



Nippon *india* Mutual Fund

Wealth sets you free

(Formerly Reliance Mutual Fund)

Markets for You

10 Jan 2020

Good gets *better*

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

| Indices Performance | | | | |
|---------------------|--------|----------|-------------|-----------------------|
| Global Indices | 09-Jan | Prev_Day | Abs. Change | % Change [#] |
| Russell 3000 | 1,462 | 1,450 | 12 | 0.86 |
| Nasdaq | 9,203 | 9,129 | 74 | 0.81 |
| FTSE | 7,598 | 7,575 | 23 | 0.31 |
| Nikkei | 23,740 | 23,205 | 535 | 2.31 |
| Hang Seng | 28,561 | 28,088 | 473 | 1.68 |
| Indian Indices | 09-Jan | Prev_Day | Abs. Change | % Change [#] |
| S&P BSE Sensex | 41,452 | 40,818 | 635 | 1.55 |
| Nifty 50 | 12,216 | 12,025 | 191 | 1.58 |
| Nifty 100 | 12,320 | 12,131 | 188 | 1.55 |
| Nifty 500 | 9,944 | 9,792 | 152 | 1.55 |
| Nifty Bank | 32,092 | 31,374 | 719 | 2.29 |
| S&P BSE Power | 1,945 | 1,927 | 18 | 0.95 |
| S&P BSE Small Cap | 14,089 | 13,874 | 215 | 1.55 |
| S&P BSE HC | 13,533 | 13,435 | 98 | 0.73 |

| P/E Dividend Yield | | | | |
|--------------------|--------|------------|-------|------------|
| Date | Sensex | | Nifty | |
| | P/E | Div. Yield | P/E | Div. Yield |
| 9-Jan | 26.22 | 1.02 | 28.41 | 1.23 |
| Month Ago | 28.46 | 1.14 | 27.82 | 1.25 |
| Year Ago | 23.51 | 1.17 | 26.15 | 1.24 |

| Nifty 50 Top 3 Gainers | | | | |
|------------------------|--------|----------|-----------------------|--|
| Company | 09-Jan | Prev_Day | % Change [#] | |
| Bharti Infratel | 251 | 236 | 6.05 | |
| JSW Steel | 278 | 263 | 5.94 | |
| Tata Motors | 192 | 183 | 5.18 | |

| Nifty 50 Top 3 Losers | | | | |
|-----------------------|--------|----------|-----------------------|--|
| Company | 09-Jan | Prev_Day | % Change [#] | |
| TCS | 2214 | 2255 | -1.81 | |
| Coal India | 198 | 200 | -1.10 | |
| HCL Tech | 580 | 586 | -0.93 | |

| Advance Decline Ratio | | | |
|-----------------------|------|------|--|
| | BSE | NSE | |
| Advances | 1823 | 1372 | |
| Declines | 749 | 475 | |
| Unchanged | 208 | 117 | |

| Institutional Flows (Equity) | | | |
|------------------------------|----------------|------|--|
| Description (Cr) | Inflow/Outflow | YTD | |
| FII Flows* | -345 | -200 | |
| MF Flows** | 80 | 286 | |

*9th Jan 2020; **7th 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 08 Jan 2020

Global Indices

- Asian equity markets gained as investors cheered U.S. President's controlled response to the Iranian missile attack. He said there were no casualties from Iran's attack on U.S. forces in Iraq and hinted the U.S. would put new sanctions on Iran and not respond militarily. Today (as of Jan 10), Asian markets opened higher on easing U.S.-Iran tensions and record gains on the Wall Street overnight. Both Nikkei and Hang Seng rose 0.35% and 0.36% (as at 8.a.m. IST), respectively.
- European markets gained on cooling Iran-U.S. tensions. The U.S. President said Iran "appears to be standing down" after the missile strikes on Iraq airbases housing U.S. troops. He indicated U.S.' response to the strikes would not be military.
- U.S. markets gained after tensions between U.S. and Iran diffused for the time being as both sides practiced restraint. Also, tech stocks lent solid support as product sales of one of the leading U.S. tech companies increased 18% in Dec 2019 in China.

