

# Markets for You

21 Aug 2020

Good gets *better*

**Indices Performance**

Global Indices	20-Aug	Prev_Day	Abs. Change	% Change#
Russell 3000	1,743	1,725	18	1.06
Nasdaq	11,265	11,146	118	1.06
FTSE	6,013	6,112	-99	-1.61
Nikkei	22,881	23,111	-230	-1.00
Hang Seng	24,791	25,179	-388	-1.54
Indian Indices	20-Aug	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	38,220	38,615	-394	-1.02
Nifty 50	11,312	11,408	-96	-0.84
Nifty 100	11,479	11,565	-86	-0.74
Nifty 500	9,369	9,413	-44	-0.47
Nifty Bank	21,999	22,286	-286	-1.29
S&P BSE Power	1,695	1,628	67	4.10
S&P BSE Small Cap	14,422	14,318	103	0.72
S&P BSE HC	19,089	19,061	28	0.15

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
20-Aug	27.40	1.01	31.91	1.49
Month Ago	24.78	1.03	28.86	1.46
Year Ago	25.97	1.25	27.26	1.34

**Nifty 50 Top 3 Gainers**

Company	20-Aug	Prev_Day	% Change#
NTPC	101	95	6.81
ONGC	82	80	3.27
Coal India	139	135	2.52

**Nifty 50 Top 3 Losers**

Company	20-Aug	Prev_Day	% Change#
Tata Motors	122	125	-2.76
HDFC Ltd.	1785	1828	-2.34
Axis Bank	435	444	-2.08

**Advance Decline Ratio**

	BSE	NSE
Advances	1566	1050
Declines	1207	840
Unchanged	160	91

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1099	29473
MF Flows**	-570	24426

 \*20<sup>th</sup> Aug 2020; \*\*17<sup>th</sup> Aug 2020

**Economic Indicator**

YoY(%)	Current	Quarter Ago	Year Ago
CPI	6.93% (Jul-20)	7.22% (Apr-20)	3.15% (Jul-19)
IIP	-16.60% (Jun-20)	-18.30% (Mar-20)	1.30% (Jun-19)
GDP	3.10% (Mar-20)	4.10% (Dec-19)	5.70% (Mar-19)

Since May-17, MOSPI has revised base year of IIP &amp; WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

[1] Data as on 19 Aug, 2020

**Global Indices**

- Asian markets closed in the red amid cautious outlook from the U.S. Federal Reserve as highlighted in the minutes of the FOMC's latest meeting. Investor sentiments were dented after U.S. suspended its extradition treaty with Hong Kong in a series of measures that escalate tensions between Washington and Beijing. Today (as on Aug 21) markets are trading higher as investors keenly awaited the corporate earning numbers of some of the industry behemoths. Both Nikkei and Hang Seng are up 0.81% and 0.87%, respectively.
- European markets closed in the red after the minutes of FOMC's latest meeting struck a pessimistic tone over U.S. economic recovery prospects.
- U.S. markets edged higher, largely led by strong buying in the tech stocks on hopes of solid earnings growth potential in the near future. Positive sentiments were also generated by news that China and the U.S. have agreed to hold fresh trade talks in the coming days.

**Indian Equity Market**

- Indian equity markets closed in the red with investor sentiments dented by the recent spike in new COVID-19 cases within the nation. Buying interest took back seat also due to US Fed's gloomy economic outlook as stated in the minutes of latest FOMC meeting.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 1.02% and 0.84% to close at 38,220.39 and 11,312.20 respectively.
- The overall market breadth on BSE was strong with 1,566 scrips advancing and 1,207 scrips declining. A total of 160 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Utilities was the major gainer, up 4.19% followed by S&P BSE Power, up 4.1% and S&P BSE Metal, up 0.94%. S&P BSE Telecom was the major loser, down 1.78% followed by S&P BSE Bankex, down 1.36% and S&P BSE Finance, down 1.24%.

**Domestic News**

- Minutes of the monetary policy review held in Aug 2020 showed that rising domestic inflationary pressures has made it difficult for the Monetary Policy Committee to lower interest rates further. Almost all the members of the committee highlighted the uncertainty regarding inflation and advocated the need of adopting fiscal stimulus measures and structural reforms to improve the growth prospects of the domestic economy
- According to the ministry of finance, the government is taking steps to ensure that there is sufficient liquidity for the Micro, Small and Medium Enterprises (MSME) sector under its Emergency Credit Line Guarantee Scheme. As on Aug 18, 2020 public sector banks and private sector banks have sanctioned loans worth more than Rs. 1.50 lakh crore of which more than Rs. 1.02 lakh crore worth of loans have already been disbursed.
- Data from the ministry of labour showed that retail inflation for farm workers and rural workers fell to 6.58% and 6.53% respectively in Jul 2020 from 7.16% and 7.00% respectively in the previous month.
- A task force set up by Niti Aayog recommended linking sugarcane prices to sugar rates. It also advocated for a one-time increase in minimum sugar price to Rs 33 per kg to help sugar mills cover the cost of production.
- RBL Bank will raise Rs. 1,566 crore in equity through issue of fresh shares to institutional investors such as Maple and ICICI Prudential Life on preferential basis. The board of directors has approved a plan to allot 88.47 million shares at Rs. 177 per share
- Hindalco Industries has signed a Memorandum of Understanding with UltraTech Cement to provide 1.2 million tons of red mud per year to UltraTech plants in seven states.


