

Markets for You

03 Jan 2020

Good gets *better*

Indices Performance

Global Indices	02-Jan	Prev_Day	Abs. Change	% Change [#]
Russell 3000	1,443	1,426	17	1.20
Nasdaq	9,092	8,973	120	1.33
FTSE	7,604	7,542	62	0.82
Nikkei ^[2]	23,657	23,838	-181	-0.76
Hang Seng	28,544	28,190	354	1.26
Indian Indices	02-Jan	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	41,627	41,306	321	0.78
Nifty 50	12,282	12,183	100	0.82
Nifty 100	12,381	12,279	101	0.83
Nifty 500	9,980	9,889	91	0.92
Nifty Bank	32,444	32,103	341	1.06
S&P BSE Power	1,975	1,961	14	0.73
S&P BSE Small Cap	13,985	13,787	198	1.44
S&P BSE HC	13,520	13,464	55	0.41

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
2-Jan	26.16	1.02	28.56	1.23
Month Ago	28.61	1.13	28.08	1.24
Year Ago	23.39	1.17	26.00	1.25

Nifty 50 Top 3 Gainers

Company	02-Jan	Prev_Day	% Change [#]
Tata Motors	194	184	5.04
Ultratech Cem	4245	4065	4.42
Tata Steel	485	468	3.66

Nifty 50 Top 3 Losers

Company	02-Jan	Prev_Day	% Change [#]
Eicher Motors	21601	22076	-2.15
Bajaj Auto	3121	3150	-0.92
BPCL	488	492	-0.83

Advance Decline Ratio

	BSE	NSE
Advances	1743	1356
Declines	795	482
Unchanged	158	115

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	359	-1613
MF Flows**	256	256

*2nd Jan 2020; **1st Jan 2020

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 01 Jan 2020; [2] Data as on 30 Dec 2019

Global Indices

- Asian equity markets were mostly up after the U.S. President announced that the phase one trade deal with China would be signed on Jan 15, 2020, at the White House. He added that he will later go to Beijing to begin negotiations on the next phase. Also, news of China easing monetary policy helped underpin investor sentiment. Today (as of Jan 3), Asian markets opened higher as overnight Wall Street touched new all-time highs. Hang Seng was up 1.16% (as at 8.a.m. IST). Nikkei was closed.
- European markets gained after the U.S. President said that a phase one trade deal with China will be signed on Jan 15, 2020.
- U.S. markets touched record highs on the first trading day of the new year, continuing from where they left in 2019. Tech stocks spearheaded the rally.

Indian Equity Market

- Indian equity markets gained on upbeat economic data. India's factory activity expanded at its fastest pace in seven months in Dec 2019 on the back of increase in new orders. The growth in new orders made companies increase production, a private business survey showed. Also, Dec's decent GST collection numbers soothed investor nerves worried over the government's fiscal deficit target.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.78% and 0.82% to close at 41,626.64 and 12,282.20 respectively. S&P BSE MidCap and S&P BSE SmallCap gained 1.23% and 1.44% respectively.
- The overall market breadth on BSE was strong with 1,743 scrips advancing and 795 scrips declining. A total of 158 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Basic Materials was the major gainer, up 2.94% followed by S&P BSE Metal, up 2.65% and S&P BSE Capital Goods, up 2.15%. S&P BSE IT was the major loser, down 0.18% followed by S&P BSE Teck, down 0.15%.

Domestic News

- Nikkei India Manufacturing Purchasing Managers' Index (PMI) rose to 52.7 in Dec 2019 from 51.2 in Nov 2019. This marked 10-months high. New orders grew at the fastest pace since Jul 2019. On sub-sector level, growth was driven by consumer and intermediate goods.
- The Insurance Regulatory and Development Authority of India (IRDA) has issued guidelines on standard individual health insurance, media reports showed. It has asked the general and health insurers to offer product that can take care of basic health needs of customers with maximum sum insured of Rs. 5 lakh and a minimum of Rs. 1 lakh. The product will be named as Arogya Sanjeevani Policy.
- According to a report, India can explore an annual \$82-billion export potential in 20 products in China. This includes electrical equipment and ferro alloys. Indian exporters have a competitive advantage in these 20 goods. India's exports of these 20 products are worth around \$15 billion to the world.
- The Prime Minister said agriculture has a key role to play in helping the country achieve its goal of becoming five trillion-dollar economy, media reports showed. The government is focusing on formulating a cash crop and export-centric farming system, he added. Export of spices has increased because of efforts of the government, the Prime Minister said.

