

# Markets for You

20 Dec 2019

Good gets *better*

**Indices Performance**

Global Indices	19-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
Russell 3000	1,414	1,406	9	0.62
Nasdaq	8,887	8,828	59	0.67
FTSE	7,574	7,541	33	0.44
Nikkei	23,865	23,934	-70	-0.29
Hang Seng	27,800	27,884	-84	-0.30
Indian Indices	19-Dec	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	41,674	41,559	115	0.28
Nifty 50	12,260	12,222	38	0.31
Nifty 100	12,344	12,304	40	0.32
Nifty 500	9,892	9,865	28	0.28
Nifty Bank	32,241	32,244	-3	-0.01
S&P BSE Power	1,888	1,889	0	-0.02
S&P BSE Small Cap	13,395	13,387	8	0.06
S&P BSE HC	13,455	13,446	9	0.06

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
19-Dec	29.18	1.11	28.57	1.22
Month Ago	28.13	1.15	27.31	1.25
Year Ago	24.26	1.18	26.53	1.21

**Nifty 50 Top 3 Gainers**

Company	19-Dec	Prev_Day	% Change <sup>#</sup>
Yes Bank	50	47	6.74
Eicher Motors	22427	21736	3.18
TCS	2229	2168	2.83

**Nifty 50 Top 3 Losers**

Company	19-Dec	Prev_Day	% Change <sup>#</sup>
Vedanta Limited	149	153	-2.26
Grasim Indus	743	754	-1.49
Sun Pharma	434	440	-1.40

**Advance Decline Ratio**

	BSE	NSE
Advances	1248	930
Declines	1246	863
Unchanged	171	133

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1853	96413
MF Flows**	573	57021

\*19<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 18 Dec 2019

**Global Indices**

- Asian equity markets were broadly lower in the wake of lack of cues from overnight Wall Street and because investors stayed on the sidelines in the absence of any fresh catalysts. The Wall Street overnight was almost unchanged as no significant moves were made by investors. Today (as of Dec 20), Asian markets opened lower as the Bank of Japan maintained status quo in its monetary policy. Nikkei was trading down 0.23% and Hang Seng were trading up 0.37% (as at 8.a.m. IST).
- European markets were mixed as investors took stock of economic data and interest rate decisions by central banks. The U.S. President's impeachment was almost ignored by the markets.
- U.S. markets touched all-time highs as investors shrugged off the President's impeachment as well as mixed U.S. economic data. The President's case now goes to the Senate for trial where the chances of him getting convicted are low as his party enjoys control.

**Indian Equity Market**

- Indian equity markets continued with their record run for the third straight day. The markets were volatile at the start as investors became anxious over the U.S. President's impeachment, wherein he was formally charged with abuse of power. However, China announcing a new list of import tariff exemptions on U.S. goods boosted sentiment.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.28% and 0.31% to close at 41,673.92 and 12,259.70 respectively. S&P BSE MidCap and S&P BSE SmallCap gained 0.17% and 0.06% respectively.
- The overall market breadth on BSE was strong with 1,248 scrips advancing and 1,246 scrips declining. A total of 171 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Telecom was the major gainer, up 1.98% followed by S&P BSE Energy, up 1.37% and S&P BSE Auto, up 1.05%. S&P BSE Finance was the major loser, down 0.31% followed by S&P BSE Capital Goods, down 0.26% and S&P BSE Realty, down 0.12%.

**Domestic News**

- According to a report, GST compensation payment of nine states, including Gujarat, Maharashtra and Kerala, could double to Rs. 60,000-70,000 crore in FY20. Government's timing of release of such grants to states would critically affect their cash flows, the report said. The states are Karnataka, Kerala, Gujarat, Maharashtra, Punjab, Haryana, Rajasthan, Tamil Nadu and West Bengal.
- Merger and acquisition (M&A) activity in India halved in value in 2019 from 2018, according to a consulting firm study. In 2019, there have so far been 765 deals worth \$37 billion. The year 2018 had seen 25 mega-deals one of them being worth \$16 billion.
- According to a wealth expectancy report, India's rich have a wealth expectancy of only \$518,000 (Rs. 3.67 crore). Wealth expectancy is the net worth that rich individuals are estimated to have at the age of 60. The report said, high net worth individuals have a wealth expectancy of \$986,000 (Rs. 7 crore) followed by \$374,000 (Rs. 2.65 crore) for the affluent and \$195,000 (Rs. 1.38 crore) for the emerging affluent.
- IT professionals get the highest salaries and Bengaluru is the highest paying city in the country, says a report. The average annual cost to company (CTC) in Bengaluru for talent across junior level stood at Rs 5.27 lakh, Rs. 16.45 lakh for mid-level and Rs. 35.45 lakh for senior level. Bengaluru had topped the list in 2017 and 2018 as well.

