

Markets for You

19 Dec 2019

Good gets *better*

Indices Performance				
Global Indices	18-Dec	Prev_Day	Abs. Change	% Change [#]
Russell 3000	1,406	1,405	1	0.07
Nasdaq	8,828	8,823	4	0.05
FTSE	7,541	7,525	15	0.21
Nikkei	23,934	24,066	-132	-0.55
Hang Seng	27,884	27,844	41	0.15
Indian Indices	18-Dec	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	41,559	41,352	206	0.50
Nifty 50	12,222	12,165	57	0.47
Nifty 100	12,304	12,249	55	0.45
Nifty 500	9,865	9,831	33	0.34
Nifty Bank	32,244	32,140	104	0.32
S&P BSE Power	1,889	1,902	-13	-0.71
S&P BSE Small Cap	13,387	13,394	-7	-0.05
S&P BSE HC	13,446	13,355	92	0.69

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
18-Dec	29.11	1.11	28.48	1.22
Month Ago	28.03	1.15	27.29	1.26
Year Ago	24.09	1.18	26.39	1.22

Nifty 50 Top 3 Gainers				
Company	18-Dec	Prev_Day	% Change [#]	
M&M	523	506	3.32	
Sun Pharma	440	429	2.49	
JSW Steel	264	259	2.10	

Nifty 50 Top 3 Losers				
Company	18-Dec	Prev_Day	% Change [#]	
Tata Motors	175	180	-3.00	
GAIL	117	120	-2.05	
Grasim Indus	754	769	-1.90	

Advance Decline Ratio				
			BSE	NSE
Advances			1184	856
Declines			1317	966
Unchanged			202	133

Institutional Flows (Equity)			
Description (Cr)	Inflow/Outflow		YTD
FII Flows*	1213		94560
MF Flows**	573		57021

*18th Dec 2019; **13th 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 17 Dec 2019

Global Indices

- Asian equity markets were mixed over concerns about the possibility of a no-deal Brexit and data showed Japanese exports declined for the 12th straight month in Nov 2019. The Japanese data has raised fears of a contraction in the fourth quarter. Today (as of Dec 19), Asian markets opened lower as investors awaited Bank of Japan's interest rate decision at its meeting. Nikkei was trading down 0.09% and Hang Seng was up 0.08% (as at 8.a.m. IST).
- European markets were mixed as investor became cautious of U.K. Prime Minister's resolve to block an extension of European Union trade talks beyond 2020. This has raised fears of a no-deal or hard Brexit.
- U.S. markets were mostly subdued because of a poor earnings report of a shipping behemoth. However, optimism over trade deal between U.S. and China restricted further losses.

Indian Equity Market

- Indian equity markets yet again touched all-time highs, bolstered by the U.S.-China trade deal. Investors looked forward to the GST Council's meeting, scheduled after market hours. The Reserve Bank of India governor's recent comments that there is scope for reducing interest rates further after taking into consideration growth and inflation data, supported sentiment.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.5% and 0.47% to close at 41,558.57 and 12,221.65 respectively. S&P BSE MidCap and S&P BSE SmallCap lost 0.19% and 0.05% respectively.
- The overall market breadth on BSE was weak with 1,184 scrips advancing and 1,317 scrips declining. A total of 202 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Metal was the major gainer, up 0.84% followed by S&P BSE Healthcare, up 0.69% and S&P BSE Realty, up 0.65%. S&P BSE Utilities was the major loser, down 0.84% followed by S&P BSE Power, down 0.71% and S&P BSE Telecom, down 0.49%.

Domestic News

- Media reports showed the GST Council in its 38th meeting decided to leave rates unchanged. The council voted to tax lotteries under the highest slab of 28%. This will be implemented across India. It decided to extend the annual date of GSTR 9 filing to Jan 31, 2020, and waive off late fee for all taxpayers who have not filed GSTR1 from Jul 2017 to Nov 2019.
- The government has earmarked Rs. 436 crore for skilling 4 lakh professionals. This will be used in futuristic areas like artificial intelligence, blockchain, and cybersecurity over the next three years, media reports showed. The "Future Skills PRIME" programme will be jointly executed by the information technology ministry and industry body Nasscom.
- According to media reports, some states have suggested to the finance minister to go for fiscal expansion and ease the deficit target to 4% of GDP. The fiscal deficit target was cut to 3.3% from an earlier 3.4% in the Jul 2019 Budget for FY20.
- RBI governor has said the Reserve Bank of India (RBI) plans to gradually tighten regulation of non-banking financial companies (NBFCs), media reports showed. This will be done without causing any harm to the recovery of the sector. The governor said NBFC regulation is not as strong as banks and changes are being made to the sector. Among the thing being mulled are a chief risk officer and a liquidity coverage ratio (LCR) requirement to take care of asset-liability (ALM) mismatches.

