



**Nippon India Mutual Fund**

Wealth sets you free

(Formerly Reliance Mutual Fund)

# Markets for You

13 Dec 2019

Good gets *better*

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

Indices Performance				
Global Indices	12-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
Russell 3000	1,390	1,383	7	0.54
Nasdaq	8,717	8,654	63	0.73
FTSE	7,273	7,216	57	0.79
Nikkei	23,425	23,392	33	0.14
Hang Seng	26,994	26,645	349	1.31
Indian Indices	12-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	40,582	40,413	169	0.42
Nifty 50	11,972	11,910	62	0.52
Nifty 100	12,066	12,000	66	0.55
Nifty 500	9,691	9,636	55	0.57
Nifty Bank	31,665	31,257	409	1.31
S&P BSE Power	1,876	1,858	18	0.95
S&P BSE Small Cap	13,224	13,147	77	0.59
S&P BSE HC	13,368	13,279	90	0.67

P/E Dividend Yield					
Date	Sensex			Nifty	
	P/E	Div. Yield		P/E	Div. Yield
12-Dec	28.59	1.13		27.90	1.25
Month Ago	26.56	1.15		27.52	1.25
Year Ago	23.48	1.21		25.98	1.24

Nifty 50 Top 3 Gainers				
Company	12-Dec	Prev_Day	% Change <sup>#</sup>	
Tata Motors	173	162	7.14	
Yes Bank	45	43	5.96	
Vedanta Limited	144	139	3.97	

Nifty 50 Top 3 Losers				
Company	12-Dec	Prev_Day	% Change <sup>#</sup>	
Infosys	702	721	-2.63	
ONGC	126	128	-1.64	
HCL Tech	536	544	-1.37	

Advance Decline Ratio			
	BSE	NSE	
Advances	1369	1081	
Declines	1049	744	
Unchanged	174	134	

Institutional Flows (Equity)			
Description (Cr)	Inflow/Outflow	YTD	
FII Flows*	384	92975	
MF Flows**	809	52179	

\*12<sup>th</sup> Dec 2019; \*\*3<sup>rd</sup> Dec 2019

Economic Indicator			
YoY(%)	Current	Quarter Ago	Year Ago
CPI	5.54% (Nov-19)	3.28% (Aug-19)	2.33% (Nov-18)
IIP	-3.80% (Oct-19)	4.90% (Jul-19)	8.40% (Oct-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 11 Dec 2019

## Global Indices

- Asian equity markets were mixed as investors remained cautious ahead of a U.S.-China tariff deadline and the British election. Investors are expecting U.S. and China to reach an understanding so that the start of fresh tariffs on Chinese imports into the U.S. is delayed. Today (as of Dec 13), Asian markets opened higher on trade optimism as U.S. and China looked closer to signing a phase one deal. Both Nikkei and Hang Seng were trading up 2.28% and 1.85%, respectively (as at 8.a.m. IST).
- European markets ended higher on trade optimism after the U.S. President commented that the U.S. was "getting very close to a trade deal with China."
- U.S. markets gained on news reports showing that U.S. and China have agreed on a phase one trade deal in principle. This would mean the fresh set of tariffs scheduled to start from Dec 15, 2019, will be squashed.

## Indian Equity Market

- Indian equity markets gained after the U.S. Federal Reserve left interest rates unchanged and hinted there may not be any rate change throughout 2020. Investors also looked forward to the release of key domestic economic data, scheduled after market hours.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.42% and 0.52% to close at 40,581.71 and 11,971.80 respectively. S&P BSE MidCap and S&P BSE SmallCap gained 0.69% and 0.59% respectively.
- The overall market breadth on BSE was strong with 1,369 scrips advancing and 1,049 scrips declining. A total of 174 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Metal was the major gainer, up 2.41% followed by S&P BSE Industrials, up 1.47% and S&P BSE Auto, up 1.32%. S&P BSE IT was the major loser, down 1.53% followed by S&P BSE Teck, down 1.41% and S&P BSE Telecom, down 0.65%.

## Domestic News

- Consumer price index-based inflation rate increased to 5.54% in Nov 2019 from 4.62% in Oct 2019 and 2.33% in Nov 2018. The increase came on account of rising food prices and the figure is well above the Reserve Bank of India's medium target of 4%. Consumer Food Price Index increased to 10.01% in Nov 2019 from 7.89% in Oct 2019 and a decline of 2.61% in the same period of the previous year.
- Government data released showed Index of Industrial Production (IIP) shrunk 3.8% in Oct 2019 compared with 4.3% in Sep 2019. Manufacturing and electricity declined 2.1% and 12.2% in Oct 2019, respectively, while the mining sector contracted 8.0%. From Apr to Oct 2019, IIP growth eased to 0.5% YoY from 5.7% recorded in the corresponding period last year.
- A major global rating agency has said it will downgrade India's sovereign rating if the country's economic growth does not recover, media reports showed. The agency has maintained its lowest investment grade rating (BBB) for India. Anything below this could impact India's benchmark 10-year bond yields, the reports said.
- A major Japanese financial services company has said India's economy could grow at 4.3% in the Dec 2019 quarter, according to media reports. The expectation is due to concerns over crisis in the NBFC sector. The Japanese firm believes that the first quarter of 2020 will see a "weak" uptick in GDP growth at 4.7%.

