

# Markets for You

18 Dec 2019

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**Indices Performance**

Global Indices	17-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
Russell 3000	1,405	1,405	0	-0.02
Nasdaq	8,823	8,814	9	0.10
FTSE	7,525	7,519	6	0.08
Nikkei	24,066	23,952	114	0.48
Hang Seng	27,844	27,508	336	1.22
Indian Indices	17-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	41,352	40,939	413	1.01
Nifty 50	12,165	12,054	111	0.92
Nifty 100	12,249	12,145	104	0.86
Nifty 500	9,831	9,753	78	0.80
Nifty Bank	32,140	31,974	166	0.52
S&P BSE Power	1,902	1,889	14	0.72
S&P BSE Small Cap	13,394	13,306	88	0.66
S&P BSE HC	13,355	13,380	-25	-0.19

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
17-Dec	28.91	1.12	28.35	1.23
Month Ago	26.77	1.14	27.32	1.26
Year Ago	23.78	1.20	26.34	1.22

**Nifty 50 Top 3 Gainers**

Company	17-Dec	Prev_Day	% Change <sup>#</sup>
Tata Steel	439	421	4.37
Bharti Airtel	440	422	4.29
Vedanta Limited	152	147	3.53

**Nifty 50 Top 3 Losers**

Company	17-Dec	Prev_Day	% Change <sup>#</sup>
Sun Pharma	429	435	-1.40
GAIL	120	121	-1.16
Titan Industries Limited	1157	1166	-0.71

**Advance Decline Ratio**

	BSE	NSE
Advances	1439	1073
Declines	1077	755
Unchanged	189	133

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	870	93347
MF Flows**	573	57021

\*17<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 16 Dec 2019

**Global Indices**

- Asian equity markets were mostly higher as trade worries and Brexit uncertainty continued to fade following the phase one U.S.-China deal and the U.K. elections. Today (as of Dec 18), Asian markets opened lower on Brexit worries as the U.K. Prime Minister stated they would go for a hard Brexit if its conditions are not fulfilled by the European Union by 2020. Both Nikkei and Hang Seng was trading down 0.29% and 0.06%, respectively (as at 8.a.m. IST).
- European markets ended lower as investors became a little cautious after the recent rally supported by U.S.-China trade deal. Also, the U.K. Prime Minister's overhauled threats of a hard or no-deal Brexit if the European Union does not agree a with free trade agreement by the end of 2020 made investors anxious.
- U.S. markets gained as the bourses are still riding high on preliminary trade pact between U.S. and China. Upbeat corporate news also supported sentiment.

**Indian Equity Market**

- Indian equity markets gained on the back of strong global cues in the aftermath of U.S. and China signing a phase one deal. Also, news reports showed that the U.K. Prime Minister could change the law to guarantee the Brexit transition phase is not stretched beyond the end of 2020.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 1.01% and 0.92% to close at 41,352.17 and 12,165.00 respectively. S&P BSE MidCap and S&P BSE SmallCap gained 0.38% and 0.66% respectively.
- The overall market breadth on BSE was strong with 1,439 scrips advancing and 1,077 scrips declining. A total of 189 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Telecom was the major gainer, up 3.28% followed by S&P BSE Metal, up 3.02% and S&P BSE Teck, up 1.87%. S&P BSE Consumer Durables was the major loser, down 0.68% followed by S&P BSE Healthcare, down 0.19% and S&P BSE Realty, down 0.18%.

**Domestic News**

- According to media reports, India's banks could see \$7.6 billion earnings in Dec 2019 because the bankruptcy court has made fast progress in clearing a backlog of large cases. The banks are expected to benefit from the recovery process from four failed companies that could be completed in Dec.
- The government has started consultations with the country's top 25 corporate houses and banks to assess their investment plan and try and resolve issues that they may be facing in their plans to expand operations, media reports showed. The initiative has been undertaken by the commerce and industry minister under the Project Management Cell (PMC).
- According to a report, the total size of retail loan book of Indian banks could double to Rs. 96 trillion in five years. The total size of retail loan book stood at Rs. 22 trillion in FY14 and at Rs. 48 trillion in FY19. The growth will be supported by increased demand for private consumption, such as home, car, consumer durables, credit cards, etc, willingness of consumers to take loans, increased availability of various consumer data, improved usage of data analytics and regulatory initiatives.
- The government could fall short in gross tax revenue (GTR) growth over the next five years and it could be much less than that estimated in the budget. The government had earlier estimated GTR for FY20 to be Rs. 25.52 lakh crore but based on provisional accounts for FY19, it could be Rs. 23.61 lakh crore. It calculated that the shortfall could range between Rs. 2.16 lakh crore in FY21 to Rs. 3.70 lakh crore in FY25, according to media reports.