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FII Derivative Trade Statistics				
(Rs Cr)	18-Dec	Buy	Sell	Open Int.
Index Futures	2651.20	2695.52	15127.68	
Index Options	165429.46	166126.89	53122.21	
Stock Futures	14752.21	14092.27	96701.92	
Stock Options	4286.86	4356.45	3808.14	
Total	187119.73	187271.13	168759.95	

Derivative Statistics- Nifty Options			
	18-Dec	Prev_Day	Change
Put Call Ratio (OI)	1.73	1.67	0.06
Put Call Ratio(Vol)	1.08	0.96	0.12

Debt Watch				
	18-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.06%	5.00%	5.06%	6.48%
T-Repo	4.89%	4.58%	4.93%	6.40%
Repo	5.15%	5.15%	5.15%	6.50%
Reverse Repo	4.90%	4.90%	4.90%	6.25%
91 Day T-Bill	4.97%	4.98%	5.00%	6.60%
364 Day T-Bill	5.25%	5.19%	5.15%	7.03%
10 Year Gilt	6.71%	6.77%	6.48%	7.35%
G-Sec Vol. (Rs.Cr)	39930	31334	46688	53465
FBIL MIBOR ^[1]	5.25%	5.19%	5.25%	6.52%
3 Month CP Rate	5.40%	5.40%	5.50%	7.10%
5 Year Corp Bond	7.81%	7.77%	7.47%	8.30%
1 Month CD Rate	5.06%	4.86%	5.06%	6.79%
3 Month CD Rate	5.07%	5.09%	5.04%	6.92%
1 Year CD Rate	5.86%	5.90%	5.82%	8.27%

Currency Market			
Currency	18-Dec	Prev_Day	Change
USD/INR	71.06	70.97	0.09
GBP/INR	93.13	94.22	-1.10
EURO/INR	79.14	79.10	0.04
JPY/INR	0.65	0.65	0.00

Commodity Prices				
Commodity	18-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/b)	60.88	58.69	56.77	46.07
Brent Crude(\$/bl)	70.96	67.21	63.66	55.20
Gold(\$/oz)	1475	1475	1471	1249
Gold(Rs./10 gm)	37955	37631	37931	31205

Source: Thomson Reuters Eikon

[1] Data as on 17 Dec 2019

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Derivatives Market

- Nifty Dec 2019 Futures stood at 12,243.15, a premium of 21.50 points above the spot closing of 12,221.65. The turnover on NSE's Futures and Options segment rose to Rs. 13,35,544.46 crore on December 18, 2019, compared with Rs. 9,99,956.44 crore on December 17, 2019.
- The Put-Call ratio stood at 0.94 compared with the previous session's close of 0.9.
- The Nifty Put-Call ratio stood at 1.73 compared with the previous session's close of 1.67.
- Open interest on Nifty Futures stood at 15.65 million, compared with the previous session's close of 15.36 million.

Indian Debt Market

- Bond yields fell as some investors continued to buy notes to benefit from the recent rise in yields, even though possibility of fiscal slippage was reiterated by a government official.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) lowered 4 bps to close at 6.71% compared with the previous close of 6.75% after trading in a range of 6.70% to 6.77%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,644 crore (gross) on Dec 18, 2019 compared with borrowings of Rs. 3,144 crore (gross) on Dec 17, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 17,561 crore on Dec 17, 2019.
- Banks borrowed Rs. 3,300 crore under the central bank's Marginal Standing Facility on Dec 17, 2019 compared with borrowings of Rs. 7,652 crore on Dec 16, 2019.

Currency Market Update

- The Indian rupee in spot trade rose initially against the greenback following gains in the domestic equity market. However, broad dollar strength following better-than-expected U.S. industrial output, housing data for Nov 2019 neutralized the gains.
- The euro fell against the greenback following better-than-expected U.S. industrial output, housing data for Nov 2019.

Commodity Market Update

- Gold prices fell as the greenback strengthened following better-than-expected U.S. industrial output, housing data for Nov 2019.
- Brent crude prices rose after U.S. crude fell by 1.1 million barrels in the week to Dec 13.

International News

- Data from Eurostat showed euro zone's construction output fell 1.0% MoM in Oct 2019, reversing a 1.1% rise in Sep 2019. In August, output fell 0.7%.
- Survey data from the ifo institute showed German business climate index rose to 96.3 in Dec 2019 from 95.1 in Nov 2019. This was the highest score since last Jun.
- Final data from Eurostat showed euro zone inflation accelerated in Nov 2019 as initially estimated. Inflation rose to 1% in Nov from 0.7% in Oct 2019. Headline inflation remained well below the European Central Bank's target of "below, but close to 2%."
- The People's Bank of China reduced its 14-day reverse repurchase rate to 2.65% from 2.7%. The central bank also injected CNY 200 billion into the financial system via reverse repurchase agreements.

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