

# Markets for You

03 Dec 2019

Good gets *better*

| Indices Performance |        |          |             |                       |
|---------------------|--------|----------|-------------|-----------------------|
| Global Indices      | 02-Dec | Prev_Day | Abs. Change | % Change <sup>#</sup> |
| Russell 3000        | 1,370  | 1,386    | -16         | -1.15                 |
| Nasdaq              | 8,568  | 8,665    | -97         | -1.13                 |
| FTSE                | 7,286  | 7,347    | -61         | -0.82                 |
| Nikkei              | 23,530 | 23,294   | 236         | 1.01                  |
| Hang Seng           | 26,445 | 26,346   | 98          | 0.37                  |
| Indian Indices      | 02-Dec | Prev_Day | Abs. Change | % Change <sup>#</sup> |
| S&P BSE Sensex      | 40,802 | 40,794   | 8           | 0.02                  |
| Nifty 50            | 12,048 | 12,056   | -8          | -0.07                 |
| Nifty 100           | 12,175 | 12,183   | -7          | -0.06                 |
| Nifty 500           | 9,798  | 9,814    | -16         | -0.16                 |
| Nifty Bank          | 31,871 | 31,946   | -75         | -0.23                 |
| S&P BSE Power       | 1,919  | 1,925    | -6          | -0.31                 |
| S&P BSE Small Cap   | 13,508 | 13,561   | -52         | -0.39                 |
| S&P BSE HC          | 13,518 | 13,603   | -85         | -0.62                 |

| P/E Dividend Yield |        |            |       |            |
|--------------------|--------|------------|-------|------------|
| Date               | Sensex |            | Nifty |            |
|                    | P/E    | Div. Yield | P/E   | Div. Yield |
| 2-Dec              | 28.61  | 1.13       | 28.08 | 1.24       |
| Month Ago          | 27.33  | 1.15       | 27.47 | 1.26       |
| Year Ago           | 23.90  | 1.19       | 26.31 | 1.22       |

| Nifty 50 Top 3 Gainers |        |          |                       |  |
|------------------------|--------|----------|-----------------------|--|
| Company                | 02-Dec | Prev_Day | % Change <sup>#</sup> |  |
| Bharti Airtel          | 459    | 442      | 3.65                  |  |
| JSW Steel              | 268    | 262      | 2.58                  |  |
| Grasim Indus           | 807    | 787      | 2.57                  |  |

| Nifty 50 Top 3 Losers |        |          |                       |  |
|-----------------------|--------|----------|-----------------------|--|
| Company               | 02-Dec | Prev_Day | % Change <sup>#</sup> |  |
| Yes Bank              | 64     | 68       | -6.22                 |  |
| Eicher Motors         | 21713  | 22881    | -5.11                 |  |
| Bharti Infratel       | 266    | 276      | -3.91                 |  |

| Advance Decline Ratio |      |      |  |
|-----------------------|------|------|--|
|                       | BSE  | NSE  |  |
| Advances              | 1024 | 711  |  |
| Declines              | 1532 | 1134 |  |
| Unchanged             | 186  | 126  |  |

| Institutional Flows (Equity) |                |       |  |
|------------------------------|----------------|-------|--|
| Description (Cr)             | Inflow/Outflow | YTD   |  |
| FII Flows*                   | -751           | 93031 |  |
| MF Flows**                   | -123           | 50091 |  |

\*2<sup>nd</sup> Dec 2019; \*\*28<sup>th</sup> Nov 2019

| Economic Indicator |                    |                   |                   |
|--------------------|--------------------|-------------------|-------------------|
| YoY(%)             | Current            | Quarter Ago       | Year Ago          |
| CPI                | 4.62%<br>(Oct-19)  | 3.15%<br>(Jul-19) | 3.38%<br>(Oct-18) |
| IIP                | -4.30%<br>(Sep-19) | 1.30%<br>(Jun-19) | 4.60%<br>(Sep-18) |
| GDP                | 4.50%<br>(Sep-19)  | 5.00%<br>(Jun-19) | 6.60%<br>(Sep-18) |

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 29 Nov 2019

### Global Indices

- Asian equity markets gained as expectations of an economic recovery in Japan and China helped overshadow concerns that U.S. support for Hong Kong may derail the U.S.-China trade talks. Today (as of Dec 3), Asian markets were lower after the U.S. President's comments overnight raised concerns over trade dealings. Both Nikkei and Hang Seng were trading down 1.11% and 1.24%, respectively (as at 8.a.m. IST).
- European markets closed lower after the U.S. President said that he would reinstate duties on steel and aluminum from Brazil and Argentina. He accused both the countries of devaluing their currencies and hurting American farmers.
- U.S. markets declined as investors took stock of disappointing manufacturing data and the latest trade developments. The U.S. President said China still wants to make a deal on trade, "but we'll see what happens."

