



Nippon India Mutual Fund

Wealth sets you free

(Formerly Reliance Mutual Fund)

Markets for You

09 Dec 2019

Good gets *better*

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

Indices Performance				
Global Indices	06-Dec	Prev_Day	Abs. Change	% Change [#]
Russell 3000	1,384	1,372	12	0.88
Nasdaq	8,657	8,571	86	1.00
FTSE	7,240	7,138	102	1.43
Nikkei	23,354	23,300	54	0.23
Hang Seng	26,498	26,217	281	1.07
Indian Indices	06-Dec	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	40,445	40,780	-334	-0.82
Nifty 50	11,922	12,018	-97	-0.81
Nifty 100	12,025	12,127	-102	-0.84
Nifty 500	9,669	9,758	-88	-0.90
Nifty Bank	31,342	31,713	-371	-1.17
S&P BSE Power	1,865	1,887	-22	-1.16
S&P BSE Small Cap	13,339	13,455	-116	-0.86
S&P BSE HC	13,349	13,472	-124	-0.92

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
6-Dec	28.39	1.14	27.78	1.25
Month Ago	27.73	1.14	27.71	1.25
Year Ago	22.96	1.24	25.65	1.25

Nifty 50 Top 3 Gainers			
Company	06-Dec	Prev_Day	% Change [#]
Bharti Infratel	260	246	5.55
Kotak Bank	1674	1649	1.52
JSW Steel	254	251	1.05

Nifty 50 Top 3 Losers			
Company	06-Dec	Prev_Day	% Change [#]
Yes Bank	56	62	-9.82
SBI	320	336	-4.82
Zee Ente.	288	300	-4.12

Advance Decline Ratio		
	BSE	NSE
Advances	827	527
Declines	1702	1316
Unchanged	179	110

Institutional Flows (Equity)		
Description (Cr)	Inflow/Outflow	YTD
FII Flows*	437	92114
MF Flows**	809	52179

*6th Dec 2019; **3rd 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

Global Indices

- Asian equity markets were mostly higher as hopes arose that U.S. and China could arrive at a phase one trade deal before Dec 15. Fresh round of U.S. tariffs on Chinese imports are scheduled to start from Dec 15. Today (as of Dec 09), Asian markets opened mostly higher as China's exports declined in Nov 2019 for the fourth consecutive month, a media agency reported citing customs data. While Nikkei was trading up 0.26%, Hang Seng was down 0.10% (as at 8.a.m. IST).
- European markets closed higher as investors welcomed unexpectedly upbeat U.S. jobs data for Nov 2019. The data gave investors hope of an improving economy.
- U.S. markets gained as investors cheered upbeat jobs data. The quantum of increase in jobs for Nov 2019 exceeded expectations.

Indian Equity Market

- Indian equity markets fell on concerns over weakening domestic growth and rising inflationary risks. On Dec 5, 2019, the Reserve Bank of India (RBI) kept interest rates unchanged, defying expectations of 25 basis points cut. The central bank lowered its GDP growth forecast for FY20 to 5% from 6.1% and increased inflation projection from 4.7% to 5.1%.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 0.82% and 0.81% to close at 40,445.15 and 11,921.50 respectively. S&P BSE MidCap and S&P BSE SmallCap lost 1.26% and 0.86% respectively.
- The overall market breadth on BSE was weak with 827 scrips advancing and 1,702 scrips declining. A total of 180 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Telecom was the only gainer, up 0.21%. S&P BSE Auto was the major loser, down 1.78% followed by S&P BSE Finance, down 1.34% and S&P BSE Realty, down 1.33%.

Domestic News

- The Reserve Bank of India (RBI) tightened exposure norms for urban cooperative banks (UCBs). The objective of the move is to protect the interest of the depositors. Detail guidelines will be issued by the central bank shortly. RBI also mandated that urban cooperative banks with a loan book of more than Rs. 500 crore will report the details of their large exposures to the Central Repository for Information on Large Credit (CRILC). In addition, RBI also came out with a comprehensive cybersecurity framework for UCBs. The move is expected to improve the cybersecurity preparedness, enable UCBs to provide a wide variety of payment services and bring in higher penetration of information technology. Detail guidelines will be issued by Dec 31, 2019.
- RBI has decided to set up a self-regulatory body (SRB) for the development of secondary market for corporate loans. The SRB's responsibility would include standardizing documents and mandating the practices and covenants related to transactions in the secondary market for corporate loans.
- RBI issued final guidelines for 'on-tap' licensing of small finance banks (SFBs) where it doubled the minimum capital requirement to Rs. 200 crore from Rs. 100 crore set earlier. The central bank also took note of the inherent risk of small finance banks and mandated that such banks need to maintain a minimum capital adequacy ratio of 15% of its risk weighted assets on a continuous basis. RBI also made it mandatory for SFBs to get listed within three years after it reaches a networth of Rs. 500 crore. In addition, RBI has allowed payment banks to get themselves converted into SFBs after five years of operation provided they meet the eligibility criteria.
- RBI has proposed to introduce a new type of Pre-Paid Payment Instruments (PPI) which can be used only for purchase of goods and services up to a limit of Rs. 10,000 crore. Such PPIs can be used for making only digital payments such as bill payments, merchant payments, etc.

