

Markets for You

18 Feb 2020

Good gets *better*

Indices Performance				
Global Indices	17-Feb	Prev_Day	Abs. Change	% Change [#]
Russell 3000 ^[1]	1,542	1,537	6	0.37
Nasdaq ^[1]	9,731	9,712	19	0.20
FTSE	7,433	7,409	24	0.33
Nikkei	23,523	23,688	-164	-0.69
Hang Seng	27,960	27,816	144	0.52
Indian Indices	17-Feb	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	41,056	41,258	-202	-0.49
Nifty 50	12,046	12,113	-68	-0.56
Nifty 100	12,152	12,230	-78	-0.64
Nifty 500	9,891	9,961	-70	-0.70
Nifty Bank	30,681	30,835	-154	-0.50
S&P BSE Power	1,819	1,852	-32	-1.76
S&P BSE Small Cap	14,532	14,683	-150	-1.02
S&P BSE HC	14,199	14,415	-216	-1.50

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
17-Feb	24.97	1.04	27.42	1.27
Month Ago	26.13	1.01	28.61	1.24
Year Ago	22.79	1.19	26.53	1.26

Nifty 50 Top 3 Gainers			
Company	17-Feb	Prev_Day	% Change [#]
AGC Networks Limited	346	338	2.55
Titan Industries Limited	1316	1293	1.75
TCS	2203	2184	0.87

Nifty 50 Top 3 Losers			
Company	17-Feb	Prev_Day	% Change [#]
Yes Bank	37	39	-4.50
Coal India	168	175	-3.95
GAIL	118	123	-3.71

Advance Decline Ratio			
	BSE	NSE	
Advances	800	548	
Declines	1750	1324	
Unchanged	166	116	

Institutional Flows (Equity)		
Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1142	21406
MF Flows**	643	1916

*17th Feb 2020; **14th Feb 2020

Economic Indicator			
YoY(%)	Current	Quarter Ago	Year Ago
CPI	7.59% (Jan-20)	4.62% (Oct-19)	1.97% (Jan-19)
IIP	-0.30% (Dec-19)	-4.60% (Sep-19)	2.50% (Dec-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 14 Feb 2020

Global Indices

- Asian equity markets were mixed as coronavirus concerns persisted and Chinese policymakers increased support for the economy. On Feb 14, 2020, China's securities regulator had loosened refinancing rules for listed firms to help them fight the health epidemic. Today (as of Feb 18), Asian markets opened lower as investors feared the virus outbreak will lead to a slowdown in the economy. Both Nikkei and Hang Seng fell 1.21% and 1.03% (as at 8.a.m. IST), respectively.
- European markets gained after the People's Bank of China took measures to shield the economy from the consequences of the coronavirus outbreak. The bank announced it would provide medium-term funding of 200 billion yuan (\$29 billion) to commercial lenders and cut its main interest rate by 10 basis points to 3.15%.
- U.S. markets were closed on account of a public holiday.

Indian Equity Market

- Indian equity markets declined as a major global rating agency cut its 2020 growth projection for India, citing growing concerns over the economic consequences of the coronavirus outbreak in China. In the most recent data release, it was seen inflation increased while industrial production fell yet again.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 0.49% and 0.56% to close at 41,055.69 and 12,045.80 respectively. S&P BSE MidCap and S&P BSE SmallCap lost 0.91% and 1.02% respectively.
- The overall market breadth on BSE was weak with 800 scrips advancing and 1,750 scrips declining. A total of 166 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Consumer Durables was the major gainer, up 1.6% followed by S&P BSE IT, up 0.29% and S&P BSE Teck, up 0.23%. S&P BSE Oil & Gas was the major loser, down 2.39% followed by S&P BSE Utilities, down 2.07% and S&P BSE Power, down 1.76%.

Domestic News

- A major global rating agency has reduced India's growth projection for 2020 to 5.4% from 6.6% forecast earlier. This comes amid growing concerns over the economic fallout of the coronavirus outbreak. The agency expects a lower recovery in India given that global growth will likely take a hit following the virus outbreak in China.
- The International Monetary Fund (IMF) has said multiple rates, exemptions and implementation challenges are affecting goods and services tax (GST) collections in India. The study of India's resource mobilisation for next five years has estimated that in 2018-19, GST collections were 5.8% of GDP, which was better than some of the comparable developing countries, but far below the potential of 8.2% of GDP, indicating that the efficiency gains from the new regime have not fully accrued.
- The Securities and Exchange Board of India (SEBI) has cleared regulations for investment advisers, proposing client level segregation. This practice will end and replace the old system in which the same client could either be on the advisory side or the distribution side. Previously, corporate advisers, including individuals who were conducting their business through corporate structures like LLPs, could distribute products and render advisory services to the same client; provided the two services were separated from each other.
- Reserve Bank governor said structural reforms need to be continued to revive demand and support the economy. He said green shoots are now visible and need to be sustained to pull India out of its current slowdown.

