

Markets for You

24 Aug 2020

Good gets *better*

Indices Performance

Global Indices	21-Aug	Prev_Day	Abs. Change	% Change*
Russell 3000	1,752	1,743	9	0.50
Nasdaq	11,312	11,265	47	0.42
FTSE	6,002	6,013	-11	-0.19
Nikkei	22,920	22,881	40	0.17
Hang Seng	25,114	24,791	322	1.30
Indian Indices	21-Aug	Prev_Day	Abs. Change	% Change*
S&P BSE Sensex	38,435	38,220	214	0.56
Nifty 50	11,372	11,312	59	0.53
Nifty 100	11,536	11,479	57	0.49
Nifty 500	9,424	9,369	55	0.58
Nifty Bank	22,300	21,999	300	1.36
S&P BSE Power	1,743	1,695	48	2.83
S&P BSE Small Cap	14,625	14,422	204	1.41
S&P BSE HC	19,228	19,089	139	0.73

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
21-Aug	27.74	1.00	32.08	1.47
Month Ago	25.19	1.01	29.01	1.44
Year Ago	26.05	1.25	27.01	1.35

Nifty 50 Top 3 Gainers

Company	21-Aug	Prev_Day	% Change*
NTPC	106	101	4.80
Asian Paints	1958	1875	4.43
Power Grid	189	181	4.36

Nifty 50 Top 3 Losers

Company	21-Aug	Prev_Day	% Change*
Zee Ente.	192	199	-3.71
Hindalco	196	199	-1.38
ONGC	81	82	-1.34

Advance Decline Ratio

	BSE	NSE
Advances	1803	1214
Declines	1011	679
Unchanged	162	90

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-161	29311
MF Flows**	-570	24426

*21st Aug 2020; **17th 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 & WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

[1] Data as on 20 Aug, 2020

Global Indices

- Asian markets edged higher as encouraging news on the coronavirus vaccine front underpinned investor sentiments. Further, news regarding agreement on fresh trade talks between U.S. and China too contributed to the upside. Today (as on August 24), Asian markets rose following rise on the Wall Street overnight. Both Nikkei and Hang Seng were trading higher 0.15% and 1.44% (as at 8 a.m. IST), respectively.
- European markets fell for the second consecutive session after a flash report by IHS Markit showed euro area private sector grew at a slower pace following a rebound data.
- U.S. markets rose after a report from IHS Markit showed U.S. business activity expanded at the fastest pace in over a year in Aug 2020. Also a report by NAR showed U.S. existing home sales continued to improve in Jul 2020, added to the upside.

Indian Equity Market

- Indian equity markets closed in the green led by positive global cues. Media reports stating that U.S. and China have agreed to hold new trade talks in the coming days helped offset gloom over downbeat U.S. weekly jobless claims data released overnight.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.56% and 0.53% to close at 38,434.72 and 11,371.60 respectively.
- The overall market breadth on BSE was strong with 1,803 scrips advancing and 1,011 scrips declining. A total of 162 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Power was the major gainer, up 2.83% followed by S&P BSE Utilities, up 2.63% and S&P BSE Realty, up 1.43%. S&P BSE Telecom was the major loser, down 0.8% followed by S&P BSE Energy, down 0.6% and S&P BSE Teck, down 0.48%.

Domestic News

- A major global credit rating agency warned that the COVID-19 pandemic may lead to a sharp slowdown in India's economic growth which may adversely impact the asset quality of state run banks. This may lead to an increase in new non-performing loans in the retail and micro, small and medium enterprises (MSME) segments. As a result, state run banks may require an external capital infusion of up to Rs. 2.1 lakh crore over the next two years.
- Data from Reserve Bank of India (RBI) showed that India's foreign exchange reserves fell for the first time in eight weeks to \$535.25 billion as of the week ended Aug 14, 2020 down from a record high of \$538.19 billion in the previous week.
- RBI has directed banks to avoid frequent ad hoc review of loan facility for businesses. The directive comes from the central bank as there has been an increase in complaints that banks are quoting high differential interest rates and not providing the necessary financial support to businesses.
- According to media reports, the ministry of corporate affairs has initiated discussions with various regulators including the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), and the Department for Promotion of Industry and Internal Trade (DPIIT) regarding setting up of a unified compliance platform for Indian corporates. The objective of the move is to improve the ease of doing business in the country by cutting down on duplication of filings and integrating the MCA database with that of other regulatory bodies.
- YES Bank will sell its asset management arm YES Asset Management Company (AMC) and YES Trustee to GPL Finance and Investments (GPLFI) owned by White Oak Investment Management. However, the value of the deal was not disclosed.
- Flipkart has entered into a strategic alliance with Sastodeal from Nepal, a development that will help Flipkart sellers' lakhs gain access to the e-commerce market in the neighboring country.

