

# Markets for You

16 Dec 2019

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## Indices Performance

Global Indices	13-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
Russell 3000	1,394	1,390	4	0.26
Nasdaq	8,735	8,717	18	0.20
FTSE	7,353	7,273	80	1.10
Nikkei	24,023	23,425	598	2.55
Hang Seng	27,688	26,994	694	2.57
Indian Indices	13-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	41,010	40,582	428	1.05
Nifty 50	12,087	11,972	115	0.96
Nifty 100	12,183	12,066	117	0.97
Nifty 500	9,784	9,691	92	0.95
Nifty Bank	32,014	31,665	349	1.10
S&P BSE Power	1,889	1,876	13	0.71
S&P BSE Small Cap	13,333	13,224	109	0.82
S&P BSE HC	13,376	13,368	8	0.06

## P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
13-Dec	28.78	1.13	28.17	1.24
Month Ago	26.38	1.16	27.31	1.26
Year Ago	23.64	1.21	26.11	1.23

## Nifty 50 Top 3 Gainers

Company	13-Dec	Prev_Day	% Change <sup>#</sup>
Axis Bank	752	722	4.14
Vedanta Limited	149	144	3.75
Hindalco	208	201	3.38

## Nifty 50 Top 3 Losers

Company	13-Dec	Prev_Day	% Change <sup>#</sup>
Dr.Reddy	2822	2906	-2.90
Bharti Airtel	428	439	-2.47
Zee Ente.	280	284	-1.62

## Advance Decline Ratio

	BSE	NSE
Advances	1552	1197
Declines	985	629
Unchanged	166	130

## Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-615	92360
MF Flows**	586	55417

\*13<sup>th</sup> Dec 2019; \*\*11<sup>th</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

## Global Indices

- Asian equity markets gained on trade optimism. News reports showed China saying it is committed to resolving trade issues. Also, British Prime Minister's party came out as clear winners in the elections and claimed a majority in Parliament. Today (as of Dec 16), Asian markets opened on a mixed note despite renewed optimism that U.S. and China have reached phase one agreement. However, Nikkei and Hangseng were trading down 0.11% and 0.59%, respectively (as at 8.a.m. IST).
- European markets gained as media reports showed the U.S. and China have brokered a phase one deal. The U.K. Prime Minister winning comfortably in the elections also boosted sentiment. The victory gives the Prime Minister the power to fructify his Brexit deal before the Jan 31, 2020, deadline.
- U.S. markets went up a tad as U.S. and China striking a phase one trade deal boosted sentiment, but investors expected more out of the pact. The trade deal involves rolling back of some of the China tariffs and stopping extra levies, which were set to take effect on Dec 15, 2019. In turn, China has agreed to significant purchases of U.S. agricultural products, though media reports said the amount is below what U.S. wanted.

## Indian Equity Market

- Indian equity markets gained on trade optimism as reports showed U.S. and China have signed an in-principle phase one deal. Expectations of a clear victory in U.K. elections also boosted sentiment. The strong global cues overshadowed weak domestic inflation and industrial output data.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 1.05% and 0.96% to close at 41,009.71 and 12,086.70 respectively. S&P BSE MidCap and S&P BSE SmallCap gained 0.92% and 0.82%, respectively.
- The overall market breadth on BSE was strong with 1,552 scrips advancing and 985 scrips declining. A total of 166 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Metal was the major gainer, up 2.3% followed by S&P BSE Realty, up 1.72% and S&P BSE IT, up 1.68%. S&P BSE Telecom was the only loser, down 1.6%.

## Domestic News

- Government data showed that India's trade deficit narrowed to \$12.12 billion in Nov 2019 from \$17.58 billion in the same period of the previous year. India's trade deficit narrowed as imports fell 12.71% to \$38.11 billion in Nov 2019 while exports came down at a comparatively slower rate of 0.34% to \$25.98 billion in the same month. Oil imports fell 18.17% to \$11.06 billion in Nov 2019 from \$13.52 billion in the year-ago period.
- The chief economic adviser said the government has achieved Rs. 3.38 trillion or 66% of the budgeted capital expenditure (capex) in for 2019-20, media reports showed. Key infrastructure ministries—railways and highways—will spend Rs. 2.46 trillion by Dec 31, 2019. Apart from this, 32 public sector companies have undertaken capex of Rs. 98,000 crore, he said.
- The finance minister has denied reports that the government could increase GST rates. Reports had been doing the rounds that the GST Council, which meets on Dec 18, 2019, could take up the matter of hike in rates as the shortfall has impacted the revenue target of the government.
- The chief economic advisor said the proof of government's measures to boost investment can be seen in the record foreign direct investment inflows with \$35 billion in the first half of 2019-20 compared with \$32 billion during the year-ago period.

