

# Markets for You

31 Aug 2020

Good gets *better*

**Indices Performance**

Global Indices	28-Aug	Prev_Day	Abs. Change	% Change#
Russell 3000	1,815	1,804	11	0.60
Nasdaq	11,696	11,625	70	0.60
FTSE	5,964	6,000	-36	-0.61
Nikkei	22,883	23,209	-326	-1.41
Hang Seng	25,422	25,281	141	0.56
Indian Indices	28-Aug	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	39,467	39,113	354	0.90
Nifty 50	11,648	11,559	88	0.76
Nifty 100	11,792	11,709	82	0.70
Nifty 500	9,641	9,581	60	0.63
Nifty Bank	24,524	23,600	923	3.91
S&P BSE Power	1,736	1,733	2	0.14
S&P BSE Small Cap	14,991	15,026	-35	-0.23
S&P BSE HC	19,279	19,312	-34	-0.17

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
28-Aug	28.98	0.96	32.92	1.43
Month Ago	25.68	1.00	29.87	1.49
Year Ago	26.23	1.24	27.33	1.34

**Nifty 50 Top 3 Gainers**

Company	28-Aug	Prev_Day	% Change#
IndusInd Bank	666	606	9.87
Axis Bank	509	473	7.64
United Phos	519	497	4.53

**Nifty 50 Top 3 Losers**

Company	28-Aug	Prev_Day	% Change#
JSW Steel	281	289	-2.97
Hero Moto	3059	3142	-2.62
Power Grid	182	185	-1.57

**Advance Decline Ratio**

	BSE	NSE
Advances	1249	750
Declines	1655	1147
Unchanged	161	100

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1433	35652
MF Flows**	-413	22796

 \*28<sup>th</sup> Aug 2020; \*\*26<sup>th</sup> Aug 2020

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 27 Aug, 2020

**Global Indices**

- Asian markets witnessed a mixed trend as concerns about the Japanese Prime Minister's chronic health issues coupled with political deadlock in U.S. over stimulus measures to counter the menace of COVID-19 neutralised the U.S. Federal Reserve's dovish gesture to achieve inflation averaging 2% over time. Today (as on August 31), Asian markets were higher as the number of reported Covid-19 cases globally crosses the 25 million mark. Both Nikkei and Hang Seng were trading higher 1.64% and 1.04% respectively (as at 8 a.m. IST).
- European markets fell on concerns about global growth amid rising coronavirus cases in Spain, France and Italy. Weak economic data out of Germany and France, add to the downside.
- U.S. markets rose on optimism about the economic recovery following the coronavirus crisis, which has helped lift the market well off their Mar 2020 lows.

**Indian Equity Market**

- Indian equity markets closed higher led by gains in the banking stocks, which rose on hopes of better earning outlook. Positive global cues generated by optimism over the recent developments of the coronavirus treatment continued to boost market sentiments.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.9% and 0.76% to close at 39,467.31 and 11,647.60 respectively.
- The overall market breadth on BSE was weak with 1,249 scrips advancing and 1,655 scrips declining. A total of 161 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Bankex was the major gainer, up 4% followed by S&P BSE Telecom, up 2.44% and S&P BSE Finance, up 2.32%. S&P BSE Auto was the major loser, down 0.86% followed by S&P BSE Utilities, down 0.85% and S&P BSE IT, down 0.58%.

**Domestic News**

- According to the chairman of Niti Aayog, the business environment in India has continued to improve and the government will work hard to make India one of the easiest countries to invest and build wealth. The chairman also emphasized that the Government's attention would be on the vision of Prime Minister's ease of living for Indian people.
- Secretary of Housing and Urban Affairs welcomed the decision of the Maharashtra government to reduce the stamp duty on property registration and urged other states to do the same to raise demand in the real estate sector. The secretary said Rs. 9,300 crore investment has been authorised from Rs. 25,000 crore stress fund, which was set up to complete the countrywide stalled housing projects.
- According to a major credit rating company, rural demand can contribute to economic recovery but cannot act as a replacement for urban demand. While the industrial and service sectors continue to struggle to recover from COVID-19's adverse effects, the agricultural sector may become an engine for economic recovery. However, it said much of rural demand, given the encouraging sales of motorcycles / tractors in June 2020, comes from non-durables consumers.
- India's single largest iron ore producer, state-owned NMDC's board had approved a proposal to demerge NMDC Iron & Steel Plant. The three-million-tonne (mt) steel plant is the only greenfield project slated for commissioning in the near term.
- ICICI Bank has sold 2% stake in its subsidiary firm ICICI Securities Ltd through an open market transaction for Rs. 310 crore.



