

Markets for You

06 Feb 2020

Good gets *better*

Indices Performance				
Global Indices	05-Feb	Prev_Day	Abs. Change	% Change [#]
Russell 3000	1,507	1,500	7	0.48
Nasdaq	9,509	9,468	41	0.43
FTSE	7,482	7,440	43	0.57
Nikkei	23,320	23,085	235	1.02
Hang Seng	26,787	26,676	111	0.42
Indian Indices	05-Feb	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	41,143	40,789	353	0.87
Nifty 50	12,089	11,980	110	0.91
Nifty 100	12,212	12,091	121	1.00
Nifty 500	9,951	9,853	98	1.00
Nifty Bank	31,002	30,687	315	1.03
S&P BSE Power	1,898	1,902	-4	-0.21
S&P BSE Small Cap	14,654	14,546	108	0.74
S&P BSE HC	13,947	13,888	58	0.42

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
5-Feb	24.53	1.03	27.05	1.26
Month Ago	25.92	1.03	28.44	1.23
Year Ago	23.30	1.16	27.07	1.23

Nifty 50 Top 3 Gainers			
Company	05-Feb	Prev_Day	% Change [#]
Tata Motors	184	166	10.89
Yes Bank	38	35	7.58
Tata Steel	475	452	5.12

Nifty 50 Top 3 Losers			
Company	05-Feb	Prev_Day	% Change [#]
Zee Ente.	227	245	-7.30
Hero Moto	2373	2462	-3.61
Dr.Reddy	3133	3242	-3.35

Advance Decline Ratio			
	BSE	NSE	
Advances	1320	1032	
Declines	1143	791	
Unchanged	197	129	

Institutional Flows (Equity)		
Description (Cr)	Inflow/Outflow	YTD
FII Flows*	923	10521
MF Flows**	586	1747

*5th Feb 2020; **3rd Feb 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 04 Feb 2020

Global Indices

- Asian equity markets gained amid optimism that China's stimulus measures will help offset the economic impact of the coronavirus outbreak. Today (as of Feb 6), Asian markets opened higher as investors keep track of the situation in the Middle East. Both Nikkei and Hang Seng rose 1.83% and 1.09% (as at 8.a.m. IST), respectively.
- European markets gained on news a research team in China has found an effective drug to treat people affected with the new coronavirus.
- U.S. markets gained overcoming virus outbreak concerns. There are hopes that the Chinese government will announce additional measures to support the economy in the midst of the health emergency.

Indian Equity Market

- Indian equity markets gained as auto and banking stocks lent support. Auto companies gained on the back of monthly sales data coming in line with expectations. Investors also looked forward to the Reserve Bank of India's policy meet.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.87% and 0.91% to close at 41,142.66 and 12,089.15 respectively. S&P BSE MidCap and S&P BSE SmallCap gained 1.35% and 0.74% respectively.
- The overall market breadth on BSE was strong with 1,320 scrips advancing and 1,143 scrips declining. A total of 197 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Metal was the major gainer, up 2.9% followed by S&P BSE Telecom, up 2.58% and S&P BSE Realty, up 2.56%. S&P BSE Power was the major loser, down 0.21% followed by S&P BSE Utilities, down 0.2% and S&P BSE Consumer Discretionary Goods & Services, down 0.05%.

Domestic News

- The Nikkei India Services Business Activity Index rose from 53.3 in Dec 2019 to 55.5 in Jan 2020, the fastest increase in seven years. Higher demand and favourable market conditions lead to sustained job creation and business optimism. The composite PMI output index increased from 53.7 in Dec to a seven-year high of 56.3 in Jan.
- Media reports showed foreign direct investment (FDI) in India has been increasing on an annual basis and was at \$34.90 billion till Nov of this fiscal. The FDI stood at \$62 billion in the full FY19 fiscal, while at \$60.90 billion in FY18 and \$60.22 billion during FY17.
- The government said the disinvestment process of Central Public Sector Enterprises (CPSEs) will be done in a transparent manner, media reports showed. It said surplus land of such units would be sold at commercial rates to states or any private party. Surplus land issue of CPSEs will be "dealt with separately" during the disinvestment process.
- According to media news, shipments of around 250,000 bales of Indian cotton to China have been delayed by nearly two weeks because of the virus outbreak. The outbreak and factory closures have dampened demand in the world's biggest consumer of the fibre. The delay in shipments could pressure local prices and force the state-run Cotton Corporation of India to increase purchases from farmers to ensure domestic prices stay above government mandated levels.

Good gets better

FII Derivative Trade Statistics		05-Feb	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	6312.91	5632.55	14904.76
Index Options	333045.32	331391.79	59488.84
Stock Futures	17233.45	15556.14	99958.79
Stock Options	6440.32	6322.59	3508.05
Total	363032.00	358903.07	177860.44

Derivative Statistics- Nifty Options			
	05-Feb	Prev_Day	Change
Put Call Ratio (OI)	1.39	1.24	0.15
Put Call Ratio(Vol)	0.90	0.87	0.03