### Indian Equity Market

- Indian equity markets were little changed in a volatile session. GDP data released after market hours on Nov 29, 2019, showed the Indian economy's growth slowed to 4.5% in the second quarter. Investors are looking forward to the Reserve Bank of India's policy meet later in the week with expectations of a further rate cut.
- Key benchmark indices S&P BSE Sensex gained 0.02% and Nifty 50 lost 0.07% to close at 40,802.17 and 12,048.20 respectively. S&P BSE MidCap and S&P BSE SmallCap lost 0.77% and 0.39% respectively.
- The overall market breadth on BSE was weak with 1,024 scrips advancing and 1,532 scrips declining. A total of 186 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Telecom was the major gainer, up 2.64% followed by S&P BSE Energy, up 1.28% and S&P BSE Metal, up 0.31%. S&P BSE Auto was the major loser, down 0.94% followed by S&P BSE IT, down 0.85% and S&P BSE Healthcare, down 0.62%.

### Domestic News

- Nikkei India Manufacturing Purchasing Managers' Index (PMI) rose to 51.2 in Nov 2019 from 50.6 in Oct 2019. Growth was supported by new products launch and better demand. Though new orders and output rose at a modest pace, companies cut jobs for the first time in 20 months and reduced input buying. It remained above the 50-mark threshold that separates contraction from expansion.
- According to a private report, India's growth is expected to remain subdued in near future. The reason cited by the report is that the slowdown in the economy has deepened and could remain extended for a longer duration than previously anticipated.
- A major domestic credit rating agency has cut its growth forecast for the country for FY20 to 5.1% from an earlier estimate of 6.3%. This comes ahead of Reserve Bank of India's announcement on lending rates on Dec 5, 2019.
- The Comptroller and Auditor General (CAG) has said in a report that the Railways has recorded an operating ratio of 98.44% in 2017-18, which is the worst in the previous 10 years. Operating ratio is a measure of expenditure against revenue, it shows how efficiently the railway is operating and how healthy its finances are. An operating ratio of 98.44% means that the Railways spent Rs. 98.44 to earn Rs. 100.

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| FII Derivative Trade Statistics |           | 02-Dec    |           |  |
|---------------------------------|-----------|-----------|-----------|--|
| (Rs Cr)                         | Buy       | Sell      | Open Int. |  |
| Index Futures                   | 1945.84   | 3948.25   | 12376.46  |  |
| Index Options                   | 152148.43 | 150645.88 | 43878.47  |  |
| Stock Futures                   | 12436.29  | 12245.08  | 98029.55  |  |
| Stock Options                   | 4401.01   | 4330.20   | 1961.91   |  |
| Total                           | 170931.57 | 171169.41 | 156246.39 |  |

| Derivative Statistics- Nifty Options |        |          |        |
|--------------------------------------|--------|----------|--------|
|                                      | 02-Dec | Prev_Day | Change |
| Put Call Ratio (OI)                  | 1.44   | 1.54     | -0.09  |
| Put Call Ratio(Vol)                  | 1.01   | 1.03     | -0.02  |

| Debt Watch                 |        |         |          |          |
|----------------------------|--------|---------|----------|----------|
|                            | 02-Dec | Wk. Ago | Mth. Ago | Year Ago |
| Call Rate                  | 4.99%  | 5.04%   | 5.07%    | 6.41%    |
| T-Repo                     | 4.78%  | 5.00%   | 4.84%    | 6.30%    |
| Repo                       | 5.15%  | 5.15%   | 5.15%    | 6.50%    |
| Reverse Repo               | 4.90%  | 4.90%   | 4.90%    | 6.25%    |
| 91 Day T-Bill              | 4.88%  | 4.97%   | 5.01%    | 6.77%    |
| 364 Day T-Bill             | 5.09%  | 5.12%   | 5.24%    | 7.19%    |
| 10 Year Gilt               | 6.49%  | 6.47%   | 6.45%    | 7.61%    |
| G-Sec Vol. (Rs.Cr)         | 29517  | 30325   | 51700    | 38079    |
| FBIL MIBOR* <sup>[1]</sup> | 5.25%  | 5.25%   | 5.25%    | 6.55%    |
| 3 Month CP Rate            | 5.30%  | 5.45%   | 5.45%    | 7.75%    |
| 5 Year Corp Bond           | 7.45%  | 7.44%   | 7.43%    | 8.43%    |
| 1 Month CD Rate            | 4.91%  | 5.17%   | 4.91%    | 6.65%    |
| 3 Month CD Rate            | 5.01%  | 5.17%   | 5.38%    | 7.24%    |
| 1 Year CD Rate             | 5.77%  | 5.94%   | 5.56%    | 8.48%    |

