

Markets for You

03 Aug 2020

Good gets *better*

Indices Performance				
Global Indices	31-Jul	Prev_Day	Abs. Change	% Change#
Russell 3000	1,660	1,636	24	1.45
Nasdaq	10,745	10,588	157	1.49
FTSE	5,898	5,990	-92	-1.54
Nikkei	21,710	22,339	-629	-2.82
Hang Seng	24,595	24,711	-115	-0.47
Indian Indices	31-Jul	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	37,607	37,736	-129	-0.34
Nifty 50	11,073	11,102	-29	-0.26
Nifty 100	11,223	11,231	-8	-0.07
Nifty 500	9,036	9,032	4	0.04
Nifty Bank	21,640	21,647	-7	-0.03
S&P BSE Power	1,539	1,533	6	0.37
S&P BSE Small Cap	13,022	12,916	105	0.82
S&P BSE HC	18,285	17,675	609	3.45

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
31-Jul	26.20	1.03	30.20	1.49
Month Ago	22.55	1.13	26.32	1.55
Year Ago	26.63	1.23	27.42	1.33

Nifty 50 Top 3 Gainers				
Company	31-Jul	Prev_Day	% Change#	
Grasim Indus	633	603	4.99	
Cipla	720	686	4.99	
Sun Pharma	532	510	4.27	

Nifty 50 Top 3 Losers				
Company	31-Jul	Prev_Day	% Change#	
Eicher Motors	20639	21201	-2.65	
RIL	2067	2109	-1.98	
HDFC Bank	1033	1051	-1.70	

Advance Decline Ratio			
	BSE	NSE	
Advances	1177	820	
Declines	1487	1023	
Unchanged	171	87	

Institutional Flows (Equity)		
Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1422	-10951
MF Flows**	-300	31663

*31st Jul 2020; **29th Jul 2020

Economic Indicator			
YoY(%)	Current	Quarter Ago	Year Ago
CPI	6.09% (Jun-20)	5.84% (Mar-20)	3.18% (Jun-19)
IIP	-34.71% (May-20)	5.20% (Feb-20)	4.50% (May-19)
GDP	3.10% (Mar-20)	4.10% (Dec-19)	5.70% (Mar-19)

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

- Majority of the Asian markets fell after data showed a record contraction in U.S. economic activity in the second quarter of 2020. Concerns over relentless surge in coronavirus cases and the possibility of a delayed November election in the U.S. also weighed on the markets. Today (as on Aug 3), markets are trading mixed ahead of the release of the final reading of the private survey of Chinese factory activity for Jul. While Nikkei is up 1.77%, Hang Seng is down 0.12% (as at 8:00 AM IST).
- European markets gave up its initial gains to closed in the red after flash estimate published by Eurostat showed the euro area economy contracted at the fastest pace on record in the second quarter.
- U.S. markets closed in the green as investors cheered better than expected quarterly results from several leading technology companies.

Indian Equity Market

- Indian equity markets went down as investors remained on sidelines ahead of series of key economic data, scheduled post market hours, which shall help gauge the health of the economy of the nation in the current pandemic situation. Disappointing U.S. GDP data too, dented investor sentiment.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 0.34% and 0.26% to close at 37,606.89 and 11,073.45 respectively. S&P BSE MidCap and S&P BSE SmallCap gained 0.36% and 0.82% respectively.
- The overall market breadth on BSE was weak with 1,177 scrips advancing and 1,487 scrips declining. A total of 171 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Healthcare was the major gainer, up 3.45% followed by S&P BSE Realty, up 1.27% and S&P BSE Metal, up 0.79%. S&P BSE Energy was the major loser, down 1.64% followed by S&P BSE Oil & Gas, down 0.76% and S&P BSE Finance, down 0.62%.

Domestic News

- Government data showed, India's fiscal deficit stood at Rs 6.62 lakh crore or 83.2% of the budgeted target for the FY21 in the first three months till Jun 2020. During the same period, net tax receipts were Rs. 1,34,822 crore and total expenditure was at Rs. 8.16 lakh crore. Apr-Jun 2020 total expenditure and total receipts were 26.8% and 6.8% of FY21 estimates.
- Core output, which constitutes 8 sectors of the economy contracted 15.0% in Jun 2020, slower than a revised contraction of 22% from previously reported fall of 23.4% in May 2020. Out of 8 core sectors, 7 continued to contract in Jun 2020. Steel and coal output fell sharply by 33.8% and 15.5%, respectively. Only fertilizers witnessed a growth of 4.2% during the month under review. Infrastructure output contracted 24.6% YoY in the first three months of FY21 compared to 3.4% expansion for the same period a year earlier.
- According to data from the labour ministry, retail inflation for industrial workers fell 5.06% in Jun 2020 from 5.10% in May 2020 and 8.59% in Jun 2019. The decline came mainly due to lower prices of certain food items and kerosene oil.
- Securities and Exchange Board (Sebi) has moved the deadline for introducing the latest margin collection system for brokers from their customers by one month. The penalty clause will be enforced with effect from Sep 01, 2020 for short-collection, non-collection of upfront margins in cash category. The new norms were to start from Aug 1, 2020.
- According to media reports, the standalone net profit of State Bank of India for the quarter ended Jun 2020 rose by 81.18% to Rs. 4,189.34 crore compared to a net profit of Rs. 2,312.20 crore in the same period of the previous year. Net profit rose on account of stake sale in SBI Life for Rs. 1,539.73 crore.
- According to media reports, Sun Pharmaceutical Industries reported a consolidated net loss of Rs. 1,655.60 crore for the quarter ended Jun 2020 as compared to a net profit of Rs. 1,387.48 crore in the same period of the previous year.