Good gets better

FII Derivative Trade Statistics		06-Dec	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	3108.65	3773.58	12803.05
Index Options	524452.99	523450.68	42029.66
Stock Futures	11112.56	11385.18	95156.41
Stock Options	3834.87	3854.93	2988.97
Total	542509.07	542464.37	152978.09

Derivative Statistics- Nifty Options			
	06-Dec	Prev_Day	Change
Put Call Ratio (OI)	1.25	1.35	-0.09
Put Call Ratio(Vol)	0.98	0.97	0.00

Debt Watch				
	06-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.05%	5.06%	5.07%	6.34%
T-Repo	4.89%	4.90%	4.93%	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	5.00%	4.85%	4.97%	6.67%
364 Day T-Bill	5.15%	5.11%	5.21%	7.08%
10 Year Gilt	6.67%	6.47%	6.49%	7.42%
G-Sec Vol. (Rs.Cr)	33491	36131	36458	78883
FBIL MIBOR	5.20%	5.25%	5.25%	6.50%
3 Month CP Rate	5.55%	5.30%	5.60%	7.35%
5 Year Corp Bond	7.62%	7.47%	7.42%	8.34%
1 Month CD Rate	4.98%	5.00%	5.38%	6.60%
3 Month CD Rate	5.14%	5.08%	5.14%	7.21%
1 Year CD Rate	5.93%	5.79%	5.92%	8.19%

Currency Market			
Currency	06-Dec	Prev_Day	Change
USD/INR	71.32	71.55	-0.23
GBP/INR	93.88	93.81	0.06
EURO/INR	79.19	79.29	-0.10
JPY/INR	0.66	0.66	0.00

Commodity Prices				
Commodity	06-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	59.15	58.07	56.10	51.49
Brent Crude(\$/bl)	68.34	66.34	62.25	57.85
Gold(\$/oz)	1460	1464	1490	1238
Gold(Rs./10 gm)	38032	37876	38304	30987

Source: Thomson Reuters Eikon

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Derivatives Market

- Nifty Dec 2019 Futures stood at 11,955.70, a premium of 34.20 points above the spot closing of 11,921.50. The turnover on NSE's Futures and Options segment fell to Rs. 10,03,596.87 crore on December 06, 2019, compared with Rs. 30,97,946.67 crore on December 05, 2019.
- The Put-Call ratio stood at 1 compared with the previous session's close of 0.82.
- The Nifty Put-Call ratio stood at 1.25 compared with the previous session's close of 1.35.
- Open interest on Nifty Futures stood at 13.99 million, compared with the previous session's close of 13.68 million.

Indian Debt Market

- Bond yields continued to rise tracking the outcome of the monetary policy meeting, where the rate-cutting panel kept the policy rate unchanged amid higher inflation. This also raised ambiguity over future rate cuts while dampening market sentiments.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) rose 6 bps to close at 6.67% compared with the previous close of 6.61% after trading in a range of 6.59% to 6.68%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,739 crore (gross) on Dec 6, 2019 compared with borrowings of Rs. 3,577 crore (gross) on Dec 5, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 25,045 crore on Dec 5, 2019.
- Banks borrowed Rs. 4,780 crore under the central bank's Marginal Standing Facility on Dec 5, 2019 compared with borrowings of Rs. 3,950 crore on Dec 4, 2019.

Currency Market Update

- The Indian rupee in spot trade rose against the greenback amid optimism over trade talks between U.S. and China. However, losses in the domestic equity market capped the gains. The rupee closed at 71.19 a dollar, up 0.13% compared with the previous close 71.28.
- The euro fell against the U.S. dollar after the U.S. nonfarm payroll employment data for Nov 2019 came better than market expectations.

Commodity Market Update

- Gold prices fell as the U.S. dollar strengthened after the U.S. nonfarm payroll employment data for Nov 2019 came better than market expectations.
- Brent crude prices rose after OPEC and its allies agreed to deepen oil production cuts through to March 2020.

International News

- A Labor Department report showed non-farm payroll employment surged up by 266,000 jobs in Nov 2019 after climbing 156,000 jobs in Oct 2019.
- Preliminary data by the University of Michigan showed consumer sentiment index climbed to 99.2 in Dec from the final Nov 2019 reading of 96.8.
- A Commerce Department report showed wholesale inventories in the U.S. crept up by slightly less than expected in Oct 2019 by 0.1% after falling 0.7% in Sep 2019.
- Federal Reserve report showed consumer credit in the U.S. increased by more than anticipated in Oct 2019 by \$18.9 billion after climbing \$9.6 billion in Sep 2019.





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