| Currency Market |        |          |        |
|-----------------|--------|----------|--------|
| Currency        | 02-Dec | Prev_Day | Change |
| USD/INR         | 71.72  | 71.73    | 0.00   |
| GBP/INR         | 92.65  | 92.66    | -0.01  |
| EURO/INR        | 79.02  | 78.98    | 0.05   |
| JPY/INR         | 0.65   | 0.66     | 0.00   |

| Commodity Prices   |        |        |          |          |
|--------------------|--------|--------|----------|----------|
| Commodity          | 02-Dec | Wk Ago | Mth. Ago | Year Ago |
| NYMEX Crude(\$/b)  | 55.92  | 57.74  | 55.99    | 50.73    |
| Brent Crude(\$/bl) | 65.04  | 66.26  | 60.36    | 57.55    |
| Gold (\$/oz)       | 1462   | 1455   | 1514     | 1222     |
| Gold(Rs./10 gm)    | 37795  | 37862  | 38703    | 30240    |

Source: Thomson Reuters Eikon

\*As on previous trading day

[1] Data as on 29 Nov 2019

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**Derivatives Market**

- Nifty Dec 2019 Futures stood at 12,091.45, a premium of 43.25 points above the spot closing of 12,048.20. The turnover on NSE's Futures and Options segment rose to Rs. 8,16,662.27 crore on December 02, 2019, compared with Rs. 7,78,769.84 crore on November 29, 2019.
- The Put-Call ratio stood at 1 compared with the previous session's close of 0.99.
- The Nifty Put-Call ratio stood at 1.44 compared with the previous session's close of 1.54.
- Open interest on Nifty Futures stood at 14.07 million, compared with the previous session's close of 14.18 million.

**Indian Debt Market**

- Bond yields continued to rise as market participants resorted to profit booking following lower than expected economic growth numbers. The country's GDP came in at 4.5% for the Jul-Sep quarter against median forecast of 4.7%, thus dampening market sentiments.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) increased 2 bps to close at 6.49% compared with the previous close of 6.47% after trading in a range of 6.45% to 6.50%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,577 crore (gross) on Dec 2, 2019 compared with borrowings of Rs. 3,522 crore (gross) on Nov 29, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 20,484 crore on Nov 29, 2019.
- Banks borrowed Rs. 3,212 crore under the central bank's Marginal Standing Facility on Nov 29, 2019 compared with borrowings of Rs. 3,330 crore on Nov 28, 2019.

**Currency Market Update**

- The Indian rupee rose against the greenback following selling of the greenback by foreign banks. However, uncertainty over the possibility of a trade deal between U.S. and China capped the gains. The rupee closed at 71.65 a dollar, up 0.13% compared with the previous close 71.74.
- The euro rose against the greenback after the U.S. manufacturing sector weakened further in Nov 2019.

**Commodity Market Update**

- Gold prices fell following better-than-expected manufacturing data from China for Nov 2019.
- Brent crude prices fell after the U.S. President unexpectedly announced plans to reimpose tariffs on steel and aluminum from Argentina and Brazil.

**International News**

- An Institute for Supply Management report showed U.S. manufacturing activity contracted for the fourth straight month in Nov 2019 with the purchasing managers index edging down to 48.1 from 48.3 in Oct 2019.
- Survey data from the IHS Markit showed China's manufacturing activity expanded at a moderate pace in Nov 2019, the strongest growth since Dec 2016. The Caixin manufacturing Purchasing Managers' Index rose slightly to 51.8 from 51.7 in Oct 2019.
- According to final data from IHS Markit and Chartered Institute of Procurement & Supply, the U.K. headline factory Purchasing Managers' Index fell to 48.9 in Nov 2019 from 49.6 in Oct 2019.





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