Good gets better

FII Derivative Trade Statistics		02-Jan	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	893.25	601.12	10171.82
Index Options	127866.30	127603.09	45265.48
Stock Futures	5048.15	5069.56	95550.93
Stock Options	1560.40	1517.08	2423.99
Total	135368.10	134790.85	153412.22

Derivative Statistics- Nifty Options			
	02-Jan	Prev_Day	Change
Put Call Ratio (OI)	1.47	1.15	0.32
Put Call Ratio(Vol)	0.97	0.79	0.18

Debt Watch				
	02-Jan	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.00%	5.13%	4.99%	6.33%
T-Repo	3.95%	4.58%	4.78%	6.21%
Repo	5.15%	5.15%	5.15%	6.50%
Reverse Repo	4.90%	4.90%	4.90%	6.25%
91 Day T-Bill	4.90%	5.00%	4.88%	6.59%
364 Day T-Bill	5.26%	5.26%	5.09%	6.91%
10 Year Gilt	6.51%	6.58%	6.49%	7.35%
G-Sec Vol. (Rs.Cr)	34032	21525	29517	44742
FBIL MIBOR ^[1]	5.25%	5.25%	5.20%	6.50%
3 Month CP Rate	5.85%	5.40%	5.30%	7.80%
5 Year Corp Bond	7.62%	7.69%	7.45%	8.28%
1 Month CD Rate	4.83%	5.08%	4.91%	6.80%
3 Month CD Rate	5.09%	5.10%	5.01%	7.47%
1 Year CD Rate	6.11%	6.04%	5.77%	8.24%

Currency Market			
Currency	02-Jan	Prev_Day	Change
USD/INR	71.34	71.37	-0.03
GBP/INR	94.25	94.64	-0.39
EURO/INR	79.94	80.03	-0.09
JPY/INR	0.66	0.66	0.00

Commodity Prices				
Commodity	02-Jan	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	61.14	61.69	55.92	46.26
Brent Crude(\$/bl)	68.24	71.10	65.04	53.95
Gold(\$/oz)	1529	1511	1462	1285
Gold(Rs./10 gm)	39068	38641	37795	31792

Source: Thomson Reuters Eikon

[1] Data as on 01 Jan 2020; [2] Data as on 30 Dec 2019

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Derivatives Market

- Nifty Jan 2020 Futures stood at 12,339.30, a premium of 57.10 points above the spot closing of 12,282.20. The turnover on NSE's Futures and Options segment rose to Rs. 28,98,850.22 crore on January 02, 2020, compared with Rs. 11,24,094.71 crore on January 01, 2020.
- The Put-Call ratio stood at 0.76 compared with the previous session's close of 0.88.
- The Nifty Put-Call ratio stood at 1.47 compared with the previous session's close of 1.15.
- Open interest on Nifty Futures stood at 13.51 million, compared with the previous session's close of 13.06 million.

Indian Debt Market

- Bond yields were marginally up amid the lingering apprehension of a fiscal slippage. However, speculations of another special open market operation by the RBI limited the downside.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) rose 1 bps to close at 6.51% compared with the previous close of 6.50% after trading in a range of 6.49% to 6.52%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,054 crore (gross) on Jan 2, 2020 compared with borrowings of Rs. 3,169 crore (gross) on Jan 1, 2020. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 34,291 crore on Jan 1, 2020.
- Banks borrowed Rs. 3,430 crore under the central bank's Marginal Standing Facility on Jan 1, 2020 compared with borrowings of Rs. 4,279 crore on Dec 31, 2019.

Currency Market Update

- The Indian rupee in spot trade weakened against the greenback as market participants awaited for more clarity on the Phase -1 deal and Phase-2 talks between U.S. and China.
- The euro weakened against the greenback as market participants awaited the release of the meeting minutes of the U.S. Federal Reserve monetary policy review for Dec 2019.

Commodity Market Update

- Gold prices rose ahead of the release of the meeting minutes of the U.S. Federal Reserve monetary policy review for Dec 2019.
- Brent crude prices fell on the back of a stronger dollar.

International News

- A Labor Department report showed first-time claims for U.S. unemployment benefits slipped to 222,000, a decrease of 2,000 from the previous week's revised level of 224,000.
- U.K. manufacturing sector downturn deepened as IHS Markit/Chartered Institute of Procurement & Supply factory Purchasing Managers' Index fell to 47.5 in Dec 2019, the second-weakest level for almost seven-and-a-half years.
- Destatis data showed Germany's employment reached a record high in 2019 driven by higher labor force participation and the immigration of foreign workers. The number of persons in employment increased 0.9% in 2019, compared with 1.4% increase in 2018.



**Thank you for
your time.**

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