

# Markets for You

17 Jan 2020

Good gets *better*

Indices Performance				
Global Indices	16-Jan	Prev_Day	Abs. Change	% Change <sup>#</sup>
Russell 3000	1,488	1,474	14	0.98
Nasdaq	9,357	9,259	98	1.06
FTSE	7,610	7,643	-33	-0.43
Nikkei	23,933	23,917	17	0.07
Hang Seng	28,883	28,774	109	0.38
Indian Indices	16-Jan	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	41,933	41,873	60	0.14
Nifty 50	12,356	12,343	12	0.10
Nifty 100	12,471	12,459	12	0.09
Nifty 500	10,110	10,087	23	0.23
Nifty Bank	31,854	31,825	29	0.09
S&P BSE Power	1,992	1,991	1	0.06
S&P BSE Small Cap	14,648	14,534	114	0.78
S&P BSE HC	13,876	13,788	88	0.64

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
16-Jan	26.22	1.01	28.62	1.24
Month Ago	28.64	1.13	28.09	1.24
Year Ago	23.84	1.16	26.17	1.24

Nifty 50 Top 3 Gainers				
Company	16-Jan	Prev_Day	% Change <sup>#</sup>	
AGC Networks Limited	193	183	4.99	
Eicher Motors	21536	20625	4.42	
Zee Ent.	280	273	2.53	

Nifty 50 Top 3 Losers				
Company	16-Jan	Prev_Day	% Change <sup>#</sup>	
GAIL	129	132	-2.20	
NTPC	121	124	-1.94	
Hindalco	210	214	-1.87	

Advance Decline Ratio			
	BSE	NSE	
Advances	1468	1083	
Declines	1080	750	
Unchanged	188	126	

Institutional Flows (Equity)			
Description (Cr)	Inflow/Outflow	YTD	
FII Flows*	63	468	
MF Flows**	194	2072	

\*16<sup>th</sup> Jan 2020; \*\*15<sup>th</sup> Jan 2020

Economic Indicator			
YoY(%)	Current	Quarter Ago	Year Ago
CPI	7.35% (Dec-19)	3.99% (Sep-19)	2.11% (Dec-18)
IIP	1.80% (Nov-19)	-1.40% (Aug-19)	0.20% (Nov-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 15 Jan 2020

### Global Indices

- Asian equity markets were broadly higher even though gains were slight as investors gave a muted reaction to the signing of a phase one trade deal between the U.S. and China. Today (as of Jan 17), Asian markets opened higher as investors looked forward to the release of China GDP numbers. Both Nikkei and Hang Seng was up 0.45% and 0.08%, respectively (as at 8.a.m. IST).
- European markets were mixed as U.S. and China signed the initial trade agreement on the one hand and trade tensions flared between China and the Netherlands on the other. The pact rolls back some of the tariffs and will increase Chinese purchases of U.S. products.
- U.S. markets gained on upbeat corporate earnings and trade optimism as U.S. and China signed the phase one trade deal. Also, strong economic data lifted sentiment.

### Indian Equity Market

- Indian equity markets gained and touched new all-time highs. Sentiment was supported upbeat global markets as the U.S. and China signed the phase trade deal. The two countries after almost two years of bickering over trade issues have finally shown signs of conciliation. U.S. will roll back some tariffs and China will increase purchases of U.S. goods and services by \$200 billion over two years.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.14% and 0.1% to close at 41,932.56 and 12,355.50 respectively. S&P BSE MidCap and S&P BSE SmallCap gained 0.77% and 0.78% respectively.
- The overall market breadth on BSE was strong with 1,488 scrips advancing and 1,065 scrips declining. A total of 183 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Realty was the major gainer, up 0.97% followed by S&P BSE Consumer Durables, up 0.7% and S&P BSE Healthcare, up 0.64%. S&P BSE Metal was the major loser, down 1.39% followed by S&P BSE Oil & Gas, down 0.46% and S&P BSE Basic Materials, down 0.42%.

### Domestic News

- According to media reports, monsoons could start 10 days later than usual for most parts of the country. This has happened as the weather phenomenon has changed over the decades since the 'normal' dates were set in 1941. The onset date for India, which starts with Kerala on Jun 1, will remain the same but its withdrawal would now be expected 10 to 15 days later than the 'normal' date of Sep 30.
- The trade minister said imports of uncategorized items could require special licences. This comes in the wake of the commerce ministry looking to limit such imports by shifting them to a restricted list in a month.
- A former finance secretary has said India's real fiscal deficit in FY20 could come in higher at 4.5-5% of GDP due to an expected shortfall in revenue and higher spending.
- The government has found that more than 1,200 exporters are untraceable at their given addresses, media reports showed. This came to the fore after the government carried out an investigation on the basis of data analysis consisting inconsistencies in refund claims. These exporters had claimed over Rs. 350 crore in refunds, which now stand halted.

