

Markets for You

03 Feb 2020

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Indices Performance				
Global Indices	31-Jan	Prev_Day	Abs. Change	% Change [#]
Russell 3000	1,454	1,480	-26	-1.78
Nasdaq	9,151	9,299	-148	-1.59
FTSE	7,286	7,382	-96	-1.30
Nikkei	23,205	22,978	227	0.99
Hang Seng	26,313	26,449	-137	-0.52
Indian Indices	01-Feb	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	39,736	40,723	-988	-2.43
Nifty 50	11,662	11,962	-300	-2.51
Nifty 100	11,769	12,087	-318	-2.63
Nifty 500	9,606	9,861	-255	-2.59
Nifty Bank	29,821	30,834	-1,013	-3.28
S&P BSE Power	1,842	1,899	-57	-2.99
S&P BSE Small Cap	14,345	14,668	-323	-2.20
S&P BSE HC	13,734	13,957	-223	-1.60

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
1-Feb	23.92	1.07	25.75	1.31
Month Ago	25.99	1.03	28.33	1.24
Year Ago	23.70	1.17	26.40	1.24

Nifty 50 Top 3 Gainers			
Company	01-Feb	Prev_Day	% Change [#]
AGC Networks Limited	252	241	4.44
TCS	2165	2079	4.13
HUL	2075	2034	2.00

Nifty 50 Top 3 Losers			
Company	01-Feb	Prev_Day	% Change [#]
ITC	219	235	-6.87
Tata Motors	166	177	-6.23
HDFC Ltd.	2268	2414	-6.04

Advance Decline Ratio			
	BSE	NSE	
Advances	589	371	
Declines	1750	1426	
Unchanged	122	88	

Institutional Flows (Equity)		
Description (Cr)	Inflow/Outflow	YTD
FII Flows*	626	12123
MF Flows**	755	1527

*31st Jan 2020; **29th Jan 2020

Economic Indicator			
YoY(%)	Current	Quarter Ago	Year Ago
CPI	7.35% (Dec-19)	3.99% (Sep-19)	2.11% (Dec-18)
IIP	1.80% (Nov-19)	-1.40% (Aug-19)	0.20% (Nov-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 31 Jan 2020

Global Indices

- Asian equity markets were mixed after the World Health Organization declared the coronavirus outbreak a global emergency. Also, Chinese Jan 2020 manufacturing activity data came in unchanged from the previous month. Today (as of Feb 03), Asian markets opened lower amid concerns over virus outbreak in China. Nikkei and Hangseng were trading down 1.54% and 0.47%, respectively (as at 8.a.m. IST).
- European markets fell as the first two cases of the coronavirus were confirmed in the U.K. The virus that originated in China has been wreaking havoc in the middle eastern country and fast spreading to other parts of the world.
- U.S. markets lost the most in almost five months as investors panicked over the economic impact of the Chinese virus outbreak. The death toll because of the virus is rising at an alarming speed and WHO has declared the situation to be a global emergency.

Indian Equity Market

- Indian equity markets plunged as the finance minister's budget 2020-21 did not fulfill investors' expectations. Factors that played on investors' mind included rise in custom duty in most sectors, marginal relief for income taxpayers, and less than expected rise in infrastructure spending.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 2.43% and 2.51% to close at 39,735.53 and 11,661.85 respectively. S&P BSE MidCap and S&P BSE SmallCap lost 2.21% and 2.2% respectively.
- The overall market breadth on BSE was weak with 589 scrips advancing and 1,750 scrips declining. A total of 122 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE IT was the major gainer, up 1.41% followed by S&P BSE Teck, up 1.08%. S&P BSE Realty was the major loser, down 7.82% followed by S&P BSE Capital Goods, down 4.79% and S&P BSE Industrials, down 3.94%.

Domestic News

- The government in the Union Budget pegged India's fiscal deficit target at 3.8% of GDP for FY20. For FY21, India's fiscal deficit target is pegged at 3.5%. Nominal GDP for FY21 projected at 10%. Net borrowings for FY20 was projected at Rs. 4.99 lakh crore and for FY21 at Rs. 5.36 lakh crore.
- The government announced measures to deepen the corporate debt market. The limit for Foreign portfolio investors in corporate bonds was increased to 15% of the outstanding stock of corporate bonds from the present 9%. The government also proposed to launch a new Debt-ETF consisting primarily of government securities.
- The government proposed to sell a part of its holding in LIC by way of Initial Public Offer (IPO). It also announced to sell the balance holding of Government of India in IDBI Bank to private, retail and institutional investors through the stock exchange. The Deposit Insurance Coverage for a depositor, was also increased from Rs. 1 lakh to Rs. 5 lakh per depositor.
- The government allocated Rs. 2.83 lakh crore for agriculture and allied activities for FY21. It also allocated Rs. 3.6 lakh crore for Jal Jeevan Mission for augmenting local water resources, water harvesting, desalination and renewing older sources in FY21.
- State Bank of India's (SBI) net profit increased 41.2% YoY in the Dec 2019 to Rs. 5,583 crore, led by higher interest and other income. Bank's interest income rose 8.6% YoY to Rs. 67,692 crore, its other income increased 13.3% to Rs. 9,106 crore during the reporting quarter.
- Tech Mahindra's consolidated net profit declined 4.7% to Rs. 1,145.9 crore for the Dec 2019 quarter, compared with Rs. 1,202.9 crore in the corresponding quarter of the last fiscal. The company's revenue from operations grew 7.9% to Rs. 9,654.6 crore in the quarter under review from Rs. 8,943.7 crore in the year-ago period.

