

Markets for You

02 Jan 2020

Good gets *better*

Indices Performance

Global Indices	31-Dec	Prev_Day	Abs. Change	% Change [#]
Russell 3000	1,426	1,423	3	0.24
Nasdaq	8,973	8,946	27	0.30
FTSE	7,542	7,587	-45	-0.59
Nikkei ^[2]	23,657	23,838	-181	-0.76
Hang Seng	28,190	28,319	-130	-0.46
Indian Indices	01-Jan	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	41,306	41,254	52	0.13
Nifty 50	12,183	12,168	14	0.12
Nifty 100	12,279	12,268	11	0.09
Nifty 500	9,889	9,873	16	0.16
Nifty Bank	32,103	32,162	-59	-0.18
S&P BSE Power	1,961	1,926	34	1.78
S&P BSE Small Cap	13,787	13,699	87	0.64
S&P BSE HC	13,464	13,429	35	0.26

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
1-Jan	25.99	1.03	28.33	1.24
Month Ago	28.39	1.14	28.10	1.24
Year Ago	23.79	1.15	26.28	1.24

Nifty 50 Top 3 Gainers

Company	01-Jan	Prev_Day	% Change [#]
Adani Ports & SEZ	378	366	3.18
Power Grid	196	190	2.76
NTPC	122	119	2.10

Nifty 50 Top 3 Losers

Company	01-Jan	Prev_Day	% Change [#]
Titan Industries Limited	1155	1188	-2.79
Eicher Motors	22076	22515	-1.95
IndusInd Bank	1484	1510	-1.70

Advance Decline Ratio

	BSE	NSE
Advances	1363	1021
Declines	1068	759
Unchanged	190	130

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-1972	-1972
MF Flows**	786	53615

*1st Jan 2020; **31st 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 31 Dec 2019; [2] Data as on 30 Dec 2019

Global Indices

- Asian equity markets were closed on account of New Year holidays except the Singapore market which fell on the first day of the year. Today (as of Jan 2), Asian markets opened higher on trade optimism. Hang Seng was up 0.67% (as at 8.a.m. IST). Nikkei was closed.
- European markets were closed on account of New Year holidays.
- U.S. markets were closed on account of New Year holidays.

Indian Equity Market

- Indian equity markets gained on the first day of the New Year though the upside was limited. The government has announced investments worth about Rs. 100 lakh crore in roads, railways, airports and agricultural projects over the next five years to boost slowing economic growth.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.13% and 0.12% to close at 41,306.02 and 12,182.50 respectively. S&P BSE MidCap and S&P BSE SmallCap gained 0.21% and 0.64% respectively.
- The overall market breadth on BSE was strong with 1,363 scrips advancing and 1,068 scrips declining. A total of 190 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Power was the major gainer, up 1.78% followed by S&P BSE Utilities, up 1.41% and S&P BSE IT, up 0.61%. S&P BSE Consumer Durables was the major loser, down 1.4% followed by S&P BSE Auto, down 0.5% and S&P BSE Telecom, down 0.3%.

Domestic News

- Media reports showed the goods and services tax (GST) collections crossed the Rs. 1 trillion mark for the second straight month in Dec 2019. This has brought some relief to policymakers making efforts to boost consumption and liquidity in a slowing economy. Central and state governments together collected Rs. 1.03 trillion in Dec, which is 9% more than what was collected in the year-ago period.
- The Reserve Bank of India (RBI) has extended existing relaxations for securitization of assets by non-banking financial companies (NBFCs) by another six months. The move could give NBFCs some relief to repair their broken balance-sheets by selling assets and improving liquidity. In Nov 2018, RBI had first relaxed the minimum holding period requirement for originating NBFCs, for loans of maturity above five years, to six months from 12 months earlier. The relaxation was originally given for six months till May 2019. Now, this stands extended till Dec 31, 2019.
- According to media reports, the government has reduced the spending limits available to ministries and departments. This comes in the face of lower than expected revenue collections putting pressure on fiscal deficit goals. Expenditure in the last quarter of the financial year ended Mar 31, 2019, has been capped at 25% of the budget estimate from 33% allowed earlier, the finance ministry said. That means departments, which have spent only 67% of the money allocated to them by December, won't be able to use at least 8% of the budgeted funds.
- The government has decided to create a buffer stock of 1 lakh tonne of onion in 2020, media reports showed. The government had created a buffer stock of 56,000 tonnes for the current year but it was not sufficient to contain the prices. Prices are ruling above Rs. 100 per kg in most cities across the country. The government has been compelled to import through state-run Metals and Minerals Trading Corporation of India.

