



**Nippon *India* Mutual Fund**

Wealth sets you free

(Formerly Reliance Mutual Fund)

# Markets for You

06 Dec 2019

Good gets *better*

Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.

Indices Performance				
Global Indices	05-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
Russell 3000	1,372	1,371	1	0.10
Nasdaq	8,571	8,567	4	0.05
FTSE	7,138	7,189	-51	-0.70
Nikkei	23,300	23,135	165	0.71
Hang Seng	26,217	26,063	154	0.59
Indian Indices	05-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	40,780	40,850	-71	-0.17
Nifty 50	12,018	12,043	-25	-0.21
Nifty 100	12,127	12,161	-34	-0.28
Nifty 500	9,758	9,782	-25	-0.25
Nifty Bank	31,713	31,979	-266	-0.83
S&P BSE Power	1,887	1,899	-12	-0.62
S&P BSE Small Cap	13,455	13,453	2	0.02
S&P BSE HC	13,472	13,561	-89	-0.65

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
5-Dec	28.74	1.13	28.01	1.24
Month Ago	27.60	1.15	27.59	1.25
Year Ago	23.48	1.21	26.09	1.23

Nifty 50 Top 3 Gainers				
Company	05-Dec	Prev_Day	% Change <sup>#</sup>	
Zee Ente.	300	281	6.65	
TCS	2121	2079	2.06	
ITC	247	243	1.56	

Nifty 50 Top 3 Losers				
Company	05-Dec	Prev_Day	% Change <sup>#</sup>	
HCL Tech	561	1126	-50.16	
JSW Steel	251	260	-3.21	
Coal India	196	203	-3.13	

Advance Decline Ratio			
	BSE	NSE	
Advances	1118	791	
Declines	1367	1033	
Unchanged	188	133	

Institutional Flows (Equity)			
Description (Cr)	Inflow/Outflow	YTD	
FII Flows*	195	91676	
MF Flows**	809	52179	

\*5<sup>th</sup> Dec 2019; \*\*3<sup>rd</sup> Dec 2019

Economic Indicator			
YoY(%)	Current	Quarter Ago	Year Ago
CPI	4.62% (Oct-19)	3.15% (Jul-19)	3.38% (Oct-18)
IIP	-4.30% (Sep-19)	1.30% (Jun-19)	4.60% (Sep-18)
GDP	4.50% (Sep-19)	5.00% (Jun-19)	7.00% (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 04 Dec 2019

## Global Indices

- Asian equity markets gained after a news report showed U.S. and Chinese negotiators are closer to a mutual understanding on the quantum of tariffs to be rolled back in a phase one trade deal. The U.S. President said talks with China were going "very well." Today (as of Dec 06), Asian markets opened higher ahead of the release of U.S. nonfarm payrolls data for Nov 2019 later in the day. Both Nikkei and Hang Seng were trading up 0.30% and 0.68%, respectively (as at 8.a.m. IST).
- European markets closed lower as investors digested the release of U.S. economic data and an OPEC meeting. Markets also gauged U.S.-China trade developments for future cues.
- U.S. markets were up a tad as investors took stock of strong employment data while monitoring the latest developments in U.S.-China trade negotiations.

## Indian Equity Market

- Indian equity markets fell as the Reserve Bank of India (RBI) maintained interest rate status quo at its policy meet. Investors were expecting the central bank to cut rates by a minimum 25 basis points. RBI continued with its accommodative stance while cutting fiscal year 2019-20 growth forecast to 5% from 6.1%.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 0.17% and 0.21% to close at 40,779.59 and 12,018.40 respectively. S&P BSE MidCap lost 0.32% and S&P BSE SmallCap gained 0.02%.
- The overall market breadth on BSE was weak with 1,118 scrips advancing and 1,367 scrips declining. A total of 188 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE IT was the major gainer, up 1.03% followed by S&P BSE Consumer Durables, up 0.69% and S&P BSE Teck, up 0.65%. S&P BSE Telecom was the major loser, down 2.61% followed by S&P BSE Metal, down 2.39% and S&P BSE Basic Materials, down 1.17%.

## Domestic News

- The Monetary Policy Committee (MPC) kept key policy repo rate unchanged in its fifth bi-monthly monetary policy review. The policy repo rate thus presently stands at 5.15%. The reverse repo rate remains unchanged at 4.90% while the marginal standing facility rate and the bank rate remains at 5.40%. However, the MPC decided to continue with its accommodative stance on the monetary policy as long as it is necessary to revive growth, while ensuring that inflation remains within its medium-term target. All members of the MPC voted in favour of the decision.
- MPC decided to maintain status quo on its monetary policy in order to carefully monitor the incoming data and at the same time have some clarity on the inflation outlook of the country.
- MPC is of the view that retail inflation will go up in the near term. However, it expects inflation to moderate and come below its medium-term target by Q2FY21. According to the MPC, increase in vegetable prices and volatility in global financial markets are some of the factors that may lead to an increase in retail inflation. As a result, MPC raised its retail inflation projection to a range of 4.7% to 5.1% for H2FY20 from its earlier projection of 3.5% to 3.7%. Retail inflation for H1FY21 is projected at 3.8% to 4.0% compared to the earlier projection of 3.6% for Q1FY21.
- MPC warned that slowdown in global economic activity and geopolitical tensions may adversely impact the growth prospects of the Indian economy. MPC thus downgraded the real GDP growth projections of the Indian economy to 5.0% for FY20 from its earlier projection of 6.1%. The real GDP growth projection for H2FY20 was also downgraded to a range of 4.9% to 5.5% from its earlier projection of 6.6% to 7.2%. MPC projected the real GDP growth for H1FY21 at 5.9% to 6.3% as compared to its earlier projection of 7.2% for Q1FY21. However, the measures taken by the government over the past few months is expected to improve sentiment and improve domestic demand moving ahead.