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FII Derivative Trade Statistics	16-Jan		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	1954.34	2864.54	13845.08
Index Options	249288.67	249186.16	63923.90
Stock Futures	11941.05	12821.69	104091.70
Stock Options	4595.49	4640.21	5685.58
Total	267779.55	269512.60	187546.26

Derivative Statistics- Nifty Options	16-Jan	Prev_Day	Change
Put Call Ratio (OI)	1.59	1.57	0.02
Put Call Ratio(Vol)	1.13	1.00	0.13

Debt Watch	16-Jan	Wk. Ago	Mth. Ago	Year Ago
Call Rate	4.95%	4.96%	5.08%	6.42%
T-Repo	4.88%	4.91%	4.91%	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	5.09%	5.01%	5.02%	6.60%
364 Day T-Bill	5.29%	5.25%	5.11%	6.83%
10 Year Gilt	6.60%	6.53%	6.80%	7.27%
G-Sec Vol. (Rs.Cr)	33403	44449	19855	38579
FBIL MIBOR <sup>[1]</sup>	5.15%	5.20%	5.24%	6.50%
3 Month CP Rate	5.80%	5.80%	5.37%	7.60%
5 Year Corp Bond	7.47%	7.50%	7.92%	8.47%
1 Month CD Rate	5.12%	5.00%	5.07%	6.67%
3 Month CD Rate	5.55%	5.01%	5.07%	7.16%
1 Year CD Rate	6.06%	6.07%	5.80%	7.81%

Currency Market	16-Jan	Prev_Day	Change
USD/INR	70.91	70.88	0.03
GBP/INR	92.45	92.38	0.07
EURO/INR	79.05	78.91	0.14
JPY/INR	0.64	0.64	0.00

Commodity Prices	16-Jan	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	58.52	59.53	60.16	52.03
Brent Crude(\$/bl)	64.92	67.97	69.88	59.45
Gold(\$/oz)	1553	1552	1476	1293
Gold(Rs./10 gm)	39727	39706	37891	32351

Source: Thomson Reuters Eikon

[1] Data as on 15 Jan 2020

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**Derivatives Market**

- Nifty Jan 2020 Futures stood at 12,374.35, a premium of 18.85 points above the spot closing of 12,355.50. The turnover on NSE's Futures and Options segment rose to Rs. 32,27,320.73 crore on January 16, 2020, compared with Rs. 13,81,029.24 crore on January 15, 2020.
- The Put-Call ratio stood at 0.75 compared with the previous session's close of 0.88.
- The Nifty Put-Call ratio stood at 1.59 compared with the previous session's close of 1.57.
- Open interest on Nifty Futures stood at 14.88 million, compared with the previous session's close of 14.55 million.

**Indian Debt Market**

- Bond yields continued to decline on hopes that the RBI would announce another round of special open market operation. However, gains were restricted by the ongoing fiscal concern and the upcoming notes supply.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) eased 3 bps to close at 6.60% compared with the previous close of 6.63% after trading in the range of 6.60% to 6.65%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,769 crore (gross) on Jan 16, 2020 compared with borrowings of Rs. 2,864 crore (gross) on Jan 15, 2020. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 16,995 crore on Jan 15, 2020.
- Banks borrowed Rs. 3,430 crore under the central bank's Marginal Standing Facility on Jan 15, 2020 compared with borrowings of Rs. 3,075 crore on Jan 14, 2020.

**Currency Market Update**

- The Indian rupee in spot trade rose against the U.S. dollar following month end dollar demand from oil importers. Lack of regional cues following the signing of the phase one trade deal between U.S. and China also weighed on the market sentiment.
- The euro fell against the greenback after U.S. retail sales rose for the third consecutive month in Dec 19.

**Commodity Market Update**

- Gold prices fell as the signing of a preliminary trade deal between U.S. and China boosted market sentiments.
- Brent crude prices rose after the U.S. Senate approved a revamp of the U.S.-Mexico-Canada Free Trade Agreement.

**International News**

- A report released by the Labor Department on Wednesday showed a modest increase in U.S. producer prices in Dec 2019. Producer price index for final demand inched up 0.1% after coming in unchanged in Nov 2019.
- The Federal Reserve's Beige Book said U.S. economic activity generally continued to expand modestly.
- The Cabinet Office said core machine orders in Japan jumped a seasonally adjusted 18.0% MoM - coming in at 942.7 billion yen. That compares with 6.0% slide in Oct 2019.
- Final data from the Federal Statistical Office showed Germany's consumer price inflation rose in Dec 2019. The consumer price index rose 1.5% YoY, following a 1.1% increase in Nov and Oct 2019.

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