Good gets better

FII Derivative Trade Statistics		31-Jul		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	6858.84	6319.98	8844.59	
Index Options	435030.35	433604.37	39185.76	
Stock Futures	24791.05	24395.64	83774.88	
Stock Options	3424.80	3148.07	1459.73	
Total	470105.04	467468.06	133264.96	

Derivative Statistics- Nifty Options			
	31-Jul	Prev_Day	Change
Put Call Ratio (OI)	1.31	1.21	0.10
Put Call Ratio(Vol)	0.98	0.95	0.02

Debt Watch				
	31-Jul	Wk. Ago	Mth. Ago	Year Ago
Call Rate	3.48%	3.42%	3.65%	5.61%
T-Repo	3.16%	3.18%	3.07%	5.59%
Repo	4.00%	4.00%	4.00%	5.75%
Reverse Repo	3.35%	3.35%	3.35%	5.50%
91 Day T-Bill	3.27%	3.26%	3.12%	5.65%
364 Day T-Bill	3.46%	3.45%	3.46%	5.93%
10 Year Gilt	5.84%	5.82%	5.89%	6.37%
G-Sec Vol. (Rs.Cr)	33111	41818	39172	59582
FBIL MIBOR	3.86%	3.84%	3.89%	5.75%
3 Month CP Rate	3.65%	3.65%	3.75%	6.25%
5 Year Corp Bond	6.33%	6.43%	6.62%	7.70%
1 Month CD Rate	3.22%	3.26%	3.29%	5.71%
3 Month CD Rate	3.33%	3.30%	3.23%	6.21%
1 Year CD Rate	3.75%	3.85%	4.05%	6.86%

Currency Market			
Currency	31-Jul	Prev_Day	Change
USD/INR	74.77	74.84	-0.07
GBP/INR	98.17	96.93	1.24
EURO/INR	88.87	87.96	0.91
JPY/INR	0.72	0.71	0.01

Commodity Prices				
Commodity	31-Jul	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	40.05	41.21	39.22	58.48
Brent Crude(\$/bl)	43.74	43.72	42.50	62.88
Gold (\$/oz)	1975	1901	1781	1414
Gold(Rs./10 gm)	53615	50960	48304	34805

Source: Refinitiv

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 Nippon Life India Asset Management Limited (NAM India) (Formerly Reliance Nippon Life 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; NAM India does not in any manner assure the accuracy or authenticity of such data and information. Some of the statements & assertions contained in these materials may reflect NAM India'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 ICRA Analytics Ltd disclaimer

Derivatives Market

- Nifty Aug 2020 Futures stood at 11,095.85, a premium of 22.40 points above the spot closing of 11,073.45. The turnover on NSE's Futures and Options segment fell to Rs. 11,37,132.45 crore on July 31, 2020, compared with Rs. 41,88,028.33 crore on July 30, 2020.
- The Put-Call ratio stood at 0.91 compared with the previous session's close of 0.84.
- The Nifty Put-Call ratio stood at 1.31 compared with the previous session's close of 1.21.
- Open interest on Nifty Futures stood at 11.05 million, compared with the previous session's close of 14.39 million.

Indian Debt Market

- Bond yields inched up as the demand for new 10-year bond was slightly lower than market expectations. Market participants also preferred to remain on the side-lines ahead of the outcome of the monetary policy review which is due on Aug 6, 2020.
- Yield on the 10-year benchmark paper (5.79% GS 2030) rose 1 bps to close at 5.84% compared to the previous close of 5.83% after moving in a range of 5.82% to 5.85%.
- RBI announced the auction of three government securities namely 5.22% GS 2025, 6.19% GS 2034 and 7.16% GS 2050 for a notified amount of Rs. 30,000 crore. The auction would be carried out on Aug 7, 2020.
- RBI announced the auction of government securities for eleven states for a notified amount of Rs. 12,400 crore. The auction would be carried out on Aug 4, 2020.

Currency Market Update

- The Indian rupee was little changed against the U.S. dollar with domestic currency recording its best month in over a year boosted by a fall in the U.S. dollar index and greenback inflows towards debt and equity offerings.
- Euro fell after rising for two consecutive session against the U.S. dollar after U.S. inflation-adjusted consumer spending rose in Jun 2020.

Commodity Market Update

- Gold prices rose as persisting concerns over the impact of the COVID-19 pandemic on the U.S. economy boosted the safe haven appeal of the bullion.
- Brent crude prices rose on the back of intermittent weakness in the U.S. dollar.

International News

- Personal income in the U.S. fell 1.1% in Jun 2020, slower than downwardly revised fall of 4.4% in May 2020. The fall reflected a decrease in government social benefit payments made to individuals from federal economic recovery programs.
- Preliminary flash estimate showed, Euro area gross domestic product (GDP) contracted 15% in the Jun quarter of 2020, much higher than 3.1% decline in the previous quarter. Euro area economy contracted at the fastest pace on record to enter a historic recession.
- The National Bureau of Statistics reported that China's manufacturing Purchasing Managers' Index (PMI) rose to 51.1 in Jul 2020 from 50.9 in Jun 2020. Non-manufacturing PMI eased to 54.2 from 54.4 in the prior month.



Thank you for
your time.

Good gets *better*