

# Markets for You

28 Aug 2020

Good gets *better*

**Indices Performance**

Global Indices	27-Aug	Prev_Day	Abs. Change	% Change#
Russell 3000	1,804	1,808	-3	-0.19
Nasdaq	11,625	11,665	-40	-0.34
FTSE	6,000	6,046	-46	-0.75
Nikkei	23,209	23,291	-82	-0.35
Hang Seng	25,281	25,492	-211	-0.83
Indian Indices	27-Aug	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	39,113	39,074	40	0.10
Nifty 50	11,559	11,550	10	0.08
Nifty 100	11,709	11,694	15	0.13
Nifty 500	9,581	9,567	14	0.14
Nifty Bank	23,600	23,414	186	0.80
S&P BSE Power	1,733	1,740	-6	-0.36
S&P BSE Small Cap	15,026	14,973	52	0.35
S&P BSE HC	19,312	19,153	159	0.83

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
27-Aug	28.47	0.98	32.67	1.45
Month Ago	25.42	1.02	29.18	1.44
Year Ago	26.39	1.23	27.47	1.33

**Nifty 50 Top 3 Gainers**

Company	27-Aug	Prev_Day	% Change#
IndusInd Bank	606	568	6.73
Tata Motors	144	138	4.60
M&M	637	613	3.82

**Nifty 50 Top 3 Losers**

Company	27-Aug	Prev_Day	% Change#
ONGC	80	81	-1.54
Bajaj Auto	3043	3082	-1.27
RIL	2111	2137	-1.25

**Advance Decline Ratio**

	BSE	NSE
Advances	1407	951
Declines	1464	934
Unchanged	175	102

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1654	34219
MF Flows**	28	23218

 \*27<sup>th</sup> Aug 2020; \*\*25<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 26 Aug, 2020

**Global Indices**

- Asian markets witnessed a mixed trend as investors keenly awaited the speech by the Fed chairman, scheduled later during the day for further cues on the U.S. central bank's policy stance. Meanwhile, tension between U.S. and China over South China Sea rekindled which kept investors wary. Today (as on August 28), Asian markets were mixed as investors react to developments from the U.S. Fed. Both Nikkei and Hang Seng were trading higher 0.07% and 0.60%, respectively (as at 8 a.m. IST).
- European markets fell, despite after the U.S. Federal Reserve (Fed Chairman outlined historic changes to central bank's monetary policy strategy. Concerns over rising U.S.-China tensions and lingering worries about the impact of the coronavirus pandemic rendered the mood cautious.
- U.S. markets closed on a mixed note after U.S. Fed Chairman announced a widely expected shift with regard to the price-stability side of the central bank's dual mandate.

**Indian Equity Market**

- Indian equity markets edged up higher, led by gains in the realty sector, after Maharashtra govt. announced a cut in stamp duty and other levies for buying and selling of properties in urban and rural areas.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.1% and 0.08% to close at 39,113.47 and 11,559.25 respectively.
- The overall market breadth on BSE was weak with 1,407 scrips advancing and 1,464 scrips declining. A total of 175 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Realty was the major gainer, up 6.63% followed by S&P BSE Auto, up 0.95% and S&P BSE Consumer Durables, up 0.89%. S&P BSE Energy was the major loser, down 1.05% followed by S&P BSE Oil & Gas, down 0.82% and S&P BSE Telecom, down 0.61%.

**Domestic News**

- As per media reports, Center has directed the states to borrow from the market up to Rs. 2.35 trillion to meet the FY21 revenue deficit under the Goods and Services Tax (GST). Government offered the states two options: either to borrow up to Rs. 97,000 crore, which is a default in compensation as set out in a legal formula, or the entire Rs. 2.35 trillion. The borrowing burden would not fall to governments but would be met by extending the prohibition of sin and luxury goods. Through talking to Reserve Bank of India (RBI), the Center would encourage borrowing so that each state would not rush to the market and increase bond yields.
- According to a report by the World Trade Organisation, Covid 19-induced limitations on travel have had a negative effect on the global trade in services. This was despite Mode 4 Trade, which made it possible for individuals to travel across borders, comprising just 3 percent of world trade in services.
- According to a major credit rating agency, the apparel retail sector is estimated to see a 40% - 45% drop in revenues during FY21, and this year's festive season is expected to see demand recovery if COVID-19-related fears subside.
- Securities and Exchange Board (Sebi) extended the timeframe for proxy advisors' compliance with the procedural guidelines released earlier this month to Jan 1, 2021 from 1 Sep 2020. The market regulator said the timeframe was extended after taking into account requests received from registered proxy advisors and the prevailing industry and market conditions due to the pandemic of Covid-19.
- Pharma major Dr Reddy's Laboratories has launched generic Penicillamine capsules, used for treatment of Wilson's disease and cystinuria, in the US market. The product is a generic version of Bausch Health Companies Inc's Cuprimine capsules in the same strength.
- Credit rating firm ICRA has reported a 17% YoY drop in consolidated net profit to Rs. 17.04 crore in the June quarter of 2020. Total income also fell to Rs. 80.79 crore during the reported period from Rs. 88.69 crore a year ago.