Indian Equity Market

- Indian equity markets gained as de-escalation of tensions between the U.S. and Iran was welcomed by investors. Oil prices stabilized as well. The U.S. President said that there were no American casualties in the Iranian strikes on Iraqi military bases housing U.S. troops. The U.S. will impose new sanctions on Iran but not respond militarily, he added. Tehran said the strikes "concluded" its response to the general's killing.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 1.55% and 1.58% to close at 41,452.35 and 12,215.90 respectively. S&P BSE MidCap and S&P BSE SmallCap gained 1.51% and 1.55% respectively.
- The overall market breadth on BSE was strong with 1,823 scrips advancing and 749 scrips declining. A total of 208 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Realty was the major gainer, up 2.83% followed by S&P BSE Auto, up 2.64% and S&P BSE Bankex, up 2.29%. S&P BSE IT was the only loser, down 0.11%.

Domestic News

- Media reports showed the World Bank has projected a 5% growth rate for India in FY20. It said growth could recover to 5.8% in FY21. The growth rate for Bangladesh is being seen to remain above 7% through the period.
- India's plan to sell \$14.7 billion of government-owned assets in FY20 could fall short by almost half, according to media reports. This would make it difficult for the government to fix its budget deficit. Receipts from disinvestment in the year to Mar 2020 are expected to be between Rs. 50,000 crore (\$7 billion) and Rs. 60,000 crore against the target of Rs. 1.05 trillion. The reason for delay is that the sale process is complex, and the government will run out of time this year.
- The Prime Minister has sought suggestions and ideas from people on the Union Budget. The budget could be presented on Feb 1, 2020. The Prime Minister brainstormed with top economists at NITI Aayog to discuss the economic slowdown and set the base for government agenda going forward. He said the fundamentals of the Indian economy are strong and it has the capacity to bounce back.
- According to the Engineering Export Promotion Council of India (EEPC) the rupee may witness some volatility in the wake of the adverse geo-political situation in the Middle East. It said depreciation of home currency does not always help exporters as a contrarian trend was seen for various months in engineering exports in FY20. The EEPC analysis of the trade data till Nov 2019 showed quite a few months when the rupee depreciated but exports did not go up, rather declined.

Good gets better

| FII Derivative Trade Statistics | | | |
|---------------------------------|-----------|-----------|-----------|
| 09-Jan | | | |
| (Rs Cr) | Buy | Sell | Open Int. |
| Index Futures | 3652.26 | 4872.56 | 12317.30 |
| Index Options | 352484.17 | 354096.31 | 60086.58 |
| Stock Futures | 11338.85 | 10790.45 | 96963.25 |
| Stock Options | 4335.71 | 4307.85 | 3808.81 |
| Total | 371810.99 | 374067.17 | 173175.94 |

| Derivative Statistics- Nifty Options | | | |
|--------------------------------------|--------|----------|--------|
| | 09-Jan | Prev_Day | Change |
| Put Call Ratio (OI) | 1.75 | 1.25 | 0.50 |
| Put Call Ratio(Vol) | 1.09 | 0.95 | 0.14 |

| Debt Watch | | | | |
|---------------------------|--------|---------|----------|----------|
| | 09-Jan | Wk. Ago | Mth. Ago | Year Ago |
| Call Rate | 4.96% | 5.00% | 5.01% | 6.36% |
| T-Repo | 4.91% | 3.95% | 4.90% | 6.45% |
| Repo | 5.15% | 5.15% | 5.15% | 6.50% |
| Reverse Repo | 4.90% | 4.90% | 4.90% | 6.25% |
| 91 Day T-Bill | 5.01% | 4.90% | 5.01% | 6.65% |
| 364 Day T-Bill | 5.25% | 5.26% | 5.15% | 6.88% |
| 10 Year Gilt | 6.53% | 6.51% | 6.67% | 7.47% |
| G-Sec Vol. (Rs.Cr) | 44449 | 34032 | 23254 | 33557 |
| FBIL MIBOR ^[1] | 5.20% | 5.25% | 5.20% | 6.55% |
| 3 Month CP Rate | 5.80% | 5.85% | 5.45% | 7.75% |
| 5 Year Corp Bond | 7.49% | 7.61% | 7.63% | 8.36% |
| 1 Month CD Rate | 5.00% | 4.83% | 4.91% | 6.70% |
| 3 Month CD Rate | 5.01% | 5.09% | 5.07% | 6.78% |
| 1 Year CD Rate | 6.07% | 6.11% | 5.80% | 7.86% |

