

Markets for You

26 Aug 2020

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Indices Performance

Global Indices	25-Aug	Prev_Day	Abs. Change	% Change#
Russell 3000	1,772	1,760	13	0.72
Nasdaq	11,466	11,380	87	0.76
FTSE	6,037	6,105	-68	-1.11
Nikkei	23,297	22,986	311	1.35
Hang Seng	25,486	25,552	-65	-0.26
Indian Indices	25-Aug	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	38,844	38,799	45	0.12
Nifty 50	11,472	11,466	6	0.05
Nifty 100	11,626	11,619	6	0.06
Nifty 500	9,509	9,498	11	0.11
Nifty Bank	23,092	22,833	259	1.14
S&P BSE Power	1,740	1,744	-4	-0.22
S&P BSE Small Cap	14,871	14,855	16	0.11
S&P BSE HC	19,169	19,262	-93	-0.48

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
25-Aug	28.40	0.98	32.43	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	25-Aug	Prev_Day	% Change#
Tata Motors	127	121	4.87
Bajaj Finance	3643	3492	4.32
SBI	208	201	3.23

Nifty 50 Top 3 Losers

Company	25-Aug	Prev_Day	% Change#
Eicher Motors ^[1]	2176	21702	-89.97
GAIL	100	102	-1.87
Shree Cements Limited	21811	22211	-1.80

Advance Decline Ratio

	BSE	NSE
Advances	1330	851
Declines	1502	1058
Unchanged	145	88

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1062	30811
MF Flows**	35	23083

*25th Aug 2020; **24th 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 24 Aug, 2020

Global Indices

- Asian markets largely closed in the green led by positive developments on the coronavirus treatment and signs of progress in U.S.-China trade negotiations. Today (as on August 26), Asian markets were mixed as major indexes on Wall Street overnight notched new records. While Nikkei was trading lower 0.25%, Hang Seng was up 0.12% (as at 8 a.m. IST).
- European markets ended on a mixed note as market participants may also be looking ahead to U.S. Federal Reserve Chairman's highly anticipated speech at the Jackson Hole symposium on Thursday. Market initially rose when a U.S. biotechnology company said it concluded advanced talks to provide 80 million doses of its experimental coronavirus shot to the European Union.
- U.S. markets mostly rose ahead to U.S. Federal Reserve Chairman's highly anticipated speech at the Jackson Hole symposium on Thursday.

Indian Equity Market

- Indian equity markets eked out small gains as initial strong buying witnessed in the stocks of several index heavyweights were largely offset by continuous rise in COVID-19 cases. Meanwhile, signs of progress in U.S.-China trade negotiations provided some support to the buying interest.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.12% and 0.05% to close at 38,843.88 and 11,472.25 respectively.
- The overall market breadth on BSE was weak with 1,330 scrips advancing and 1,502 scrips declining. A total of 145 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Bankex was the major gainer, up 1.23% followed by S&P BSE Finance, up 1.01% and S&P BSE Industrials, up 0.53%. S&P BSE Realty was the major loser, down 2.09% followed by S&P BSE Utilities, down 0.6% and S&P BSE FMCG, down 0.55%.

Domestic News

- The Reserve Bank of India's (RBI) total asset grew 30% YoY to Rs. 53.35 lakh crore in 2019-20 as against Rs. 41.03 lakh crore in 2018-19 following rise in domestic and foreign investments. On the liability side, the increase was due to a 21.52% rise in notes issued, 30.46% rise in other liabilities and provisions and a 53.72% jump in deposits. The central bank follows Jul-Jun fiscal period. But the current year (FY21) will end in Mar 2021 to enable a transition to start its financial year from Apr to end in Mar. So FY22 would run from Apr 2021 to Mar 2022.
- RBI cautioned that after the pandemic, India's potential production could suffer a structural downshift. Thus RBI said that in a post-pandemic scenario, deep-seated and wide-ranging structural reforms to regain losses and return to the path of sustainable economic growth.
- According to a major credit rating agency, Indian economy could have contracted by 25% in the first quarter of the FY21 making it one of the most negative estimates for Asia's third largest economy.
- According to the World Bank, the data on monthly night-time light intensity show that India's economy is unlikely to return to maximum capacity even though restrictions are eased without effectively reducing the possibility of a Covid-19 infection. The World Bank proposed using two proxies - daily electricity consumption and night-time light intensity- to gauge Covid 19's economic effect and containment measures. According to the Bank, night light intensity decreased by an average of 12% in over two-thirds of the districts in April 2020. Local infection rates influence the light intensity of the night, with more cases resulting in greater decreases. It has serious implications for economic recovery.
- Punjab National Bank informed the Ministry of Corporate Affairs (MCA) to have received its first tranche of recoveries of around Rs. 24 crore in the Nirav Modi fraud litigation case in the United States.
- Tata Motors chairman at a shareholders' meeting said reducing debt (group's has a net automotive debt of Rs. 48,000 crore) and improving the product portfolio will be top priority of the company.