Good gets better

FII Derivative Trade Statistics		05-Dec		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	2592.25	3328.38	13115.40	
Index Options	390665.97	391156.29	46370.65	
Stock Futures	12755.73	12362.53	95547.44	
Stock Options	4569.01	4524.38	2792.57	
Total	410582.96	411371.58	157826.06	

Derivative Statistics- Nifty Options			
	05-Dec	Prev_Day	Change
Put Call Ratio (OI)	1.35	1.44	-0.09
Put Call Ratio(Vol)	0.97	0.90	0.07

Debt Watch				
	05-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.03%	5.03%	5.04%	6.36%
T-Repo	4.76%	4.99%	4.89%	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	5.04%	4.98%	5.02%	6.71%
364 Day T-Bill	5.05%	5.12%	5.24%	7.15%
10 Year Gilt	6.61%	6.46%	6.52%	7.44%
G-Sec Vol. (Rs.Cr)	66858	48014	30893	85464
FBIL MIBOR <sup>[1]</sup>	5.19%	5.15%	5.25%	6.51%
3 Month CP Rate	5.50%	5.42%	5.45%	7.55%
5 Year Corp Bond	7.57%	7.45%	7.43%	8.35%
1 Month CD Rate	4.92%	5.12%	5.32%	6.67%
3 Month CD Rate	5.30%	5.17%	5.39%	7.29%
1 Year CD Rate	5.82%	5.90%	5.94%	8.25%

Currency Market			
Currency	05-Dec	Prev_Day	Change
USD/INR	71.55	71.78	-0.23
GBP/INR	93.81	93.27	0.54
EURO/INR	79.29	79.50	-0.21
JPY/INR	0.66	0.66	0.00

Commodity Prices				
Commodity	05-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	58.37	58.07	56.99	52.59
Brent Crude(\$/bl)	67.51	66.29	62.86	61.42
Gold( \$/oz)	1476	1458	1484	1237
Gold(Rs./10 gm)	38042	37771	38565	30855

Source: Thomson Reuters Eikon

[1] Data as on 04 Dec 2019

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**Derivatives Market**

- Nifty Dec 2019 Futures stood at 12,047.70, a premium of 29.30 points above the spot closing of 12,018.40. The turnover on NSE's Futures and Options segment rose to Rs. 30,97,946.67 crore on December 05, 2019, compared with Rs. 18,09,044.99 crore on December 04, 2019.
- The Put-Call ratio stood at 0.82 compared with the previous session's close of 0.93.
- The Nifty Put-Call ratio stood at 1.35 compared with the previous session's close of 1.44.
- Open interest on Nifty Futures stood at 13.68 million, compared with the previous session's close of 14.17 million.

**Indian Debt Market**

- Bond yields saw a steep surge following the Monetary Policy Committee's decision of no change in the key policy rate. This weighed on the market sentiment as investors were expecting a rate cut of 25 bps.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) rose 14 bps to close at 6.61% compared with the previous close of 6.47% after trading in a range of 6.46% to 6.62%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,577 crore (gross) on Dec 5, 2019 compared with borrowings of Rs. 3,482 crore (gross) on Dec 4, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 18,088 crore on Dec 4, 2019.
- Banks borrowed Rs. 3,950 crore under the central bank's Marginal Standing Facility on Dec 4, 2019 compared with borrowings of Rs. 6,310 crore on Dec 3, 2019.

**Currency Market Update**

- The Indian rupee in spot trade rose against the greenback on corporate dollar inflows. However, decision by the MPC to keep key policy repo rate unchanged capped amid concerns of an economic slowdown capped the gains.
- The euro rose against the U.S. dollar as the latter weakened on concerns of a slowdown in the U.S. economy following a recent slew of weaker-than-expected U.S. economic data.

**Commodity Market Update**

- Gold prices rose amid doubts over the possibility of a trade deal between U.S. and China.
- Brent crude prices rose on reports of a larger-than-expected 500,000 barrel a day production cut by OPEC+ for the first quarter of 2020.

**International News**

- A Labor Department report showed first-time claims for U.S. unemployment benefits in the week ended Nov 30, 2019, slipped to 203,000, a decrease of 10,000 from the previous week's 213,000.
- A Commerce Department report showed U.S. trade deficit narrowed in Oct 2019 to \$47.2 billion from \$51.1 billion in Sep 2019.
- Federal Statistical Office data showed Germany's manufacturing new orders fell 0.4% MoM following a 1.5% increase in Sep 2019.
- Data from Eurostat showed euro zone retail sales declined for the second straight month in Oct 2019. Retail sales decreased 0.6% MoM, bigger than the 0.2% fall in Sep 2019. This was the second consecutive decrease in sales.





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