| Currency Market | | | |
|-----------------|--------|----------|--------|
| Currency | 09-Jan | Prev_Day | Change |
| USD/INR | 71.42 | 72.02 | -0.60 |
| GBP/INR | 93.65 | 94.58 | -0.93 |
| EURO/INR | 79.37 | 80.32 | -0.94 |
| JPY/INR | 0.65 | 0.66 | -0.01 |

| Commodity Prices | | | | |
|--------------------|--------|--------|----------|----------|
| Commodity | 09-Jan | Wk Ago | Mth. Ago | Year Ago |
| NYMEX Crude(\$/bl) | 59.53 | 61.14 | 58.94 | 52.14 |
| Brent Crude(\$/bl) | 67.97 | 68.24 | 68.28 | 59.25 |
| Gold(\$/oz) | 1552 | 1529 | 1462 | 1293 |
| Gold(Rs./10 gm) | 39706 | 39068 | 37650 | 31863 |

Source: Thomson Reuters Eikon

[1] Data as on 08 Jan 2020

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Derivatives Market

- Nifty Jan 2020 Futures stood at 12,063.50, a discount of 152.40 points below the spot closing of 12,215.90. The turnover on NSE's Futures and Options segment rose to Rs. 32,89,897.19 crore on January 08, 2020, compared with Rs. 17,85,938.60 crore on January 08, 2020.
- The Put-Call ratio stood at 0.98 compared with the previous session's close of 0.88.
- The Nifty Put-Call ratio remained unchanged compared with the previous session's close of 1.25.
- Open interest on Nifty Futures remained unchanged compared with the previous session's close of 13.25 million.

Indian Debt Market

- Bond yields fell as crude oil prices declined after the U.S. president's comment indicated easing tension in the Middle East. Besides, speculations of another open market operation by the RBI also lifted the market sentiment.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) declined 2 bps to close at 6.54% compared with the previous close of 6.56% after trading in the range of 6.52% to 6.56%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,835 crore (gross) on Jan 9, 2020 compared with borrowings of Rs. 2,715 crore (gross) on Jan 8, 2020. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 15,903 crore on Jan 8, 2020.
- Banks borrowed Rs. 3,833 crore under the central bank's Marginal Standing Facility on Jan 8, 2020 compared with borrowings of Rs. 5,165 crore on Jan 7, 2020.

Currency Market Update

- The Indian rupee in spot trade rose against the greenback and witnessed the biggest single session rise in almost four months following gains in the domestic equity market. Fall in global crude oil prices also added to the gains
- The euro inched up against the greenback after geopolitical tensions between U.S. and Iran eased to some extent which in turn boosted the investor risk sentiment.

Commodity Market Update

- Gold prices fell as geopolitical tensions between U.S. and Iran eased to some extent.
- Brent crude prices fell after crude oil stocks in U.S. increased 1.2 million barrels in the week ended Jan 3 at 431.1 million barrels.

International News

- The World Bank said in its Global Economic Prospects, global growth is forecast to rise to 2.5% in 2020 from 2.4% in 2019 driven by recovery in trade and investment. Nonetheless, projections for both years were trimmed by 0.2 percentage points. For 2021, the bank forecasts 2.6% expansion.
- The Food and Agriculture Organization (FAO) said world food prices rose for a third straight month in Dec 2019 to the highest level in five years, driven by a surge in prices of vegetable oil. The FAO Food Price Index rose 2.5% from Nov 2019 to 18.7 points.
- A Labor Department report showed first-time claims for U.S. unemployment benefits fell by more than expected in the week ended Jan 4, 2019 to 214,000, a decrease of 9,000 from the previous week's 223,000.



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