



**Nippon *India* Mutual Fund**

Wealth sets you free

(Formerly Reliance Mutual Fund)

# Markets for You

06 Jan 2020

Good gets *better*

Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.

Indices Performance				
Global Indices	03-Jan	Prev_Day	Abs. Change	% Change <sup>#</sup>
Russell 3000	1,434	1,443	-9	-0.63
Nasdaq	9,021	9,092	-71	-0.79
FTSE	7,622	7,604	18	0.24
Nikkei <sup>[2]</sup>	23,657	Closed	NA	NA
Hang Seng	28,452	28,544	-92	-0.32
Indian Indices	03-Jan	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	41,465	41,627	-162	-0.39
Nifty 50	12,227	12,282	-56	-0.45
Nifty 100	12,329	12,381	-52	-0.42
Nifty 500	9,942	9,980	-38	-0.38
Nifty Bank	32,069	32,444	-375	-1.15
S&P BSE Power	1,951	1,975	-24	-1.20
S&P BSE Small Cap	13,989	13,985	4	0.03
S&P BSE HC	13,582	13,520	62	0.46

P/E Dividend Yield					
Date	Sensex			Nifty	
	P/E	Div. Yield	P/E	Div. Yield	
3-Jan	25.92	1.03	28.44		1.23
Month Ago	28.58	1.14	27.95		1.25
Year Ago	23.03	1.19	25.71		1.26

Nifty 50 Top 3 Gainers				
Company	03-Jan	Prev_Day	% Change <sup>#</sup>	
Sun Pharma	445	435	2.22	
HCL Tech	585	574	2.01	
TCS	2201	2158	1.99	

Nifty 50 Top 3 Losers				
Company	03-Jan	Prev_Day	% Change <sup>#</sup>	
Zee Ente.	274	290	-5.49	
Asian Paints	1751	1791	-2.19	
Bharti Infratel	248	254	-2.17	

Advance Decline Ratio			
	BSE	NSE	
Advances	1213	879	
Declines	1300	973	
Unchanged	201	114	

Institutional Flows (Equity)			
Description (Cr)	Inflow/Outflow	YTD	
FII Flows*	1088	-525	
MF Flows**	256	256	

\*3<sup>rd</sup> Jan 2020; \*\*1<sup>st</sup> 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 02 Jan 2020; [2] Data as on 30 Dec 2019

### Global Indices

- Asian equity markets were mixed after tensions heightened in the Middle East. The U.S. carried out an airstrike in Baghdad that killed a top Iranian military leader. This pushed crude oil prices up as investors feared retaliation to U.S.' action. Today (as of Jan 6), Today (as of Jan 6), Asian markets opened lower on concerns over escalating trade tensions between U.S. and Iran. Both Nikkei and Hang Seng were down 1.80% and 0.44%, respectively (as at 8.a.m. IST).
- European markets closed lower as geopolitical tensions heightened after U.S. airstrikes in Iraq killed a top Iranian military general.
- U.S. markets fell after the U.S. confirmed that an airstrike killed Iran's top military leader. The attack sent oil prices surging and increased geopolitical concerns.

### Indian Equity Market

- Indian equity markets fell over tensions in the Middle East. U.S.' military strike in Iran killing its most powerful army general led to fears of retaliation and spiked crude oil prices. The rupee also lost against the U.S. dollar.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 0.39% and 0.45% to close at 41,464.61 and 12,226.65 respectively. S&P BSE MidCap lost 0.45% and S&P BSE SmallCap gained 0.03%.
- The overall market breadth on BSE was weak with 1,213 scrips advancing and 1,300 scrips declining. A total of 201 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE IT was the major gainer, up 1.52% followed by S&P BSE Teck, up 1.12% and S&P BSE Healthcare, up 0.46%. S&P BSE Power was the major loser, down 1.2% followed by S&P BSE Auto, down 1.16% and S&P BSE Bankex, down 1.08%.

### Domestic News

- The Securities and Exchange Board of India (SEBI) is planning to revise fund categorisation into largecap, midcap and smallcap stocks, media reports showed. SEBI will do this in consultation with the mutual fund industry. A representative of the fund managers has been asked to create a new list as SEBI wants more stocks to be incorporated under largecaps, midcaps and smallcaps, the reports showed. An announcement in this regard could be made by the next week. SEBI had introduced categorisation and rationalisation of mutual fund schemes in Oct 2017 in order to help investors make accurate comparisons of schemes.
- The Central Board of Direct Taxation (CBDT) has extended the last date for taxpayers to avail a "one-time" facility to apply for compounding of income tax offences till Jan 31, 2020, media reports showed. The previous deadline was Dec 31, 2019. In I-T parlance, compounding means authorities do not file a prosecution case against the offender or tax evader in court in lieu of payment of due taxes and surcharges.
- A major global bank has said India's economy could grow two and half times to \$7 trillion by 2030, from about \$3 trillion now, media reports showed. This will make India the world's third largest economy. This means nominal GDP growth is likely to average just over 10% through the next decade.
- According to media reports, the government could finalize stricter quality standards for 371 items by Mar 2020. This is mainly aimed at curbing imports of non-essential items such as toys, plastic goods, sports items and furniture, especially from China. The proposed rules, to be framed by ministries in coordination with the Bureau of Indian Standards (BIS), will also ensure stricter inspection of imports.