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FII Derivative Trade Statistics			
(Rs Cr)	17-Dec		
	Buy	Sell	Open Int.
Index Futures	1874.59	2471.26	13323.31
Index Options	147360.40	147103.77	51338.11
Stock Futures	10313.96	10566.89	94794.92
Stock Options	3706.98	3843.40	3816.08
Total	163255.93	163985.32	163272.42

Derivative Statistics- Nifty Options			
	17-Dec	Prev_Day	Change
Put Call Ratio (OI)	1.67	1.43	0.24
Put Call Ratio(Vol)	0.96	0.92	0.04

Debt Watch				
	17-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.06%	5.00%	5.09%	6.51%
T-Repo	4.90%	4.75%	4.92%	6.41%
Repo	5.15%	4.85%	5.15%	6.50%
Reverse Repo	4.90%	4.90%	4.90%	6.25%
91 Day T-Bill	5.00%	5.00%	5.04%	6.60%
364 Day T-Bill	5.22%	5.18%	5.20%	7.05%
10 Year Gilt	6.75%	6.71%	6.52%	7.46%
G-Sec Vol. (Rs.Cr)	32403	38431	35660	25648
FBIL MIBOR <sup>[1]</sup>	5.24%	5.19%	5.25%	6.55%
3 Month CP Rate	5.40%	5.40%	5.50%	7.15%
5 Year Corp Bond	7.86%	7.67%	7.50%	8.32%
1 Month CD Rate	5.05%	4.97%	5.03%	6.99%
3 Month CD Rate	5.09%	5.12%	5.15%	7.09%
1 Year CD Rate	5.82%	5.86%	5.92%	8.28%

Currency Market			
Currency	17-Dec	Prev_Day	Change
USD/INR	70.97	70.94	0.03
GBP/INR	94.22	94.96	-0.74
EURO/INR	79.10	79.01	0.09
JPY/INR	0.65	0.65	0.00

Commodity Prices				
Commodity	17-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	60.83	59.17	57.49	49.75
Brent Crude(\$/bl)	70.83	68.41	63.46	57.53
Gold(\$/oz)	1476	1464	1467	1246
Gold(Rs./10 gm)	37936	37590	38096	31287

Source: Thomson Reuters Eikon

[1] Data as on 16 Dec 2019

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**Derivatives Market**

- Nifty Dec 2019 Futures stood at 12,187.15, a premium of 22.15 points above the spot closing of 12,165.00. The turnover on NSE's Futures and Options segment rose to Rs. 9,99,956.44 crore on December 17, 2019, compared with Rs. 8,62,838.46 crore on December 16, 2019.
- The Put-Call ratio stood at 0.9 compared with the previous session's close of 0.93.
- The Nifty Put-Call ratio stood at 1.67 compared with the previous session's close of 1.43.
- Open interest on Nifty Futures stood at 15.36 million, compared with the previous session's close of 14.86 million.

**Indian Debt Market**

- Bond yields increased as some market participants resorted to buying notes to capitalize on the recent jump in yields, even as fiscal slippage concerns linger.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) lowered 5 bps to close at 6.75% compared with the previous close of 6.80% after trading in a range of 6.75% to 6.81%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,144 crore (gross) on Dec 17, 2019 compared with borrowings of Rs. 4,119 crore (gross) on Dec 16, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 30,462 crore on Dec 16, 2019.
- Banks borrowed Rs. 7,652 crore under the central bank's Marginal Standing Facility on Dec 16, 2019 compared with borrowings of Rs. 3,600 crore on Dec 13, 2019.

**Currency Market Update**

- The Indian rupee in spot trade rose against the greenback following gains in the domestic equity market. However, intervention by the Reserve Bank of India neutralized most of the gains.
- The euro rose against the greenback following a phase one trade deal between U.S. and China. However, renewed uncertainty over Brexit capped the gains.

**Commodity Market Update**

- Gold prices inched up as its safe haven appeal improved on renewed uncertainty over Brexit and lingering doubts on the trade deal between U.S. and China.
- Brent crude prices surged on optimism over the trade deal between U.S. and China.

**International News**

- Commerce Department data showed U.S. housing starts surged up 3.2% to an annual rate of 1.365 million in Nov 2019 after spiking 4.5% to 1.323 million in Oct 2019.
- A Federal Reserve report showed U.S. industrial production rebounded 1.1% in Nov 2019 after tumbling by 0.9% in Oct 2019.
- Data from the Office for National Statistics showed U.K. job vacancies declined sharply and average wage growth eased slightly, but the unemployment rate remained unchanged.
- Data from Eurostat showed euro area trade surplus increased in Oct 2019 as exports advanced from the previous month amid a fall in imports. The trade surplus increased to a seasonally adjusted EUR 24.5 billion from EUR 18.7 billion in Sep 2019.


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