

# Markets for You

17 Dec 2019

Good gets *better*

Indices Performance				
Global Indices	16-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
Russell 3000	1,405	1,394	11	0.80
Nasdaq	8,814	8,735	79	0.91
FTSE	7,519	7,353	166	2.25
Nikkei	23,952	24,023	-71	-0.29
Hang Seng	27,508	27,688	-180	-0.65
Indian Indices	16-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	40,939	41,010	-71	-0.17
Nifty 50	12,054	12,087	-33	-0.27
Nifty 100	12,145	12,183	-38	-0.31
Nifty 500	9,753	9,784	-31	-0.31
Nifty Bank	31,974	32,014	-40	-0.13
S&P BSE Power	1,889	1,889	0	-0.01
S&P BSE Small Cap	13,306	13,333	-27	-0.20
S&P BSE HC	13,380	13,376	4	0.03

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
16-Dec	28.64	1.13	28.09	1.24
Month Ago	26.77	1.14	27.32	1.26
Year Ago	23.47	1.22	26.14	1.23

Nifty 50 Top 3 Gainers			
Company	16-Dec	Prev_Day	% Change <sup>#</sup>
TCS	2127	2071	2.68
HCL Tech	552	543	1.67
Tech Mahindra	773	762	1.50

Nifty 50 Top 3 Losers			
Company	16-Dec	Prev_Day	% Change <sup>#</sup>
Grasim Indus	763	782	-2.45
Adani Ports & SEZ	368	377	-2.28
ITC	237	242	-1.95

Advance Decline Ratio			
	BSE	NSE	
Advances	1124	831	
Declines	1366	1035	
Unchanged	212	109	

Institutional Flows (Equity)		
Description (Cr)	Inflow/Outflow	YTD
FII Flows*	117	92478
MF Flows**	573	57021

\*16<sup>th</sup> Dec 2019; \*\*13<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

[1] Data as on 13 Dec 2019

### Global Indices

- Asian equity markets were mixed despite the U.S. and China signing a phase one agreement and release of key Chinese data that beat forecasts. Chinese industrial production and retail sales increased at the fastest pace in five months in Nov 2019. Today (as of Dec 17), Asian markets opened higher on trade optimism as U.S. and China signed a phase one deal. Both Nikkei and Hang Seng were trading up 0.32% and 0.45%, respectively (as at 8.a.m. IST).
- European markets ended higher on trade optimism after the U.S. and China entered a phase one trade deal. Investors have now become hopeful of a long-term solution to the problem.
- U.S. markets gained on optimism around the U.S.-China phase one pact. The trade dispute has been stalling global growth and spreading uncertainty, and now that some progress has been made towards resolving it, markets are rejoicing.

### Indian Equity Market

- Indian equity markets fell despite touching record highs during the session. The momentum was lost when government data showed wholesale inflation increased in Nov 2019. Inflation has been breaching the Reserve Bank of India's mid-term target of 4% in the past few months.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 0.17% and 0.27% to close at 40,938.72 and 12,053.95 respectively. S&P BSE MidCap and S&P BSE SmallCap lost 0.46% and 0.2% respectively.
- The overall market breadth on BSE was weak with 1,124 scrips advancing and 1,366 scrips declining. A total of 212 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Telecom was the major gainer, up 3.63%, followed by S&P BSE Auto and S&P BSE Teck, which gained 1.07% and 0.91%, respectively. S&P BSE Consumer Discretionary Goods & Services and S&P BSE Consumer Durables gained 0.82% and 0.79%, respectively. S&P BSE Metal was the major loser, down 1.95%, followed by S&P BSE Power and S&P BSE Utilities, down 1.3% and 1.03%, respectively. S&P BSE Oil & Gas and S&P BSE Realty lost 0.86% and 0.82%, respectively.

### Domestic News

- Government data showed that India's Wholesale Price Index (WPI) based inflation increased to 0.58% in Nov 2019 from 0.16% in Oct 2019 and from 4.47% during the same month of the previous year. The WPI Food Index grew from 7.65% in Oct to 9.02% in Nov. Food inflation increased to 11.08% in Nov from 9.8% in Oct because of rise in price of onions.
- International Monetary Fund chief economist has said the government should undertake structural reforms such as bank clean-up and labour reforms to address the slowdown in domestic demand.
- The government has released about Rs. 35,000 crore to states and Union Territories as pending compensation under GST. The GST Council is going to meet on Dec 18, 2019. The Central Board of Indirect Taxes and Customs said the government has released GST compensation of Rs. 35,298 crore to States and Union Territories.
- The Reserve Bank of India's (RBI) governor has said there is space for further rate cuts and the central bank will use it when required after studying growth and inflation data. The monetary policy committee held rates steady after trimming the key interest rate by 135 basis points since the beginning of the current rate reduction cycle in Feb 2019.

