

Markets for You

23 Dec 2019

Good gets *better*

Indices Performance

Global Indices	20-Dec	Prev_Day	Abs. Change	% Change [#]
Russell 3000	1,421	1,414	6	0.45
Nasdaq	8,925	8,887	38	0.42
FTSE	7,582	7,574	9	0.11
Nikkei	23,817	23,865	-48	-0.20
Hang Seng	27,871	27,800	71	0.25
Indian Indices	20-Dec	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	41,682	41,674	8	0.02
Nifty 50	12,272	12,260	12	0.10
Nifty 100	12,363	12,344	20	0.16
Nifty 500	9,905	9,892	13	0.13
Nifty Bank	32,385	32,241	144	0.45
S&P BSE Power	1,898	1,888	10	0.53
S&P BSE Small Cap	13,391	13,395	-4	-0.03
S&P BSE HC	13,398	13,455	-57	-0.42

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
20-Dec	29.18	1.11	28.60	1.22
Month Ago	28.38	1.14	27.23	1.24
Year Ago	23.94	1.19	26.50	1.21

Nifty 50 Top 3 Gainers

Company	20-Dec	Prev_Day	% Change [#]
Titan Industries Limited	1202	1159	3.70
Tata Steel	461	447	3.19
Yes Bank	51	50	3.01

Nifty 50 Top 3 Losers

Company	20-Dec	Prev_Day	% Change [#]
Vedanta Limited	144	149	-3.41
Kotak Bank	1693	1730	-2.13
Tata Motors	176	179	-1.79

Advance Decline Ratio

	BSE	NSE
Advances	1265	888
Declines	1245	938
Unchanged	174	141

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	836	97249
MF Flows**	-544	54457

*20th Dec 2019; **19th 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 were mixed as trading remained thin in pre-Christmas session. Sentiment was supported by China unveiling a new list of import tariff exemptions on certain U.S. goods. U.S. Treasury Secretary said the two countries would sign their phase one trade deal in early Jan 2020. Today (as on Dec 23), Asian market opened higher amid greater trade optimism between the U.S. and China. Both Nikkei and Hang Seng were trading up 0.11% and 0.18%, respectively (as at 8.a.m. IST).
- European markets gained as investor sentiment was buoyed that the rally triggered by the U.S.-China trade pact will continue well into the New Year.
- U.S. markets touched all-time highs yet again as geopolitical tensions looked fading. U.S. President said he had a "very good talk" with Chinese President about the deal and China has started large scale purchases of agricultural product and more.

Indian Equity Market

- Indian equity markets exited the week with another record setting session, though the gains were slight. Other than the improving U.S.-China trade relations, sentiment was buoyed by Reserve Bank of India's decision to sell short-term securities and buy long-term government debt papers for Rs. 10,000 crore each on Dec 23, 2019. This would lower the rate without expanding the central bank's balance sheet, analysts opined.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.02% and 0.1% to close at 41,681.54 and 12,271.80 respectively. S&P BSE MidCap gained 0.15% and S&P BSE SmallCap lost 0.03%.
- The overall market breadth on BSE was strong with 1,265 scrips advancing and 1,245 scrips declining. A total of 174 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Consumer Durables was the major gainer, up 1.2% followed by S&P BSE Telecom, up 0.92% and S&P BSE Realty, up 0.63%. S&P BSE Healthcare was the major loser, down 0.42% followed by S&P BSE Auto, down 0.37% and S&P BSE Energy, down 0.24%.

Domestic News

- Media reports showed the Reserve Bank of India (RBI) in the first of its kind open market operation, will carry out a simultaneous sale and purchase of bonds. The RBI said it will buy Rs. 100 billion (\$1.4 billion) worth of the current benchmark 10-year bond while selling four bonds maturing in 2020 for an equivalent amount. This is being seen as an attempt to bring longer-term yields lower and is similar to the 'Operation Twist' that the U.S. had seen near the start of the decade. Bond yields have been rising from the time RBI unexpectedly left its key repo rate unchanged earlier in Dec 2019.
- Monetary Policy Committee (MPC) meeting minutes showed policymakers felt there is room to reduce interest rates further to limit any further weakening in growth. Status quo was maintained by MPC because of rising food prices. The Reserve Bank of India unexpectedly left its key repo rate unchanged at 5.15% earlier in Dec 2019, even as it cut its forecast for economic growth to its lowest in over a decade. The minutes showed members felt the current rise in the headline inflation rate could moderate by the second quarter of 2020-21. Some expressed concern on the possibility of a spillover to non-food inflation.
- According to media reports, the Prime Minister said the government is working to decriminalise provision of Companies Act. This will make it easier to do business in the country. The Prime Minister said business failure is not a crime and failure of companies is not always because of financial mismanagement. Only who have risk taking capacity can lead the country and society, he added.
- A prominent global rating agency has affirmed India's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'BBB-' with a stable outlook. The agency said its outlook on India's GDP growth is still solid against that of peers.