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FII Derivative Trade Statistics		19-Dec	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	3423.01	2755.55	15189.97
Index Options	253759.37	254671.72	53136.93
Stock Futures	12533.57	12325.46	97938.62
Stock Options	4954.66	5019.25	3780.26
Total	274670.61	274771.98	170045.78

Derivative Statistics- Nifty Options			
	19-Dec	Prev_Day	Change
Put Call Ratio (OI)	1.90	1.73	0.17
Put Call Ratio(Vol)	1.06	1.08	-0.02

Debt Watch				
	19-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	4.99%	4.95%	5.07%	6.46%
T-Repo	4.88%	4.58%	4.95%	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	4.99%	5.00%	5.04%	6.63%
364 Day T-Bill	5.26%	5.22%	5.15%	6.95%
10 Year Gilt	6.75%	6.78%	6.48%	7.22%
G-Sec Vol. (Rs.Cr)	26141	23326	45044	65391
FBIL MIBOR <sup>[1]</sup>	5.25%	5.15%	5.25%	6.51%
3 Month CP Rate	5.40%	5.35%	5.50%	7.20%
5 Year Corp Bond	7.82%	7.79%	7.50%	8.18%
1 Month CD Rate	5.07%	4.97%	5.10%	6.80%
3 Month CD Rate	5.08%	5.06%	5.16%	7.04%
1 Year CD Rate	6.02%	5.94%	5.82%	8.18%

Currency Market			
Currency	19-Dec	Prev_Day	Change
USD/INR	71.08	71.06	0.02
GBP/INR	93.00	93.13	-0.13
EURO/INR	79.10	79.14	-0.04
JPY/INR	0.65	0.65	0.00

Commodity Prices				
Commodity	19-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	61.25	59.13	54.88	47.91
Brent Crude(\$/bl)	71.54	68.51	62.99	55.54
Gold(\$/oz)	1479	1469	1472	1243
Gold(Rs./10 gm)	37882	37763	38069	31043

Source: Thomson Reuters Eikon

[1] Data as on 18 Dec 2019

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**Derivatives Market**

- Nifty Dec 2019 Futures stood at 12,268.95, a premium of 9.25 points above the spot closing of 12,259.70. The turnover on NSE's Futures and Options segment rose to Rs. 28,12,246.82 crore on December 19, 2019, compared with Rs. 13,35,544.46 crore on December 18, 2019.
- The Put-Call ratio stood at 0.78 compared with the previous session's close of 0.94.
- The Nifty Put-Call ratio stood at 1.9 compared with the previous session's close of 1.73.
- Open interest on Nifty Futures stood at 16.19 million, compared with the previous session's close of 15.65 million.

**Indian Debt Market**

- Bond yields edged higher following RBI governor's comment on widening of the fiscal deficit, which dampened market sentiments. He said that the government may have to invoke the Fiscal Responsibility and Budget Management (FRBM) Act's escape clause.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) rose 4 bps to close at 6.75% compared with the previous close of 6.71% after trading in a range of 6.71% to 6.75%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 5,034 crore (gross) on Dec 19, 2019 compared with borrowings of Rs. 3,644 crore (gross) on Dec 18, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 22,785 crore on Dec 18, 2019.
- Banks borrowed Rs. 4,405 crore under the central bank's Marginal Standing Facility on Dec 18, 2019 compared with borrowings of Rs. 3,300 crore on Dec 17, 2019.

**Currency Market Update**

- The Indian rupee in spot trade weakened against the greenback following intervention by the Reserve Bank of India. However, gains in the domestic equity market restricted further losses.
- The euro inched up against the greenback as market participants remained on the sidelines ahead of the release of the final estimate of U.S GDP data for the quarter ended Sep 2019.

**Commodity Market Update**

- Gold prices rose as market participants awaited further developments on U.S.-China trade deal. Political uncertainty in U.S. also added to the gains.
- Brent crude prices rose as trade tensions between U.S. and China continued to ease.

**International News**

- A Labor Department report showed initial jobless claims pulled back in the week ended Dec 14, 2019. The report said initial jobless claims fell to 234,000, a decrease of 18,000 from the previous week's 252,000.
- A Conference Board report showed its reading on leading U.S. economic indicators came in unchanged in Nov 2019 after dipping 0.2% in both Sep 2019 and Oct 2019.
- The Bank of England left its interest rate unchanged at 0.75%. However, two members called for a rate cut.
- The Bank of England left its interest rate unchanged. However, two members called for a rate cut citing weaker economic growth and rising spare capacity. At the Monetary Policy Committee meeting, the governor and six other members voted to maintain the interest rate at 0.75%.



**Thank you for  
your time.**

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