

Markets for You

25 Aug 2020

Good gets *better*

Indices Performance

Global Indices	24-Aug	Prev_Day	Abs. Change	% Change [#]
Russell 3000	1,760	1,752	7	0.43
Nasdaq	11,380	11,312	68	0.60
FTSE	6,105	6,002	103	1.71
Nikkei	22,986	22,920	65	0.28
Hang Seng	25,552	25,114	438	1.74
Indian Indices	24-Aug	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	38,799	38,435	364	0.95
Nifty 50	11,466	11,372	95	0.83
Nifty 100	11,619	11,536	83	0.72
Nifty 500	9,498	9,424	75	0.79
Nifty Bank	22,833	22,300	533	2.39
S&P BSE Power	1,744	1,743	1	0.06
S&P BSE Small Cap	14,855	14,625	230	1.57
S&P BSE HC	19,262	19,228	34	0.18

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
24-Aug	28.40	0.98	32.41	1.46
Month Ago	25.37	1.02	29.35	1.43
Year Ago	25.62	1.27	26.79	1.36

Nifty 50 Top 3 Gainers

Company	24-Aug	Prev_Day	% Change [#]
Zee Ente.	202	192	4.97
Kotak Bank	1387	1339	3.57
IndusInd Bank	529	514	3.04

Nifty 50 Top 3 Losers

Company	24-Aug	Prev_Day	% Change [#]
Eicher Motors	2176	21702	-89.97
Power Grid	185	189	-2.04
Adani Ports & SEZ	349	354	-1.51

Advance Decline Ratio

	BSE	NSE
Advances	1650	1068
Declines	1221	860
Unchanged	163	96

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FI Flows*	438	29749
MF Flows**	-55	23253

*24th Aug 2020; **21st 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 21 Aug, 2020

Global Indices

- Asian markets closed in the green, mainly led by U.S. Food and Drug Administration's emergency authorization for the use of blood plasma to treat hospitalized coronavirus patients. Investors also keenly awaited the U.S. Fed Chief's speech at the Jackson Hole symposium, later this week, for further clarity on the direction of U.S. monetary policy. Today (as on August 25), Asian markets majorly rose following rise on the Wall Street overnight. While Nikkei was trading higher 1.32%, Hang Seng was down 0.10% (as at 8 a.m. IST).
- European markets gained strongly, on hopes for a coronavirus treatment amid resurgence of virus cases around the world. U.S. regulators authorized the use of blood plasma from recovered patients as a treatment option for COVID-19.
- U.S. markets rose following upbeat news on the coronavirus front. The US Food and Drug Administration announced that it has issued an emergency use blood plasma for the treatment of COVID-19 in hospitalized patients.

Indian Equity Market

- Indian equity markets closed in the green as different industries are reopening after coronavirus-imposed lockdown. Risk appetite boosted further after the U.S. Food & Drug Administration authorised the use of blood plasma from recovered patients as a treatment option for COVID-19.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.95% and 0.83% to close at 38,799.08 and 11,466.45 respectively.
- The overall market breadth on BSE was strong with 1,650 scrips advancing and 1,221 scrips declining. A total of 163 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Bankex was the major gainer, up 2.45% followed by S&P BSE Finance, up 2% and S&P BSE Telecom, up 1.64%. S&P BSE Realty was the major loser, down 1.77% followed by S&P BSE Utilities, down 0.54% and S&P BSE Metal, down 0.2%.

Domestic News

- According to corporate affairs ministry numbers, corporate incorporations in Jul 2020 reached a seven-year high of 16,487, or 530 per day, which is 50% increase from a year earlier. The returns are also on the rise in the month of Aug 2020, not just companies but also LLPs.
- The University Grants Commission (UGC) has asked higher education and research institutions to promote the deployment of RT-PCR testing machines that are available with them in nearby district hospitals and government laboratories conducting COVID-19 tests to help counter the pandemic. UGC has noted that temporary installation of these machines could build additional facilities for approximately 60,000 tests per day.
- According to a major state-run bank report, states are likely to face uncovered losses of up to Rs. 3.1 lakh crore for FY21. Decline in the states' own tax revenue, likely loss in state goods and services tax (SGST), the expected drop in revenue from the Centre and the additional expenditure by the states, their total expected loss stood at Rs. 6.2 lakh crore for FY21. However, states will only be able to borrow an additional Rs 3.13 lakh crore from the increased state borrowing cap of Rs. 4.28 lakh crore, owing to the conditions set by the Centre. Only eight states were able to meet all the requirements for the 2% additional borrowing of gross state domestic product (GSDP), which leaves the states with an undisclosed annual loss of Rs. 3.1 lakh crore on aggregate.
- Chief Economic Adviser said India wants more global banks to help it reach \$5 trillion by 2024-25. He mentioned that India has only one bank in the world's top 100 bank list, while a much smaller country has more banks than that.
- Future Retail has avoided a default as it repaid around \$14 million (around Rs. 100 crore) interest on foreign bonds to investors.
- Adani Group is set to acquire a 74% stake in Mumbai International Airport, which operates the country's second-largest airport. The current operator is settling its disputes with its minority partner and exiting the venture.