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FII Derivative Trade Statistics		12-Dec	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	1692.59	1712.14	13863.97
Index Options	219600.75	219758.18	50916.43
Stock Futures	7792.59	8074.96	93876.12
Stock Options	3685.10	3658.14	3618.04
<b>Total</b>	<b>232771.03</b>	<b>233203.42</b>	<b>162274.56</b>

Derivative Statistics- Nifty Options			
	12-Dec	Prev_Day	Change
Put Call Ratio (OI)	1.37	1.21	0.17
Put Call Ratio(Vol)	1.03	0.84	0.19

Debt Watch				
	12-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	4.95%	5.03%	5.06%	6.52%
T-Repo	4.58%	4.76%	4.99%	6.56%
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%	5.04%	5.03%	6.69%
364 Day T-Bill	5.22%	5.05%	5.21%	7.00%
10 Year Gilt	6.78%	6.61%	6.57%	7.41%
G-Sec Vol. (Rs.Cr)	23326	66858	17969	72777
FBIL MIBOR <sup>[1]</sup>	5.19%	5.20%	5.25%	6.60%
3 Month CP Rate	5.35%	5.50%	5.55%	7.40%
5 Year Corp Bond	7.79%	7.57%	7.47%	8.35%
1 Month CD Rate	4.97%	4.92%	5.10%	7.02%
3 Month CD Rate	5.06%	5.30%	5.29%	6.97%
1 Year CD Rate	5.94%	5.82%	5.77%	8.25%

Currency Market			
Currency	12-Dec	Prev_Day	Change
USD/INR	70.75	70.87	-0.12
GBP/INR	93.47	93.10	0.36
EURO/INR	78.81	78.58	0.23
JPY/INR	0.65	0.65	0.00

Commodity Prices				
Commodity	12-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	59.13	58.37	56.62	50.99
Brent Crude(\$/bl)	68.51	67.51	62.28	59.96
Gold( \$/oz)	1469	1476	1457	1245
Gold(Rs./10 gm)	37763	38042	37993	31577

Source: Thomson Reuters Eikon

[1] Data as on 11 Dec 2019

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**Derivatives Market**

- Nifty Dec 2019 Futures stood at 12,028.65, a premium of 56.85 points above the spot closing of 11,971.80. The turnover on NSE's Futures and Options segment rose to Rs. 26,02,611.75 crore on December 12, 2019, compared with Rs. 13,31,137.91 crore on December 11, 2019.
- The Put-Call ratio stood at 0.76 compared with the previous session's close of 0.83.
- The Nifty Put-Call ratio stood at 1.37 compared with the previous session's close of 1.21.
- Open interest on Nifty Futures stood at 14.95 million, compared with the previous session's close of 14.3 million.

**Indian Debt Market**

- Bond yields continued to inch up as investors await the release of the country's inflation data. The market expects the inflation to come in higher. Besides, sentiments were also dampened by concerns over fiscal slippage.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) increased 1 bps to close at 6.78% compared with the previous close of 6.77% after trading in a range of 6.75% to 6.80%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,129 crore (gross) on Dec 12, 2019 compared with borrowings of Rs. 3,362 crore (gross) on Dec 11, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 17,292 crore on Dec 11, 2019.
- Banks borrowed Rs. 3,100 crore under the central bank's Marginal Standing Facility on Dec 11, 2019 compared with borrowings of Rs. 4,505 crore on Dec 10, 2019.

**Currency Market Update**

- The Indian rupee in spot trade inched up against the greenback following gains in the domestic equity market.
- The euro fell initially against the greenback after the European Central Bank continued with its ultra-easy monetary policy. However, most of the losses were neutralized amid reports that the U.S. has reached a deal in principle on trade with China which is pending approval from the U.S President.

**Commodity Market Update**

- Gold prices fell amid reports that the U.S. has reached a deal in principle on trade with China.
- Brent crude prices rose amid reports that the U.S. has reached a deal in principle on trade with China which is pending approval from the U.S President.

**International News**

- According to a Labor Department report, first-time claims for U.S. unemployment benefits jumped much more than expected in the week ended Dec 7, 2019. Initial jobless claims surged up to 252,000, an increase of 49,000 from the previous week's 203,000.
- A Labor Department report showed U.S. producer price index came in unchanged in Nov 2019 after climbing 0.4% in Oct 2019.
- The Cabinet Office said total value of core machine orders in Japan was down a seasonally adjusted 6.0% MoM in Oct 2019, coming in at 798.8 billion yen.
- Survey data from the Royal Institution of Chartered Surveyors showed U.K. house prices declined at the fastest pace since Apr 2019. The house price balance fell to -12 in Nov 2019 from -5 in Oct 2019.





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