FII Derivative Trade Statistics			
	27-Aug		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	6623.64	6263.24	14542.40
Index Options	205617.83	205857.35	66443.86
Stock Futures	27327.83	28105.77	91241.36
Stock Options	5289.83	5184.77	4530.88
Total	244859.13	245411.13	176758.50

Derivative Statistics- Nifty Options			
	27-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.55	1.69	-0.13
Put Call Ratio(Vol)	1.15	1.03	0.11

Debt Watch				
	27-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	3.43%	3.43%	3.48%	5.35%
T-Repo	3.02%	2.95%	3.12%	5.21%
Repo	4.00%	4.00%	4.00%	5.40%
Reverse Repo	3.35%	3.35%	3.35%	5.15%
91 Day T-Bill	3.27%	3.15%	3.27%	5.42%
364 Day T-Bill	3.56%	3.53%	3.33%	5.60%
10 Year Gilt	6.15%	6.00%	5.83%	6.53%
G-Sec Vol. (Rs.Cr)	28241	29922	35163	68807
FBIL MIBOR <sup>[1]</sup>	3.69%	3.74%	3.85%	5.45%
3 Month CP Rate	3.45%	3.40%	3.65%	5.90%
5 Year Corp Bond	6.92%	6.69%	6.48%	7.69%
1 Month CD Rate	3.13%	3.05%	3.27%	5.33%
3 Month CD Rate	3.41%	3.18%	3.31%	5.70%
1 Year CD Rate	3.84%	3.79%	3.73%	6.45%

Currency Market			
Currency	27-Aug	Prev_Day	Change
USD/INR	74.33	74.35	-0.03
GBP/INR	98.15	97.76	0.38
EURO/INR	87.91	87.88	0.04
JPY/INR	0.70	0.70	0.00

Commodity Prices				
Commodity	27-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	42.83	42.54	41.41	54.94
Brent Crude(\$/bl)	45.33	45.15	43.11	58.53
Gold( \$/oz)	1929	1943	1942	1542
Gold(Rs./10 gm)	51234	52317	52260	38404

Source: Refinitiv

[1] Data as on 26 Aug, 2020

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**Derivatives Market**

- Nifty Aug 2020 Futures settled at spot closing of 11,559.25. Nifty Sep 2020 Futures stood at 11,589.20, a premium of 29.95 points, above the spot closing. The turnover on NSE's Futures and Options segment rose to Rs. 35,09,028.64 crore on August 27, 2020, compared with Rs. 18,47,582.19 crore on August 26, 2020.
- The Put-Call ratio stood at 0.92 compared with the previous session's close of 0.9.
- The Nifty Put-Call ratio stood at 1.55 compared with the previous session's close of 1.69.
- Open interest on Nifty Futures stood at 15.22 million, compared with the previous session's close of 13.56 million.

**Indian Debt Market**

- Bond yields fell after the Reserve Bank of India (RBI) conducted a special open market operations (OMO) and included the benchmark bond in the special OMO. This fuelled expectations that the RBI will continue to manage the long-end supply tactfully even though it chooses to pause open market operations for a while due to liquidity concerns.
- Yield on the present 10-year benchmark paper (5.79% GS 2030) fell 5 bps to close at 6.15% compared to the previous day's closing of 6.20% after trading in a range of 6.14% to 6.19%.
- Yield on the upcoming new 10-year benchmark paper (5.77% GS 2030) fell 4 bps to close at 6.15% compared to the previous days close of 6.19% after moving in a range of 6.12% to 6.18%.

**Currency Market Update**

- The Indian rupee in the spot trade rose against the greenback following foreign fund inflow into domestic capital markets. Selling of greenback by foreign banks also contributed to the upside. However, possible intervention by the Reserve Bank of India capped the gains.
- The euro fell against the greenback after the U.S. Federal Chief opined that the U.S. central bank would come out an aggressive new strategy to lift U.S. employment.

**Commodity Market Update**

- Gold prices fell as market participants booked profits from the recent bullion rally.
- Brent crude prices fell on concerns over COVID-19 pandemic which hit the demand outlook of the commodity.

**International News**

- U.S. Federal Reserve (Fed) Chairman in a highly anticipated speech to the Jackson Hole economic symposium announced a widely expected shift with regard to the price-stability side of the central bank's dual mandate.
- Japan's all industry activity index rose 6.1% MoM in Jun 2020, faster than 4.1% fall in May 2020. Activity rose for the first time in five months in June. Among components, construction activity contracted 2.2% MoM in June, following a 2.9% fall in May 2020.
- U.S. real gross domestic product (GDP) plunged 31.7% in the Jun quarter of 2020 compared, slower than 32.9% previously reported. Slower fall came as private inventory investment and consumer spending decreased less than previously estimated.



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