**Good gets better**

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

FII Derivative Trade Statistics		20-Aug		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	2824.50	3074.50	9539.74	
Index Options	196243.50	196469.23	54740.22	
Stock Futures	13693.68	14362.88	90748.52	
Stock Options	6467.84	6556.46	7086.57	
<b>Total</b>	<b>219229.52</b>	<b>220463.07</b>	<b>162115.05</b>	

Derivative Statistics- Nifty Options			
	20-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.32	1.60	-0.27
Put Call Ratio(Vol)	0.99	1.18	-0.19

Debt Watch				
	20-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	3.43%	3.44%	3.48%	5.28%
T-Repo	2.95%	3.18%	3.17%	5.22%
Repo	4.00%	4.00%	4.00%	5.40%
Reverse Repo	3.35%	3.35%	3.35%	5.15%
91 Day T-Bill	3.15%	3.26%	3.22%	5.40%
364 Day T-Bill	3.53%	3.50%	3.26%	5.71%
10 Year Gilt	6.00%	5.90%	5.80%	6.59%
G-Sec Vol. (Rs.Cr)	29922	20587	27983	54572
FBIL MIBOR <sup>[1]</sup>	3.68%	3.80%	3.79%	5.30%
3 Month CP Rate	3.40%	3.60%	3.65%	5.98%
5 Year Corp Bond	6.69%	6.60%	6.28%	7.77%
1 Month CD Rate	3.05%	3.08%	3.27%	5.50%
3 Month CD Rate	3.18%	3.29%	3.28%	5.66%
1 Year CD Rate	3.79%	3.79%	3.79%	6.71%

Currency Market			
Currency	20-Aug	Prev_Day	Change
USD/INR	75.01	74.76	0.25
GBP/INR	98.13	99.14	-1.01
EURO/INR	88.82	89.28	-0.46
JPY/INR	0.71	0.71	0.00

Commodity Prices				
Commodity	20-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	42.54	42.21	40.78	56.13
Brent Crude(\$/bl)	45.15	45.94	43.55	59.32
Gold( \$/oz)	1943	1953	1815	1507
Gold(Rs./10 gm)	52317	52441	49118	37688

Source: Refinitiv

[1] Data as on 19 Aug, 2020

**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 assures 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 11,305.40, a discount of 6.80 points below the spot closing of 11,312.20. The turnover on NSE's Futures and Options segment rose to Rs. 34,98,359.99 crore on August 20, 2020, compared with Rs. 15,89,921.82 crore on August 19, 2020.
- The Put-Call ratio stood at 0.81 compared with the previous session's close of 0.96.
- The Nifty Put-Call ratio stood at 1.32 compared with the previous session's close of 1.6.
- Open interest on Nifty Futures stood at 11.62 million, compared with the previous session's close of 11.58 million.

**Indian Debt Market**

- Bond yields fell marginally following value-buying by investors after rise in the last session. Investors were awaiting the minutes of the Monetary Policy Committee's Aug 2020 meeting that are due after market hours.
- Yield on the present 10-year benchmark paper (5.79% GS 2030) fell 1 bps to close at 6.00% compared to the previous day's closing of 6.01% after trading in a range of 5.99% to 6.01%.
- Yield on the upcoming new 10-year benchmark paper (5.77% GS 2030) fell 2 bps to close at 5.95% compared to the previous day's close of 5.97% after moving in a range of 5.94% to 5.96%.
- Banks borrowed Rs. 2 crores under the central bank's Marginal Standing Facility on Aug 19, 2020 as against no borrowing on Aug 18, 2020.

**Currency Market Update**

- The Indian rupee in the spot trade weakened against the greenback following losses in the domestic equity market.
- The euro rose against the greenback as the unprecedented policy stimulus adopted by the U.S. Federal Reserve kept the U.S. dollar under pressure. Euro closed at \$1.1859, up 0.19% compared with the previous close of \$1.1836.

**Commodity Market Update**

- Gold prices rose after initial jobless claims in U.S. for the week ended Aug 15, 2020 surpassed 1 million.
- Brent crude prices fell after initial jobless claims in U.S. for the week ended Aug 15, 2020 surpassed 1 million which fuelled concerns of a slow economic recovery.

**International News**

- According to a report released by the Labor Department, U.S. initial jobless claims increased 135,000 to 1.106 million in the week ended Aug 15, 2020 from the previous week's revised level of 971,000.
- According to the data from the Eurostat, eurozone's Construction output rose 4% from May 2020, when it surged 29.4% revised from 27.9%.
- China's central bank left its benchmark interest rates unchanged, one-year and five-year loan prime rate was retained at 3.85% and 4.65%, respectively, as the economy showed signs of robust recovery. The one-year and five-year loan prime rates were last reduced in Apr 2020.

*Good gets better*

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

Thank you for  
your time.

Good gets *better*