Good gets better

FII Derivative Trade Statistics		20-Dec	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	3445.79	2626.73	16152.77
Index Options	387294.07	384478.54	51102.62
Stock Futures	14359.40	14025.02	98576.98
Stock Options	4977.84	4892.88	3624.85
Total	410077.10	406023.17	169457.22

Derivative Statistics- Nifty Options			
	20-Dec	Prev_Day	Change
Put Call Ratio (OI)	1.73	1.90	-0.17
Put Call Ratio(Vol)	1.14	1.06	0.08

Debt Watch				
	20-Dec	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.09%	4.97%	5.07%	6.44%
T-Repo	4.89%	4.78%	4.97%	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%	5.02%	6.59%
364 Day T-Bill	5.17%	5.24%	5.14%	6.96%
10 Year Gilt	6.60%	6.79%	6.46%	7.27%
G-Sec Vol. (Rs.Cr)	61012	30233	54917	45131
FBIL MIBOR	5.23%	5.15%	5.25%	6.60%
3 Month CP Rate	5.40%	5.37%	5.50%	7.20%
5 Year Corp Bond	7.70%	7.90%	7.44%	8.23%
1 Month CD Rate	5.08%	4.91%	5.04%	6.90%
3 Month CD Rate	5.13%	5.06%	5.08%	6.90%
1 Year CD Rate	6.04%	5.82%	5.83%	8.16%

Currency Market			
Currency	20-Dec	Prev_Day	Change
USD/INR	71.16	71.08	0.08
GBP/INR	92.62	93.00	-0.38
EURO/INR	79.11	79.10	0.01
JPY/INR	0.65	0.65	0.00

Commodity Prices				
Commodity	20-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	60.38	60.06	56.66	45.59
Brent Crude(\$/bl)	70.50	69.28	65.04	52.78
Gold(\$/oz)	1478	1476	1471	1260
Gold(Rs./10 gm)	37957	37691	38305	31040

Source: Thomson Reuters Eikon

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Derivatives Market

- Nifty Dec 2019 Futures stood at 12,290.00, a premium of 18.20 points above the spot closing of 12,271.80. The turnover on NSE's Futures and Options segment fell to Rs. 7,32,177.39 crore on December 20, 2019, compared with Rs. 28,12,246.82 crore on December 19, 2019.
- The Put-Call ratio stood at 0.91 compared with the previous session's close of 0.78.
- The Nifty Put-Call ratio stood at 1.73 compared with the previous session's close of 1.9.
- Open interest on Nifty Futures stood at 16.36 million, compared with the previous session's close of 16.19 million.

Indian Debt Market

- Bond yields saw a sharp plunge following RBI's announcement of purchasing 10-year benchmark bond of up to Rs. 100 billion and selling one-year bonds of a similar value in the upcoming week.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) declined 15 bps to close at 6.60% compared with the previous close of 6.75% after trading in a range of 6.56% to 6.66%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,644 crore (gross) on Dec 20, 2019 compared with borrowings of Rs. 5,034 crore (gross) on Dec 19, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 19,351 crore on Dec 19, 2019.
- Banks borrowed Rs. 4,495 crore under the central bank's Marginal Standing Facility on Dec 19, 2019 compared with borrowings of Rs. 4,405 crore on Dec 18, 2019.

Currency Market Update

- The Indian rupee in spot trade weakened against the greenback following dollar purchases by state run banks possibly on the behalf of the Reserve Bank of India. The rupee closed at 71.12 a dollar, down 0.13% compared to the previous day's close of 71.03.
- The euro fell against the greenback after the growth of the U.S. economy in the third quarter of 2019 came in line with market expectations.

Commodity Market Update

- Gold prices fell following reports that U.S. economic growth came in line with preliminary expectations in Q3 due to upward revisions to consumer spending. Gold prices closed at \$1,477.95 per ounce compared with previous close of \$1,479.05 per ounce.

International News

- A Commerce Department report showed U.S. real gross domestic product jumped 2.1% in the third quarter, unchanged from the last month estimate.
- Data from the Office for National Statistics showed the U.K. gross domestic product grew 0.4% sequentially, against 0.2% decline in the second quarter.
- European Central Bank data showed euro area current account surplus increased to EUR 32 billion in Oct 2019 from EUR 28 billion in Sep 2019.
- The Ministry of Internal Affairs said Japan's consumer price inflation accelerated in Nov 2019 to 0.5% from 0.4% in Oct 2019.


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**Thank you for
your time.**

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