Good gets better

FII Derivative Trade Statistics			
(Rs Cr)	21-Aug		
	Buy	Sell	Open Int.
Index Futures	2865.90	4562.52	9618.98
Index Options	310523.47	308212.15	46154.17
Stock Futures	15108.61	16073.30	90200.74
Stock Options	6253.91	6268.64	7123.71
Total	334751.89	335116.61	153097.60

Derivative Statistics- Nifty Options			
	21-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.54	1.32	0.22
Put Call Ratio(Vol)	0.98	0.99	-0.01

Debt Watch				
	21-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	3.43%	3.45%	3.43%	5.32%
T-Repo	3.01%	3.18%	3.18%	5.23%
Repo	4.00%	4.00%	4.00%	5.40%
Reverse Repo	3.35%	3.35%	3.35%	5.15%
91 Day T-Bill	3.20%	3.07%	3.21%	5.45%
364 Day T-Bill	3.51%	3.34%	3.37%	5.70%
10 Year Gilt	6.14%	5.97%	5.83%	6.57%
G-Sec Vol. (Rs.Cr)	47140	51709	32944	57433
FBIL MIBOR ^[1]	3.74%	3.80%	3.86%	5.37%
3 Month CP Rate	3.40%	3.60%	3.65%	5.95%
5 Year Corp Bond	6.85%	6.67%	6.36%	7.77%
1 Month CD Rate	3.11%	3.10%	3.26%	5.56%
3 Month CD Rate	3.21%	3.29%	3.29%	5.77%
1 Year CD Rate	3.80%	3.81%	3.76%	6.70%

Currency Market			
Currency	21-Aug	Prev_Day	Change
USD/INR	74.88	75.01	-0.13
GBP/INR	99.12	98.13	1.00
EURO/INR	88.86	88.82	0.04
JPY/INR	0.71	0.71	0.00

Commodity Prices				
Commodity	21-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	42.27	42.00	41.71	55.60
Brent Crude(\$/bl)	44.13	45.56	45.20	60.89
Gold(\$/oz)	1939	1944	1842	1502
Gold(Rs./10 gm)	51840	52688	49264	37550

Source: Refinitiv

[1] Data as on 20 Aug, 2020

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Derivatives Market

- Nifty Aug 2020 Futures stood at 11,377.20, a premium of 5.60 points above the spot closing of 11,371.60. The turnover on NSE's Futures and Options segment fell to Rs. 8,85,496.25 crore on August 21, 2020, compared with Rs. 34,98,359.99 crore on August 20, 2020.
- The Put-Call ratio stood at 0.85 compared with the previous session's close of 0.81.
- The Nifty Put-Call ratio stood at 1.54 compared with the previous session's close of 1.32.
- Open interest on Nifty Futures stood at 11.87 million, compared with the previous session's close of 11.62 million.

Indian Debt Market

- Bond yields rose as inflation concerns highlighted in the minutes of the Monetary Policy Committee's latest meeting, dampened hopes of rate cuts in the near term. Moreover, weak demand at a government auction along with exercising green-shoe option in the auction, led to higher-than-expected cut-off yields.
- Yield on the present 10-year benchmark paper (5.79% GS 2030) surged 14 bps to close at 6.14% compared with the previous day's closing of 6.00%.
- Yield on the upcoming new 10-year benchmark paper (5.77% GS 2030) increased 14 bps to close at 6.09% compared to the previous day's close of 5.95%.
- RBI conducted 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 cut off stood at Rs. 99.32 (YTM: 5.38%), Rs. 98.00 (YTM: 6.41%) and Rs. 105.11 (YTM: 6.76%). Green Shoe option of Rs. 2000 crore has been exercised in 6.19% GS 2034.

Currency Market Update

- The Indian rupee in the spot trade rose against the greenback following gains in the domestic equity market. The U.S. dollar also remained under pressure after initial jobless claims in U.S. for the week ended Aug 15, 2020 increased unexpectedly.
- The euro fell against the greenback after Markit PMI preliminary readings for Aug 2020 showed that business activity in U.S. outperforming that of Europe.

Commodity Market Update

- Gold prices fell after Markit PMI preliminary readings for Aug 2020 showed that business activity in U.S. outperforming that of Europe.
- Brent crude fell amid persisting concerns over COVID-19 pandemic and its impact on global growth.

International News

- According to the Conference Board, U.S. leading economic index rose 1.4% in Jul 2020 after surging by 3% in Jun 2020 and by 3.1% in May 2020. Similarly, the coincident economic index rose 1.2% in Jul following 2.9% rise in Jun.
- According to the minutes of the European Central Bank (ECB) policy meeting in Jul 2020, ECB Governing Council left its key interest rates and the volume of its asset purchases unchanged amid early signs of a gradual economic recovery from the slump induced by the coronavirus pandemic. However, there was significant uncertainty regarding the outlook. The policymakers debated on extent of their flexibility in conducting emergency bond purchases as part of unprecedented efforts to revive the euro zone economy.



**Thank you for
your time.**

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