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FII Derivative Trade Statistics			
03-Jan			
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	2101.39	2336.56	10230.55
Index Options	342271.48	337918.88	45560.78
Stock Futures	9782.95	9080.23	97447.56
Stock Options	2999.65	2892.79	2765.77
Total	357155.47	352228.46	156004.66

Derivative Statistics- Nifty Options			
	03-Jan	Prev_Day	Change
Put Call Ratio (OI)	1.37	1.47	-0.10
Put Call Ratio(Vol)	1.14	0.97	0.17

Debt Watch				
	03-Jan	Wk. Ago	Mth. Ago	Year Ago
Call Rate	4.94%	5.11%	5.05%	6.31%
T-Repo	3.35%	4.50%	4.72%	6.24%
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%	4.90%	4.85%	6.61%
364 Day T-Bill	5.25%	5.26%	5.10%	6.87%
10 Year Gilt	6.51%	6.51%	6.47%	7.43%
G-Sec Vol. (Rs.Cr)	52762	42216	30179	37998
FBIL MIBOR <sup>[1]</sup>	5.25%	5.25%	5.24%	6.50%
3 Month CP Rate	5.85%	5.40%	5.25%	7.85%
5 Year Corp Bond	7.54%	7.77%	7.44%	8.33%
1 Month CD Rate	4.86%	4.95%	4.86%	6.80%
3 Month CD Rate	5.11%	5.10%	5.13%	7.37%
1 Year CD Rate	6.08%	6.05%	5.80%	8.23%

Currency Market			
Currency	03-Jan	Prev_Day	Change
USD/INR	71.69	71.34	0.35
GBP/INR	93.99	94.25	-0.26
EURO/INR	80.05	79.94	0.11
JPY/INR	0.66	0.66	0.01

Commodity Prices				
Commodity	03-Jan	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	62.97	61.73	56.10	46.87
Brent Crude(\$/bl)	70.27	70.65	64.79	53.12
Gold( \$/oz)	1551	1510	1477	1294
Gold(Rs./10 gm)	39948	38791	38062	31883

Source: Thomson Reuters Eikon

[1] Data as on 02 Jan 2020; [2] Data as on 30 Dec 2019

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**Derivatives Market**

- Nifty Jan 2020 Futures stood at 12,256.45, a premium of 29.80 points above the spot closing of 12,226.65. The turnover on NSE's Futures and Options segment fell to Rs. 9,55,836.15 crore on January 03, 2020, compared with Rs. 28,98,850.22 crore on January 02, 2020.
- The Put-Call ratio stood at 1.1 compared with the previous session's close of 0.76.
- The Nifty Put-Call ratio stood at 1.37 compared with the previous session's close of 1.47.
- Open interest on Nifty Futures stood at 12.98 million, compared with the previous session's close of 13.51 million.

**Indian Debt Market**

- Bond yields remained unchanged as gains from the central government's announcement of another special open market operation were erased by worries over additional borrowings and fiscal slippage.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) remained unchanged at 6.51% compared with the previous close after trading in the range of 6.48% to 6.52%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,694 crore (gross) on Jan 3, 2020 compared with borrowings of Rs. 3,054 crore (gross) on Jan 2, 2020. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 26,978 crore on Jan 2, 2020.
- Banks borrowed Rs. 4,225 crore under the central bank's Marginal Standing Facility on Jan 2, 2020 compared with borrowings of Rs. 3,430 crore on Dec 1, 2020.

**Currency Market Update**

- The Indian rupee in spot trade weakened against the greenback following losses in the domestic equity market as escalating geopolitical tensions between U.S. and Iran led to an increase in global crude oil prices which weighed on the market sentiment.
- The euro weakened against the greenback as investor risk sentiment dampened after U.S. air strikes in Iraq killed a senior Iranian military official.

**Commodity Market Update**

- Gold prices rose as its safe haven appeal improved following escalating geopolitical tension between U.S. and Iran.
- Brent crude prices surged after U.S. air strikes in Iraq killed a senior Iranian military official.

**International News**

- An Institute for Supply Management report showed U.S. manufacturing activity unexpectedly contracted in Dec 2019. The ISM purchasing managers index slid to 47.2 in Dec from 48.1 in Nov 2019.
- A Commerce Department report showed, construction spending in the U.S. increased in Nov 2019 by 0.6% to an annual rate of \$1.324 trillion after inching up by 0.1% to \$1.317 trillion in Oct 2019.
- Data from the Federal Employment Agency showed the number of people out of work in Germany rose by a seasonally adjusted 8,000 persons in Dec 2019.
- Data from the Federal Employment Agency showed German unemployment increased far more than expected in Dec 2019. The number of people out of work rose by a seasonally adjusted 8,000 persons.


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