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FII Derivative Trade Statistics		13-Dec		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	3087.17	2367.59	14098.40	
Index Options	357627.28	357125.53	49015.73	
Stock Futures	12697.23	12761.57	94193.65	
Stock Options	3445.75	3402.55	3696.88	
Total	376857.43	375657.24	161004.66	

Derivative Statistics- Nifty Options			
	13-Dec	Prev_Day	Change
Put Call Ratio (OI)	1.63	1.37	0.26
Put Call Ratio(Vol)	0.89	1.03	-0.14

Debt Watch				
	13-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	4.97%	5.05%	5.09%	6.41%
T-Repo	4.78%	4.89%	4.91%	6.44%
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%	5.00%	5.04%	6.66%
364 Day T-Bill	5.24%	5.15%	5.21%	7.02%
10 Year Gilt	6.79%	6.67%	6.53%	7.41%
G-Sec Vol. (Rs.Cr)	30233	33491	30001	73572
FBIL MIBOR	5.15%	5.20%	5.25%	6.60%
3 Month CP Rate	5.37%	5.55%	5.50%	7.20%
5 Year Corp Bond	7.92%	7.62%	7.41%	8.32%
1 Month CD Rate	4.91%	4.98%	5.04%	7.01%
3 Month CD Rate	5.06%	5.14%	5.32%	7.17%
1 Year CD Rate	5.82%	5.93%	5.79%	8.21%

Currency Market			
Currency	13-Dec	Prev_Day	Change
USD/INR	70.72	70.75	-0.03
GBP/INR	95.28	93.47	1.81
EURO/INR	78.97	78.81	0.16
JPY/INR	0.65	0.65	-0.01

Commodity Prices				
Commodity	13-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	60.06	59.15	56.83	52.64
Brent Crude(\$/bl)	69.28	68.34	62.41	58.97
Gold( \$/oz)	1476	1460	1463	1242
Gold(Rs./10 gm)	37691	38032	38205	31410

Source: Thomson Reuters Eikon

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### Derivatives Market

- Nifty Dec 2019 Futures stood at 12,142.35, a premium of 55.65 points above the spot closing of 12,086.70. The turnover on NSE's Futures and Options segment fell to Rs. 8,79,128.57 crore on December 13, 2019, compared with Rs. 26,02,611.75 crore on December 12, 2019.
- The Put-Call ratio stood at 0.75 compared with the previous session's close of 0.76.
- The Nifty Put-Call ratio stood at 1.63 compared with the previous session's close of 1.37.
- Open interest on Nifty Futures stood at 15.27 million, compared with the previous session's close of 14.95 million.

### Indian Debt Market

- Bond yields continued to inch up for the third consecutive session after higher-than-anticipated rise in consumer inflation, which demised expectations on monetary easing. Besides, sentiments were also dampened by concerns over fiscal slippage and warning from a global credit rating agency.
- 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 6.76% to 6.84%.
- RBI conducted auction of 6.18% GS 2024, 7.57% GS 2033, 7.69% GS 2043 and 7.72% GS 2049 for notified amount of Rs. 16,000 crore. The cut-off price was in the range of Rs. 98.06/6.6496%, 102.04/7.3294%, 103.46/7.3778% and 104.45/7.3488%, respectively.
- Banks borrowed Rs. 5,800 crore under the central bank's Marginal Standing Facility on Dec 12, 2019 compared with borrowings of Rs. 3,100 crore on Dec 11, 2019.

### Currency Market Update

- The Indian rupee in spot trade inched up against the greenback following gains in the domestic equity market and growing optimism over a trade deal between U.S. and China.
- The euro rose initially against the greenback following the announcement of an initial China-U.S. trade deal. However, the trend reversed as no specific details were offered regarding the trade deal.

### Commodity Market Update

- Gold prices grew following media reports that U.S. and China have given little indication of conclusive de-escalation of their trade war.
- Brent crude prices grew on large win of the U.K's Prime Minister in the U.K. general election.

### International News

- A Commerce Department report showed retail sales in the U.S. rose by far less than expected in Nov 2019. Retail sales edged up 0.2% in Nov after climbing 0.4% in Oct 2019.
- A Labor Department report showed U.S. import prices increased in line with estimates in Nov 2019. Import prices rose 0.2% in Nov after falling 0.5% in Oct 2019.
- A Commerce Department report showed business inventories in the U.S. rose 0.2% in Oct after edging down 0.1% in Sep 2019.
- Federal Statistical Office showed Germany's wholesale price inflation fell the most in three-and-a-half years in Nov 2019. The wholesale price index declined 2.5% YoY, which was the strongest fall since May 2016, when it decreased 2.8%.



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