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FII Derivative Trade Statistics		17-Feb	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	3810.84	3704.11	12844.33
Index Options	250775.74	249935.37	57972.72
Stock Futures	15393.66	15906.96	101863.36
Stock Options	7148.39	7287.41	4978.71
Total	277128.63	276833.85	177659.12

Derivative Statistics- Nifty Options			
	17-Feb	Prev_Day	Change
Put Call Ratio (OI)	1.14	1.28	-0.14
Put Call Ratio(Vol)	0.87	0.95	-0.08

Debt Watch				
	17-Feb	Wk. Ago	Mth. Ago	Year Ago
Call Rate	4.93%	5.02%	5.02%	6.24%
T-Repo	4.85%	4.91%	4.98%	6.27%
Repo	5.15%	5.15%	5.15%	6.25%
Reverse Repo	4.90%	4.90%	4.90%	6.00%
91 Day T-Bill	5.02%	5.04%	5.09%	6.38%
364 Day T-Bill	5.20%	5.24%	5.10%	6.45%
10 Year Gilt	6.39%	6.44%	6.63%	7.36%
G-Sec Vol. (Rs.Cr)	47709	49342	49149	30256
FBIL MIBOR ^[1]	5.15%	5.21%	5.22%	6.28%
3 Month CP Rate	5.70%	5.80%	5.80%	7.55%
5 Year Corp Bond	6.98%	7.00%	7.45%	8.46%
1 Month CD Rate	5.13%	5.14%	5.11%	6.43%
3 Month CD Rate	5.29%	5.41%	5.62%	7.33%
1 Year CD Rate	5.82%	6.10%	6.12%	7.80%

Currency Market			
Currency	17-Feb	Prev_Day	Change
USD/INR	71.43	71.39	0.04
GBP/INR	93.17	93.13	0.04
EURO/INR	77.42	77.35	0.06
JPY/INR	0.65	0.65	0.00

Commodity Prices				
Commodity	17-Feb	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	51.98	49.54	58.55	55.53
Brent Crude(\$/bl)	58.67	53.98	64.34	66.04
Gold(\$/oz)	1581	1572	1556	1321
Gold(Rs./10 gm)	40728	40589	39804	33193

Source: Thomson Reuters Eikon

[1] Data as on 14 Feb 2020

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Derivatives Market

- Nifty Feb 2020 Futures stood at 12,074.45, a premium of 28.65 points above the spot closing of 12,045.80. The turnover on NSE's Futures and Options segment fell to Rs. 10,76,068.77 crore on February 17, 2020, compared with Rs. 12,46,565.90 crore on February 14, 2020.
- The Put-Call ratio stood at 0.87 compared with the previous session's close of 0.91.
- The Nifty Put-Call ratio stood at 1.14 compared with the previous session's close of 1.28.
- Open interest on Nifty Futures stood at 14.07 million, compared with the previous session's close of 14.18 million.

Indian Debt Market

- Bond yields went up as market participants resorted to profit booking to capitalise on the recent rally.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) rose 2 bps to close at 6.39% compared with the previous close of 6.37% after trading in the range of 6.34% to 6.40%.
- Banks borrowed Rs. 4,426 crore under the central bank's Marginal Standing Facility on Feb 14, 2020 compared with borrowings of Rs. 3,310 crore on Feb 13, 2020.

Currency Market Update

- The Indian rupee in spot trade rose against the greenback after China's policymakers signaled more support for the economy. However, losses in the domestic equity market capped the gains. The rupee closed at 71.30 a dollar, up 0.14% compared to the previous day's close of 71.40.
- The euro inched up against the greenback after China's policymakers signaled more support for the economy.

Commodity Market Update

- Gold prices eased as the investor risk sentiment improved to some extent after China's policymakers signaled more support for its economy.
- Brent crude prices rose on growing possibility of potential output cuts from major producers.

International News

- Survey data from IHS Markit showed U.K. household finance index rose to 47.6 in Feb 2020 from 44.6 in Jan 2020.
- Bundesbank said in its latest monthly report, Germany's economy is set to remain sluggish in the first quarter of 2020, hurt by weak demand for exports and the supply disruptions caused by the virus outbreak in China.
- Data from Destatis showed Germany's wholesale prices increased for the first time in seven months in Jan 2020 by 0.3% YoY, after a 1.3% decline in Dec 2019.
- The People's Bank of China cut the interest rate on medium term loans by 10 basis points to 3.15 percent.
- Final data from the Ministry of Economy, Trade and Industry showed Japan industrial production rose a seasonally adjusted 1.2% MoM in Dec 2019.


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