Good gets better

FII Derivative Trade Statistics			
(Rs Cr)	01-Jan		
	Buy	Sell	Open Int.
Index Futures	1522.49	2215.32	10307.02
Index Options	198386.78	197654.54	44928.99
Stock Futures	7463.87	8734.88	95695.07
Stock Options	2051.85	1993.74	2257.04
Total	209424.99	210598.48	153188.12

Derivative Statistics- Nifty Options			
	01-Jan	Prev_Day	Change
Put Call Ratio (OI)	1.15	1.12	0.03
Put Call Ratio(Vol)	0.79	0.90	-0.11

Debt Watch				
	01-Jan	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.12%	5.12%	5.06%	6.34%
T-Repo	4.60%	4.79%	4.90%	6.19%
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%	5.02%	4.85%	6.61%
364 Day T-Bill	5.29%	5.29%	5.11%	6.93%
10 Year Gilt	6.50%	6.58%	6.47%	7.42%
G-Sec Vol. (Rs.Cr)	41735	26181	36131	24846
FBIL MIBOR ^[1]	5.26%	5.25%	5.25%	6.50%
3 Month CP Rate	5.85%	5.40%	5.30%	7.70%
5 Year Corp Bond	7.63%	7.68%	7.47%	8.33%
1 Month CD Rate	4.94%	5.08%	5.00%	6.72%
3 Month CD Rate	5.10%	5.07%	5.08%	7.44%
1 Year CD Rate	6.12%	6.01%	5.79%	8.24%

Currency Market			
Currency	01-Jan	Prev_Day	Change
USD/INR	71.37	71.27	0.10
GBP/INR	94.64	93.48	1.16
EURO/INR	80.03	79.88	0.15
JPY/INR	0.66	0.66	0.00

Commodity Prices				
Commodity	31-Dec	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	61.11	61.14	58.07	45.10
Brent Crude(\$/bl) ^[1]	68.96	71.10	66.34	50.51
Gold(\$/oz)	1517	1499	1464	1282
Gold(Rs./10 gm)	38995	38297	37876	31531

Source: Thomson Reuters Eikon

[1] Data as on 31 Dec 2019; [2] Data as on 30 Dec 2019

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Derivatives Market

- Nifty Jan 2020 Futures stood at 12,243.80, a premium of 61.30 points above the spot closing of 12,182.50. The turnover on NSE's Futures and Options segment rose to Rs. 11,24,094.71 crore on January 01, 2020, compared with Rs. 11,08,653.39 crore on December 31, 2019.
- The Put-Call ratio stood at 0.88 compared with the previous session's close of 0.94.
- The Nifty Put-Call ratio stood at 1.15 compared with the previous session's close of 1.12.
- Open interest on Nifty Futures stood at 13.06 million, compared with the previous session's close of 13.3 million.

Indian Debt Market

- Bond yields declined after concerns over fiscal deficit lowered. In addition, reinvestments through bond redemption, which is slated for Jan 2, 2020, also supported the market sentiment.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) fell 6 bps to close at 6.50% compared with the previous close of 6.56% after trading in a range of 6.50% to 6.55%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,169 crore (gross) on Jan 1, 2020 compared with borrowings of Rs. 4,654 crore (gross) on Dec 31, 2019. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 51,209 crore on Dec 31, 2019.
- Banks borrowed Rs. 4,279 crore under the central bank's Marginal Standing Facility on Dec 31, 2019 compared with borrowings of Rs. 7,217 crore on Dec 30, 2019.

Currency Market Update

- The Indian rupee in spot trade rose against the greenback after the U.S. President said that the first phase of an American trade deal with China would be signed on Jan 15, 2020 and that he would be travelling to China to start talks on phase two trade deal. Modest gains in the domestic equity market also aided market sentiment.
- The euro closed steady against the greenback as trading volumes remained subdued due to near year holiday.

Commodity Market Update

- Gold prices fell as market participants resorted to profit booking. Trading volume also remained subdued due to new year holiday.
- The oil market remained closed on account of new year holiday.

International News

- A Conference Board report showed U.S. consumer confidence dipped in Dec 2019. The Conference Board said its consumer confidence index edged down to 126.5 in Dec from 126.8 in Nov 2019.
- Data from the Ministry of Trade, Industry and Energy showed South Korea's exports declined at the slowest pace in eight months in Dec 2019. Exports decreased 5.2% YoY in Dec. This was the smallest drop since Apr 2019. It had fallen 14.4% in Nov 2019.



**Thank you for
your time.**

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