

# Markets for You

04 Aug 2020

Good gets *better*

**Indices Performance**

Global Indices	03-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
Russell 3000	1,682	1,660	23	1.37
Nasdaq	10,903	10,745	158	1.47
FTSE	6,033	5,898	135	2.29
Nikkei	22,195	21,710	485	2.24
Hang Seng	24,458	24,595	-137	-0.56
Indian Indices	03-Aug	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	36,940	37,607	-667	-1.77
Nifty 50	10,892	11,073	-182	-1.64
Nifty 100	11,056	11,223	-167	-1.49
Nifty 500	8,932	9,036	-104	-1.15
Nifty Bank	21,072	21,640	-568	-2.62
S&P BSE Power	1,528	1,539	-11	-0.73
S&P BSE Small Cap	13,155	13,022	133	1.02
S&P BSE HC	18,388	18,285	103	0.56

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
3-Aug	25.72	1.05	29.70	1.51
Month Ago	24.19	1.06	27.78	1.51
Year Ago	26.11	1.25	27.09	1.34

**Nifty 50 Top 3 Gainers**

Company	03-Aug	Prev_Day	% Change <sup>#</sup>
Tata Motors	113	105	8.03
Titan Industries Limited	1077	1043	3.27
Tata Steel	374	366	1.97

**Nifty 50 Top 3 Losers**

Company	03-Aug	Prev_Day	% Change <sup>#</sup>
United Phos	452	478	-5.44
Kotak Bank	1309	1366	-4.19
IndusInd Bank	503	524	-3.95

**Advance Decline Ratio**

	BSE	NSE
Advances	1377	979
Declines	1268	877
Unchanged	185	111

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-915	-11866
MF Flows**	-1509	29946

\*3<sup>rd</sup> Aug 2020; \*\*30<sup>th</sup> 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

[1] Data as on 31 Jul, 2020

**Global Indices**

- Asian markets witnessed a mixed trend as the positive impact of upbeat factory activity data of China was offset by lingering worries about the relentless surge in coronavirus cases around the world and rising U.S.-China tensions. Today (as on Aug 4), markets are trading higher ahead of Reserve Bank of Australia's decision on interest rates. Both Nikkei and Hang Seng are up 1.55% and 0.84% (as at 8:00 AM IST), respectively.
- European markets went up after final data from IHS Markit showed that euro area manufacturing sector returned to growth in Jul for the first time in a year-and-a-half, which eased worries about economic recovery.
- U.S. markets extended the rally as investors continued to take positive cues from upbeat corporate earning numbers of the tech majors. Further official survey showed bigger than expected acceleration in the pace of growth in U.S. manufacturing activity in Jul.

**Indian Equity Market**

- Indian equity markets went down as investors remained on sidelines ahead of the highly anticipated policy meeting by the Monetary Policy Committee, scheduled from Aug 4 with outcome due on Aug 6.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 1.77% and 1.64% to close at 36,939.60 and 10,891.60 respectively. S&P BSE MidCap lost 0.31% and S&P BSE SmallCap gained 1.02%.
- The overall market breadth on BSE was strong with 1,377 scrips advancing and 1,268 scrips declining. A total of 185 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Consumer Durables was the major gainer, up 1.07% followed by S&P BSE Healthcare, up 0.56% and S&P BSE Metal, up 0.44%. S&P BSE Bankex was the major loser, down 2.73% followed by S&P BSE Finance, down 2.39% and S&P BSE Energy, down 2.33%.

**Domestic News**

- Results of a private survey showed that the seasonally adjusted IHS Markit India Manufacturing PMI fell from 47.2 in Jun 2020 to 46.0 in Jul 2020. This depicted a sharp deterioration in business conditions across the Indian manufacturing sector. The decline can be attributed to a contraction in output at a slightly faster pace than that of Jun 2020 as some businesses remained closed due to extension of lockdowns. Manufacturing firms responded by reducing production levels and bringing down staff numbers.
- Capital market regulator Securities and Exchange Board of India (SEBI) came out with its guidelines for proxy advisors. A proxy advisory firm is one which advises institutional investors as to how they should vote on various actions taken by companies that could have a bearing on the shareholders. According to SEBI, proxy advisors need to share their report with the company and with the clients at the same time. Also proxy advisors need to disclose their sharing policy on their website. In case there are any factual errors or material revisions to the report, proxy advisors need to intimate the same to their clients within 24 hours of the receipt of information.
- According to media report, a panel has been set up by the International Financial Services Centers Authority (IFSCA) that will formulate a plan for the development of international retail business. The objective of the move is to make IFSC attractive for international financial services as the government looks to attract foreign businesses who are looking to shift their dependencies on China on account of rising unrest in Hong Kong.
- Kansai Nerolac witnessed a 79.52% decline in consolidated net profit at Rs. 29.64 crore for the quarter ended Jun 2020 on account of lower income. The company had reported a net profit of Rs 144.69 crore in the same period of the previous year.
- According to media reports, Bajaj Auto reported 33% fall in its total sales at 2,55,832 units in Jul 2020. The company had sold 3,81,530 units in the same month a year ago.