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FII Derivative Trade Statistics		01-Feb	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	8605.15	10145.65	9564.25
Index Options	396825.94	392950.79	40151.97
Stock Futures	29328.37	29153.13	91310.02
Stock Options	1890.14	1776.44	911.76
Total	436649.60	434026.01	141938.00

Derivative Statistics- Nifty Options			
	01-Feb	Prev_Day	Change
Put Call Ratio (OI)	1.04	0.98	0.06
Put Call Ratio(Vol)	0.76	0.76	-0.01

Debt Watch				
	31-Jan	Wk. Ago	Mth. Ago	Year Ago
Call Rate	4.97%	4.96%	5.12%	6.43%
T-Repo	4.92%	5.00%	4.60%	6.35%
Repo	5.15%	5.15%	5.15%	6.50%
Reverse Repo	4.90%	4.90%	4.90%	6.25%
91 Day T-Bill	5.09%	5.08%	5.00%	6.50%
364 Day T-Bill	5.27%	5.27%	5.18%	6.73%
10 Year Gilt	6.60%	6.58%	6.50%	7.38%
G-Sec Vol. (Rs.Cr)	31446	39080	41735	76524
FBIL MIBOR	5.05%	5.15%	5.25%	6.50%
3 Month CP Rate	5.75%	5.75%	5.85%	7.60%
5 Year Corp Bond	7.36%	7.23%	7.63%	8.56%
1 Month CD Rate	5.14%	5.21%	4.94%	6.72%
3 Month CD Rate	5.50%	5.61%	5.10%	7.19%
1 Year CD Rate	5.95%	6.13%	6.12%	7.96%

Currency Market			
Currency	31-Jan	Prev_Day	Change
USD/INR	71.51	71.48	0.03
GBP/INR	93.66	93.02	0.64
EURO/INR	78.82	78.71	0.11
JPY/INR	0.66	0.66	0.00

Commodity Prices				
Commodity	31-Jan	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	51.53	54.04	61.11	55.24
Brent Crude(\$/bl) ^[1]	58.36	59.63	68.96	62.30
Gold(\$/oz) ^[1]	1590	1570	1517	1318
Gold(Rs./10 gm)	40694	40002	38995	33262

Source: Thomson Reuters Eikon

[1] Data as on 31 Jan 2020

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Derivatives Market

- Nifty Feb 2020 Futures stood at 11,654.90, a discount of 6.95 points below the spot closing of 11,661.85. The turnover on NSE's Futures and Options segment rose to Rs. 14,27,192.00 crore on February 01, 2020, compared with Rs. 7,01,181.43 crore on January 31, 2020.
- The Put-Call ratio stood at 0.65 compared with the previous session's close of 0.81.
- The Nifty Put-Call ratio stood at 0.86 compared with the previous session's close of 1.04.
- Open interest on Nifty Futures stood at 14.72 million, compared with the previous session's close of 12.06 million.

Indian Debt Market

- Bond yields rose ahead of the federal budget due on Feb 1, 2020. Market participants are awaiting to get details on the government's borrowing plan and the economy's fiscal situation in the budget announcement.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) rose 4 bps to close at 6.60% compared with the previous close of 6.56% after trading in the range of 6.58% to 6.60%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,944 crore (gross) on Jan 31, 2020 compared with borrowings of Rs. 2,974 crore (gross) on Jan 30, 2020. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 50,610 crore on Jan 30, 2020.
- Banks borrowed Rs. 1,785 crore under the central bank's Marginal Standing Facility on Jan 30, 2020 compared with borrowings of Rs. 2,450 crore on Jan 29, 2020.

Currency Market Update

- The Indian rupee gained against the U.S. dollar following remarks on India's economic growth in the latest Economic Survey. The Rupee rose 0.20% to close at 71.34 per dollar from its previous close of 71.48.
- The euro rose against the weak U.S dollar driven by month-end rebalancing flows of the later. Euro closed at \$1.1093 compared with the previous close of \$1.1030.

Commodity Market Update

- Gold prices grew on concerns of an economic slowdown arising from the coronavirus epidemic.
- Brent crude prices rose marginally amid reports of disruption in supply chain. However, concerns about the economic damage due to coronavirus restricted the gains.

International News

- The Ministry of Economy, Trade and Industry said industrial output in Japan advanced a seasonally adjusted 1.3% MoM in Dec 2019. The figure was 1.0% down in Nov 2019.
- Data from the University of Michigan showed U.S. consumer sentiment index for Jan 2020 was upwardly revised to 99.8 from the preliminary reading of 99.1. The index is now up from the final Dec 2019 reading of 99.3.
- Data from the Bank of England showed U.K. mortgage approvals rose to 67,241 in Dec 2019 from 65,514 in Nov 2019.
- Data from the Ministry of Land, Infrastructure, Transport and Tourism showed Japan housing starts decreased 7.9% YoY in Dec 2019, following a 12.7% drop in Nov 2019.


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