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FII Derivative Trade Statistics		25-Aug		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	3731.75	2945.61	10173.95	
Index Options	125392.76	124932.51	56942.34	
Stock Futures	33233.94	32805.51	92008.58	
Stock Options	7488.02	7362.36	6169.65	
Total	169846.47	168045.99	165294.52	

Derivative Statistics- Nifty Options			
	25-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.52	1.63	-0.11
Put Call Ratio(Vol)	1.04	0.98	0.06

Debt Watch				
	25-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	3.43%	3.42%	3.42%	5.34%
T-Repo	3.09%	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	3.15%	3.25%	3.26%	5.40%
364 Day T-Bill	3.50%	3.48%	3.45%	5.65%
10 Year Gilt	6.16%	5.99%	5.82%	6.57%
G-Sec Vol. (Rs.Cr)	34741	22729	41818	27556
FBIL MIBOR ^[1]	3.75%	3.79%	3.84%	5.40%
3 Month CP Rate	3.45%	3.50%	3.65%	5.90%
5 Year Corp Bond	6.87%	6.68%	6.43%	7.70%
1 Month CD Rate	3.13%	3.09%	3.26%	5.49%
3 Month CD Rate	3.45%	3.27%	3.30%	5.50%
1 Year CD Rate	3.77%	3.80%	3.85%	6.64%

Currency Market			
Currency	25-Aug	Prev_Day	Change
USD/INR	74.40	74.83	-0.43
GBP/INR	97.46	98.06	-0.60
EURO/INR	87.86	88.29	-0.44
JPY/INR	0.70	0.71	-0.01

Commodity Prices				
Commodity	25-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	43.12	42.84	41.21	54.05
Brent Crude(\$/bl)	46.80	45.91	43.72	58.93
Gold(\$/oz)	1928	2001	1901	1526
Gold(Rs./10 gm)	51440	53752	50960	37599

Source: Refinitiv

[1] Data as on 24 Aug, 2020

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Derivatives Market

- Nifty Aug 2020 Futures stood at 11,471.65, a discount of 0.60 points below the spot closing of 11,472.25. The turnover on NSE's Futures and Options segment rose to Rs. 17,51,531.87 crore on August 25, 2020, compared with Rs. 13,31,390.82 crore on August 24, 2020.
- The Put-Call ratio stood at 0.83 compared with the previous session's close of 0.81.
- The Nifty Put-Call ratio stood at 1.52 compared with the previous session's close of 1.63.
- Open interest on Nifty Futures stood at 11.81 million, compared with the previous session's close of 11.69 million.

Indian Debt Market

- Bond yields fell after the Reserve Bank of India announced special open market operations on Aug 27, 2020, which eased concerns of excess supply of sovereign debt in the market to some extent.
- Yield on the present 10-year benchmark paper (5.79% GS 2030) fell 6 bps to close at 6.16% compared to the previous day's closing of 6.22% after trading in a range of 6.11% to 6.17%.
- Yield on the upcoming new 10-year benchmark paper (5.77% GS 2030) fell 4 bps to close at 6.13% compared to the previous days close of 6.17% after moving in a range of 6.08% to 6.14%.
- Banks borrowed Rs. 202 crore under the central bank's marginal standing facility on Aug 24, 2020 compared to that of Aug 21, 2020 when banks borrowed none.

Currency Market Update

- The Indian rupee in the spot trade inched down marginally against the greenback due to dollar demand by state run banks possibly on behalf of Reserve Bank of India.
- The euro rose against the greenback after data showed that the German business climate index rose more than expected in Aug 2020. Euro closed at \$1.1829, up 0.36% compared with the previous close of \$1.1787.

Commodity Market Update

- Gold prices fell after senior officials in U.S. and China expressed their commitment towards Phase One Trade Deal.
- Brent crude prices rose on growing possibility of production cuts in the U.S. Gulf Coast.

International News

- The Conference Board report showed U.S. consumer confidence index plunged to 84.8 in Aug 2020 from downwardly revised 91.7 (92.6 originally reported) in Jul 2020. The fall reflected a significant deterioration in consumers' assessment of current conditions as it slumped to 84.2 in Aug 2020 from 95.9 in Jul 2020.
- Revised data, Germany's Gross Domestic Product (GDP) contracted 9.7% QoQ in the Jun quarter of 2020, better than initial estimates of 10.1% fall and worse than 2% fall in the Mar quarter of 2020.
- Survey data from Ifo Institute showed, German business confidence index increased to 92.6 in Aug 2020 from 90.4 in Jul 2020. This was the fourth consecutive rise. The current conditions index rose to 87.9 from 84.5 a month ago.



**Thank you for
your time.**

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