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FII Derivative Trade Statistics			
(Rs Cr)	24-Aug		
	Buy	Sell	Open Int.
Index Futures	3369.00	2132.56	10121.76
Index Options	83722.67	83041.46	52648.36
Stock Futures	19275.76	18960.41	90472.57
Stock Options	7087.22	7122.11	6852.74
Total	113454.65	111256.54	160095.43

Derivative Statistics- Nifty Options			
	24-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.63	1.54	0.08
Put Call Ratio(Vol)	0.98	0.98	0.00

Debt Watch				
	24-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	3.43%	3.48%	3.42%	5.34%
T-Repo	3.08%	3.20%	3.18%	5.19%
Repo	4.00%	4.00%	4.00%	5.40%
Reverse Repo	3.35%	3.35%	3.35%	5.15%
91 Day T-Bill	3.12%	3.22%	3.26%	5.40%
364 Day T-Bill	3.45%	3.50%	3.45%	5.65%
10 Year Gilt	6.18%	5.98%	5.82%	6.57%
G-Sec Vol. (Rs.Cr)	31638	28816	41818	27556
FBIL MIBOR ^[1]	3.77%	3.82%	3.84%	5.40%
3 Month CP Rate	3.40%	3.50%	3.65%	5.90%
5 Year Corp Bond	6.87%	6.69%	6.43%	7.70%
1 Month CD Rate	3.16%	3.04%	3.26%	5.49%
3 Month CD Rate	3.25%	3.28%	3.30%	5.50%
1 Year CD Rate	3.75%	3.79%	3.85%	6.64%

Currency Market			
Currency	24-Aug	Prev_Day	Change
USD/INR	74.83	74.88	-0.05
GBP/INR	98.06	99.12	-1.07
EURO/INR	88.29	88.86	-0.56
JPY/INR	0.71	0.71	0.00

Commodity Prices				
Commodity	24-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	42.39	42.84	41.21	54.05
Brent Crude(\$/bl)	44.92	45.32	43.72	58.93
Gold(\$/oz)	1932	1986	1901	1526
Gold(Rs./10 gm)	52024	52690	50960	37599

Source: Refinitiv

[1] Data as on 21 Aug, 2020

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Derivatives Market

- Nifty Aug 2020 Futures stood at 11,474.15, a premium of 7.70 points above the spot closing of 11,466.45. The turnover on NSE's Futures and Options segment rose to Rs. 13,31,390.82 crore on August 24, 2020, compared with Rs. 8,85,496.25 crore on August 21, 2020.
- The Put-Call ratio stood at 0.81 compared with the previous session's close of 0.85.
- The Nifty Put-Call ratio stood at 1.63 compared with the previous session's close of 1.54.
- Open interest on Nifty Futures stood at 11.69 million, compared with the previous session's close of 11.87 million.

Indian Debt Market

- Bond yields surged for the second consecutive session as lack of steps from the Reserve Bank of India to absorb the excessive supply of sovereign debt in the market kept market participants wary.
- Yield on the present 10-year benchmark paper (5.79% GS 2030) surged 8 bps to close at 6.22% compared to the previous day's closing of 6.14% after trading in a range of 6.15% to 6.22%.
- Yield on the upcoming new 10-year benchmark paper (5.77% GS 2030) surged 8 bps to close at 6.17% compared to the previous days' close of 6.09% after moving in a range of 6.10% to 6.17%.
- Banks did not borrow under the central bank's marginal standing facility on Aug 21, 2020 and Aug 20, 2020.

Currency Market Update

- The Indian rupee in the spot trade rose against the greenback following gains in the domestic equity market. Intervention by the Reserve Bank of India also contributed to the upside.
- The euro was almost steady against the greenback as market participants awaited a highly anticipated speech from the U.S. Federal Reserve chief about the U.S. central bank's policy framework review.

Commodity Market Update

- Gold prices fell after the U.S. Food and Drug Administration approved the emergency use of blood plasma in COVID-19 patients which boosted market sentiments.
- Brent crude prices surged amid reports that two storms are progressing toward the Gulf Coast.

International News

- The National Association of Realtors report showed, U.S. existing home sales jumped by a record 24.7% YoY to an annual rate of 5.86 million in Jul 2020, higher than 20.2% to a revised rate of 4.70 million (4.72 million originally reported) in Jun 2020.
- Data from the Monetary Authority of Singapore and the Ministry of Trade and Industry, consumer prices in Singapore fell 0.4% YoY in Jul 2020, compared with a 0.5% drop in Jun 2020. Decline was largely due to a smaller decline in private transport costs.
- Data from the Ministry of Economic Affairs showed, Taiwan's industrial production increased 2.65% YoY in Jul 2020, slower than 7.19% rise in Jun 2020. Manufacturing output rose 2.64% YoY in July, after a 7.63% increase in the prior month.



**Thank you for
your time.**

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