0.32%.
- Among the 31-stock sensitive Sensex pack, SBI was the major gainer, up 3.37%, followed by TCS and ITC that grew 2.63% and 2.43%, respectively. Yes Bank was the major loser, down 2.41%, followed by Maruti Suzuki India and IndusInd Bank, down 2.13% and 1.49%, respectively.

**Domestic News**

- According to media reports, the government could soon announce an amnesty scheme for gold to bring black money used in buying gold. The new scheme will allow gold hoarders to come clean on investment made using black money by declaring their possession and paying tax on it. The tax will have to be paid on entire value of gold declared by an individual that has been purchased without any receipt. The government is yet to work out the rate of tax, chances are the rate could be around 30% level with an effective rate of around 33% including education cess.
- The Department for Promotion of Industry and Internal Trade has started an exercise to relax India's foreign direct investment rules. The department held an inter-ministerial meeting to discuss further opening up in sectors, especially where 100% FDI is not allowed on the automatic route.
- Due to late sowing during the monsoon season and excess rains in Sep 2019, market arrivals of kharif crops barring bajra, moong and sunflower are lower than a year ago, showed media reports. If the trend continues, the sowing of key rabi crops like wheat, mustard and chana may get delayed, potentially bringing down their yield.
- Reliance Industries Ltd (RIL) has become the world's sixth largest energy entity, leaving behind British oil major BP Plc in terms of market capitalisation. The rise in market cap is largely because of the conglomerate's retail and telecom businesses. RIL touched a market cap of \$130.76 billion on Oct 30, 2019, compared with BP Plc's \$128 billion.
- PhonePe's fiscal FY19 losses have increased more than two times to around Rs. 1907.4 crore because of higher expenses. PhonePe's losses increased from around Rs. 791 crore reported in FY18. The Walmart-owned digital payment startup's losses have been rising gradually every year.
- InterGlobe Aviation Ltd has placed an order for 300 Airbus A320neo family aircraft worth more than \$30 billion at list prices. InterGlobe is the operator of India's largest airline. This is Airbus' largest aircraft order from a single airline and will take IndiGo's total number of narrow-body A320neo family aircraft orders to 730.

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FII Derivative Trade Statistics		30-Oct	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	11815.37	10572.09	15870.78
Index Options	222902.39	220352.92	59340.83
Stock Futures	41507.39	41280.19	92350.02
Stock Options	6847.46	6840.48	6256.05
<b>Total</b>	<b>283072.61</b>	<b>279045.68</b>	<b>173817.68</b>

Derivative Statistics- Nifty Options			
	30-Oct	Prev_Day	Change
Put Call Ratio (OI)	1.48	1.48	0.00
Put Call Ratio(Vol)	1.05	0.97	0.09

Debt Watch				
	30-Oct	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.10%	5.06%	5.40%	6.45%
T-Repo	4.82%	4.91%	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	5.04%	5.08%	5.24%	6.92%
364 Day T-Bill	5.27%	5.28%	5.50%	7.44%
10 Year Gilt	6.49%	6.51%	6.70%	7.83%
G-Sec Vol. (Rs.Cr)	31786	21392	28071	15695
FBIL MIBOR*	5.25%	5.25%	5.45%	6.60%
3 Month CP Rate	5.60%	5.80%	5.85%	8.65%
5 Year Corp Bond	7.52%	7.51%	7.48%	8.73%
1 Month CD Rate	5.19%	4.94%	5.49%	7.06%
3 Month CD Rate	5.48%	5.23%	5.89%	7.52%
1 Year CD Rate	5.90%	5.88%	6.42%	8.36%

Currency Market			
Currency	30-Oct	Prev_Day	Change
USD/INR	70.99	70.73	0.26
GBP/INR	91.36	90.91	0.45
EURO/INR	78.89	78.44	0.45
JPY/INR	0.65	0.65	0.00

Commodity Prices				
Commodity	30-Oct	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	54.80	55.85	54.04	66.13
Brent Crude(\$/bl)	59.98	61.36	61.88	75.82
Gold(\$/oz)	1495	1492	1472	1223
Gold(Rs./10 gm)	38630	38295	37475	31688

Source: Thomson Reuters Eikon

\*As on previous trading day

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**Derivatives Market**

- Nifty Oct 2019 Futures stood at 11,840.20, a discount of 3.90 points below the spot closing of 11,844.10. The turnover on NSE's Futures and Options segment rose to Rs. 14,00,089.13 crore on October 30, 2019, compared with Rs. 12,36,632.72 crore on October 29, 2019.
- The Put-Call ratio stood at 0.94 compared with the previous session's close of 0.83.
- The Nifty Put-Call ratio remained unchanged compared with the previous session's close of 1.48.
- Open interest on Nifty Futures stood at 16.54 million, compared with the previous session's close of 17.1 million.

**Indian Debt Market**

- Bond yields eased ahead of the outcome of the U.S. Federal Reserve policy meeting where the Fed is expected to trim policy rate. In addition, foreign buying of government bonds also aided the market sentiment.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) which is set to replace the existing benchmark note soon, declined 3 bps to close at 6.49% compared with the previous close of 6.52% after trading in a range of 6.48% to 6.51%.
- Yield on the old 10-year benchmark paper (7.26% GS 2029) declined 2 bps to close at 6.67% compared with the previous close of 6.69% after trading in a range of 6.66% to 6.68%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,832 crore (gross) on Oct 30, 2019 compared with borrowings of Rs. 3,882 crore (gross) on Oct 29, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 47,574 crore on Oct 29, 2019.

**Currency Market Update**

- The Indian rupee inched down against the greenback as concerns over a delay in the U.S.-China trade deal weighed on the market sentiment. Market participants also awaited the outcome of the U.S. Federal Reserve monetary policy review due Oct 30, 2019.
- Euro rose against the greenback as the latter came under pressure after the U.S. Federal Reserve in its monetary policy review cut interest rates for the third time this year. However, indication by the U.S. Federal Reserve that further rate cuts in the near-term are unlikely capped the gains.

**Commodity Market Update**

- The Indian rupee inched down against the greenback as concerns over a delay in the U.S.-China trade deal weighed on the market sentiment.
- Euro rose against the greenback as the latter came under pressure after the U.S. Federal Reserve in its monetary policy review cut interest rates for the third time this year.

**International News**

- The U.S. Federal Reserve in its monetary policy review lowered interest rates for the third time in this year as it lowered its benchmark funds rate by 25 basis points to a range of 1.50% to 1.75%, as expected. However, the U.S. Federal Reserve indicated that further rate cuts in the near-term are unlikely.
- Data from a Commerce Department report, U.S. economic growth slowed much less than expected in the third quarter. Real gross domestic product increased 1.9% in the third quarter after climbing 2.0% in the second quarter.
- A report by payroll processor ADP showed U.S. private sector employment increased by slightly more than anticipated in Oct 2019. ADP said private sector employment climbed by 125,000 jobs in Oct 2019 compared with estimates. However, the report also showed private sector job growth in Sep 2019 was downwardly revised to 93,000 from the previously reported addition of 135,000 jobs.


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