FII Derivative Trade Statistics		28-Aug		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	7183.58	6583.58	11630.92	
Index Options	295851.99	294388.53	42930.19	
Stock Futures	20535.04	20607.31	86169.93	
Stock Options	2519.05	2318.39	1696.49	
<b>Total</b>	<b>326089.66</b>	<b>323897.81</b>	<b>142427.53</b>	

Derivative Statistics- Nifty Options			
	28-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.64	1.55	0.09
Put Call Ratio(Vol)	0.89	1.15	-0.26

Debt Watch				
	28-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	3.43%	3.43%	3.48%	5.36%
T-Repo	3.02%	3.01%	3.12%	5.25%
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%	3.20%	3.28%	5.38%
364 Day T-Bill	3.58%	3.51%	3.45%	5.71%
10 Year Gilt	6.10%	6.14%	5.85%	6.57%
G-Sec Vol. (Rs.Cr)	41748	47140	39387	36101
FBIL MIBOR <sup>(1)</sup>	3.70%	3.77%	3.90%	5.45%
3 Month CP Rate	3.45%	3.40%	3.65%	5.90%
5 Year Corp Bond	6.93%	6.85%	6.42%	7.74%
1 Month CD Rate	3.17%	3.11%	3.30%	5.26%
3 Month CD Rate	3.35%	3.21%	3.32%	5.60%
1 Year CD Rate	3.86%	3.80%	3.74%	6.43%

Currency Market			
Currency	28-Aug	Prev_Day	Change
USD/INR	73.35	74.33	-0.97
GBP/INR	97.28	98.15	-0.86
EURO/INR	87.07	87.91	-0.85
JPY/INR	0.69	0.70	-0.01

Commodity Prices				
Commodity	28-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	42.91	42.27	40.84	55.71
Brent Crude(\$/bl)	45.84	44.13	43.73	60.51
Gold( \$/oz)	1964	1939	1959	1539
Gold(Rs./10 gm)	50981	51840	52278	38795

Source: Refinitiv

<sup>[1]</sup> Data as on 27 Aug, 2020

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**Derivatives Market**

- Nifty Sep 2020 Futures stood at 11,675.25, a premium of 27.65 points above the spot closing of 11,647.60. The turnover on NSE's Futures and Options segment fell to Rs. 14,02,335.91 crore on August 28, 2020, compared with Rs. 35,09,028.64 crore on August 27, 2020.
- The Put-Call ratio stood at 0.75 compared with the previous session's close of 0.92.
- The Nifty Put-Call ratio stood at 1.64 compared with the previous session's close of 1.55.
- Open interest on Nifty Futures stood at 12.72 million, compared with the previous session's close of 15.22 million.

**Indian Debt Market**

- Bond yields fell after the Reserve Bank of India (RBI) conducted a special open market operations (OMO) on Aug 27. However, heavy devolvement at the weekly debt auction capped the gains.
- Yield on the present 10-year benchmark paper (5.79% GS 2030) fell 5 bps to close at 6.10% compared to the previous day's closing of 6.15% after trading in a range of 6.09% to 6.20%.
- Yield on the upcoming new 10-year benchmark paper (5.77% GS 2030) fell 1 bps to close at 6.14% compared to the previous days close of 6.15% after moving in a range of 6.10% to 6.21%.
- Banks did not borrow under the central bank's marginal standing facility on Aug 27, 2020 compared to that of Aug 26, 2020 when banks borrowed Rs. 4 crore.

**Currency Market Update**

- The Indian rupee in the spot trade rose against the greenback following foreign fund inflow into domestic capital markets. Gains in the domestic equity market also contributed to the upside.
- The euro rose against the greenback as the latter remained under pressure after the U.S. Federal Reserve's new policy framework indicated that interest rates in U.S. would remain low for an extended period of time.

**Commodity Market Update**

- Gold prices rose as the U.S. dollar weakened after the U.S. Federal Reserve indicated a prolonged low interest rate strategy.
- Brent crude prices rose after the number of oil rigs in the U.S. fell by 3 to 180 in the week to Aug 28.

**International News**

- Survey data from the market researcher GfK showed, Germany's consumer confidence index (forward-looking) surprisingly fell to -1.8 in Sep 2020 from -0.2 (revised from -0.3) in Aug 2020. After three months of improvement, the index fell as income expectations deteriorated.
- Preliminary data from the statistical office Insee showed, France's consumer prices rose 0.2% YoY in Aug 2020, slower than 0.8% rise in Jul 2020. Manufactured product and energy prices fell 0.2% and 7.1%, respectively in Aug 2020. Food inflation slowed to 0.8% from 1.1%.
- Data from Destatis revealed, Germany's import prices contracted 4.6% YoY in Jul 2020, slower than 5.1% fall in Jun 2020. The fall was majorly led by 31.5% plunged in energy prices. Leaving energy, import prices fell 1.4% YoY in July.



**Thank you for  
your time.**

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