Debt Watch				
	05-Feb	Wk. Ago	Mth. Ago	Year Ago
Call Rate	4.93%	4.96%	4.94%	6.34%
T-Repo	4.94%	4.94%	3.35%	6.30%
Repo	5.15%	5.15%	5.15%	6.50%
Reverse Repo	4.90%	4.90%	4.90%	6.25%
91 Day T-Bill	5.11%	5.10%	4.90%	6.65%
364 Day T-Bill	5.30%	5.28%	5.25%	6.74%
10 Year Gilt	6.51%	6.57%	6.51%	7.38%
G-Sec Vol. (Rs.Cr)	38587	25354	52762	31357
FBIL MIBOR ^[1]	5.15%	5.15%	5.22%	6.49%
3 Month CP Rate	5.80%	5.75%	5.85%	7.65%
5 Year Corp Bond	7.27%	7.32%	7.54%	8.52%
1 Month CD Rate	5.16%	5.18%	4.86%	6.62%
3 Month CD Rate	5.47%	5.39%	5.11%	7.24%
1 Year CD Rate	5.99%	5.95%	6.08%	8.00%

Currency Market			
Currency	05-Feb	Prev_Day	Change
USD/INR	71.27	71.14	0.13
GBP/INR	92.77	92.60	0.17
EURO/INR	78.65	78.69	-0.03
JPY/INR	0.65	0.65	0.00

Commodity Prices				
Commodity	05-Feb	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	50.82	53.26	62.97	53.64
Brent Crude(\$/bl)	55.95	60.05	70.27	61.76
Gold(\$/oz)	1556	1577	1551	1315
Gold(Rs./10 gm)	40059	40312	39948	33239

Source: Thomson Reuters Eikon

[1] Data as on 04 Feb 2020

Disclaimer:

The information herein is meant only for general reading purposes and contains all factual and statistical information pertaining to Industry and markets which have been obtained from independent third party sources and which are deemed to be reliable. The information provided cannot be considered as guidelines, recommendations or as a professional guide for the readers. It may be noted that since Nippon Life India Asset Management Limited (NAM India) (formerly Reliance Nippon Life Asset Management Limited) has not independently verified the accuracy or authenticity of such information or data, or for that matter the reasonableness of the assumptions upon which such data and information has been processed or arrive data; NAM India does not in any manner assure the accuracy or authenticity of such data and information. Some of the statements & assertions contained in these materials may reflect NAM India's views or opinions, which in turn may have been formed on the basis of such data or information. The Sponsor(s), the Investment Manager, the Trustee or any of their respective directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such data or information. Whilst no action has been solicited based upon the information provided herein, due care has been taken to ensure that the facts are accurate and opinions given are fair and reasonable, to the extent possible. This information is not intended to be an offer or solicitation for the purchase or sale of any financial product or instrument. Recipients of this information should rely on information/data arising out of their own investigations. Before making any investments, the readers are advised to seek independent professional advice, verify the contents in order to arrive at an informed investment decision. None of the Sponsor(s), the Investment Manager, the Trustee, their respective directors, employees, affiliates or representatives shall be liable in any way for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including on account of lost profits arising from the information contained in this material. Readers are requested to click here for ICRON disclaimer - <http://www.icraonline.com/legal/standard-disclaimer.html>

Derivatives Market

- Nifty Feb 2020 Futures stood at 12,086.30, a discount of 2.85 points below the spot closing of 12,089.15. The turnover on NSE's Futures and Options segment rose to Rs. 19,60,373.95 crore on February 05, 2020, compared with Rs. 16,47,159.52 crore on February 04, 2020.
- The Put-Call ratio remained unchanged compared with the previous session's close of 0.88.
- The Nifty Put-Call ratio stood at 1.39 compared with the previous session's close of 1.24.
- Open interest on Nifty Futures stood at 14.73 million, compared with the previous session's close of 14.65 million.

Indian Debt Market

- Bond yields were nearly steady ahead of the Monetary Policy Committee's decision on the policy rate, which is scheduled for Feb 6, 2020. The rate-cutting panel is expected to maintain status quo in the second straight MPC meet.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) stood unchanged at 6.51% compared with the previous close after trading in the range of 6.50% to 6.52%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,939 crore (gross) on Feb 5, 2020 compared with borrowings of Rs. 3,099 crore (gross) on Feb 4, 2020. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 66,134 crore on Feb 4, 2020.
- Banks borrowed Rs. 3,750 crore under the central bank's Marginal Standing Facility on Feb 4, 2020 compared with borrowings of Rs. 4,666 crore on Feb 3, 2020.

Currency Market Update

- The Indian rupee in spot trade rose against the greenback following gains in the domestic equity market. However, market participants await the outcome of the sixth bi-monthly monetary policy review due Feb 6, 2020 which capped the gains.
- The euro weakened against the greenback after the U.S. private sector jobs data for Jan 2020 came better than market expectations.

Commodity Market Update

- Gold prices rose as market participants resorted to bargain hunting.
- Brent crude prices rose amid media reports that scientists had developed a drug against the fast-spreading coronavirus.

International News

- A payroll processor ADP report showed U.S. private sector employment soared by 291,000 jobs in Jan 2020 after jumping by 199,000 jobs in Dec 2019.
- A Commerce Department report showed U.S. trade deficit widened in Dec 2019 to \$48.9 billion from \$43.7 billion in Nov 2019.
- An Institute for Supply Management report showed its U.S. non-manufacturing index rose to 55.5 in Jan 2020 from 54.9 in Dec 2019.
- Final survey data from IHS Markit showed euro zone output index rose to 51.3 in Jan 2020 from 50.9 in Dec 2019.
- Data from Eurostat revealed euro zone retail turnover declined 1.6% in Dec 2019 from Nov 2019, when it was up 0.8%.


Good gets better

**Thank you for
your time.**

Good gets *better*