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FII Derivative Trade Statistics			
	16-Dec		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	3608.08	2564.26	13873.67
Index Options	150922.56	150748.98	53587.31
Stock Futures	13232.37	12971.04	95407.22
Stock Options	5499.01	5496.75	3774.85
Total	173262.02	171781.03	166643.05

Derivative Statistics- Nifty Options			
	16-Dec	Prev_Day	Change
Put Call Ratio (OI)	1.43	1.63	-0.19
Put Call Ratio(Vol)	0.92	0.89	0.03

Debt Watch				
	16-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.08%	5.01%	5.09%	6.41%
T-Repo	4.91%	4.90%	4.92%	6.26%
Repo	5.15%	5.15%	5.15%	6.50%
Reverse Repo	4.90%	4.90%	4.90%	6.25%
91 Day T-Bill	5.02%	5.01%	5.04%	6.64%
364 Day T-Bill	5.11%	5.15%	5.20%	7.00%
10 Year Gilt	6.80%	6.67%	6.52%	7.44%
G-Sec Vol. (Rs.Cr)	19855	23254	35660	73572
FBIL MIBOR <sup>[1]</sup>	5.15%	5.20%	5.25%	6.55%
3 Month CP Rate	5.37%	5.45%	5.50%	7.20%
5 Year Corp Bond	7.93%	7.63%	7.50%	8.33%
1 Month CD Rate	5.07%	4.91%	5.03%	6.95%
3 Month CD Rate	5.07%	5.07%	5.15%	7.05%
1 Year CD Rate	5.80%	5.80%	5.92%	8.17%

Currency Market			
Currency	16-Dec	Prev_Day	Change
USD/INR	70.94	70.72	0.22
GBP/INR	94.96	95.28	-0.31
EURO/INR	79.01	78.97	0.03
JPY/INR	0.65	0.65	0.00

Commodity Prices				
Commodity	16-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/b)	60.16	58.94	57.49	51.21
Brent Crude(\$/bl)	69.88	68.28	63.46	58.50
Gold(\$/oz)	1476	1462	1467	1238
Gold(Rs./10 gm)	37891	37650	38096	31374

Source: Thomson Reuters Eikon

[1] Data as on 13 Dec 2019

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**Derivatives Market**

- Nifty Dec 2019 Futures stood at 12,082.55, a premium of 28.60 points above the spot closing of 12,053.95. The turnover on NSE's Futures and Options segment fell to Rs. 8,62,838.46 crore on December 16, 2019, compared with Rs. 8,79,128.57 crore on December 13, 2019.
- The Put-Call ratio stood at 0.93 compared with the previous session's close of 0.75.
- The Nifty Put-Call ratio stood at 1.43 compared with the previous session's close of 1.63.
- Open interest on Nifty Futures stood at 14.86 million, compared with the previous session's close of 15.27 million.

**Indian Debt Market**

- Bond yields continued to inch up as the market awaits to gain further clarity on development of the government's fiscal situation. The higher-than-anticipated rise in consumer inflation also kept the sentiment under pressure.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) increased 2 bps to close at 6.80% compared with the previous close of 6.78% after trading in a range of 6.76% to 6.80%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 4,119 crore (gross) on Dec 16, 2019 compared with borrowings of Rs. 3,322 crore (gross) on Dec 13, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 34,654 crore on Dec 13, 2019.
- Banks borrowed Rs. 3,600 crore under the central bank's Marginal Standing Facility on Dec 13, 2019 compared with borrowings of Rs. 5,800 crore on Dec 12, 2019.

**Currency Market Update**

- The Indian rupee in spot trade weakened against the greenback following losses in the domestic equity market as market participants awaited details of a preliminary trade deal between the U.S. and China.
- The euro rose against the greenback following a phase one trade deal between U.S. and China. However, market participants awaited further details on the U.S.-China trade agreement which capped the gains.

**Commodity Market Update**

- Gold prices were almost steady as market participants awaited details of a preliminary trade deal between the U.S. and China.
- Brent crude prices rose following upbeat economic data from China for 2019

**International News**

- A National Association of Home Builders report showed a substantial improvement in U.S. homebuilder confidence in Dec 2019. The report said the NAHB/Wells Fargo Housing Market Index spiked to 76 in Dec from 71 in Nov 2019.
- A Federal Reserve Bank of New York report showed New York manufacturing activity has grown at a slightly faster rate in Dec 2019 with the general business conditions index inching up to 3.5 in from 2.9 in Nov 2019.
- Flash survey results from IHS Markit and the Chartered Institute of Procurement & Supply showed U.K. private sector contracted the most since mid-2016 as the composite output index fell to 48.5 in Dec 2019 from 49.3 in Nov 2019.



**Thank you for  
your time.**

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