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FII Derivative Trade Statistics		03-Aug		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	4273.18	4242.84	9014.61	
Index Options	155206.51	154960.27	45627.15	
Stock Futures	16790.73	17419.83	85126.39	
Stock Options	5953.75	5698.06	3210.13	
Total	182224.17	182321.00	142978.28	

Derivative Statistics- Nifty Options			
	03-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.10	1.31	-0.21
Put Call Ratio(Vol)	0.90	0.98	-0.08

Debt Watch				
	03-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	3.48%	3.48%	3.50%	5.60%
T-Repo	3.16%	3.12%	3.07%	5.58%
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%	3.27%	2.99%	5.55%
364 Day T-Bill	3.47%	3.33%	3.41%	5.80%
10 Year Gilt	5.84%	5.83%	5.85%	6.35%
G-Sec Vol. (Rs.Cr)	17692	35163	36385	73832
FBIL MIBOR <sup>[1]</sup>	3.86%	3.85%	3.90%	5.75%
3 Month CP Rate	3.65%	3.65%	3.85%	6.03%
5 Year Corp Bond	6.45%	6.48%	6.51%	7.79%
1 Month CD Rate	3.16%	3.27%	3.29%	5.64%
3 Month CD Rate	3.32%	3.31%	3.25%	6.09%
1 Year CD Rate	3.76%	3.73%	3.94%	6.79%

Currency Market			
Currency	03-Aug	Prev_Day	Change
USD/INR	74.98	74.77	0.21
GBP/INR	97.98	98.17	-0.20
EURO/INR	88.13	88.87	-0.75
JPY/INR	0.71	0.72	-0.01

Commodity Prices				
Commodity	03-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	40.78	41.41	40.52	55.62
Brent Crude(\$/bl)	44.46	43.11	43.96	60.26
Gold(\$/oz)	1977	1942	1775	1440
Gold(Rs./10 gm)	53615	52260	48227	35341

Source: Refinitiv

[1] Data as on 31 Jul, 2020

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### Derivatives Market

- Nifty Aug 2020 Futures stood at 10,913.40, a premium of 21.80 points above the spot closing of 10,891.60. The turnover on NSE's Futures and Options segment fell to Rs. 10,81,112.79 crore on August 03, 2020, compared with Rs. 11,37,132.45 crore on July 31, 2020.
- 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 1.1 compared with the previous session's close of 1.31.
- Open interest on Nifty Futures stood at 10.98 million, compared with the previous session's close of 11.05 million.

### Indian Debt Market

- Bond yields closed steady as market participants preferred to remain on the side-lines ahead of the outcome of the monetary policy review which is scheduled on Aug 6, 2020.
- Yield on the present 10-year benchmark paper (5.79% GS 2030) closed steady at 5.84% after moving in a range of 5.84% to 5.85%.
- Yield on the upcoming new 10-year benchmark paper (5.77% GS 2030) inched up 1 bps to close at 5.78% compared to the previous closing of 5.77% after moving in a range of 5.77% to 5.78%.
- Banks borrowed Rs. 80 crore under the central bank's Marginal Standing Facility on Jul 31, 2020 compared to that of Jul 30, 2020 when banks borrowed none.

### Currency Market Update

- The Indian rupee in the spot trade weakened against the greenback following losses in the domestic equity market. Persisting concerns over the recovery of the U.S. economy and worries regarding the COVID-19 pandemic also boosted the safe haven appeal of the greenback.
- The euro weakened against the U.S. dollar amid persisting concerns over the recovery of the U.S. economy and worries regarding the COVID-19 pandemic.

### Commodity Market Update

- Gold prices rose to a record high 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 following upbeat manufacturing activity data from U.S., Europe and Asia for Jul 2020.

### International News

- U.S. construction spending fell 0.7% YoY to \$1.355 trillion in Jun 2020, slower than 1.7% decline (2.1% slump originally reported) to a revised rate of \$1.365 trillion in May 2020.
- A report by the Institute for Supply Management (ISM) showed, U.S. manufacturing Purchasing Managers Index (PMI) improved to 54.2 in Jul 2020 from 52.6 in Jun 2020.
- Survey results from IHS Markit showed, China's Caixin manufacturing PMI went up to 52.8 in Jul 2020 from 51.2 in Jun 2020. The sector expanded at the fastest pace since early 2011.
- Final data from IHS Markit showed, U.K. manufacturing PMI touched 16-month high to 53.3 (flash estimate of 53.6) in Jul 2020 from 50.1 in Jun 2020. Output growth reached 32-month high.



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Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.

Thank you for  
your time.

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