

# Markets for You

20 Jan 2020

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Indices Performance				
Global Indices	17-Jan	Prev_Day	Abs. Change	% Change <sup>#</sup>
Russell 3000	1,494	1,488	6	0.38
Nasdaq	9,389	9,357	32	0.34
FTSE	7,675	7,610	65	0.85
Nikkei	24,041	23,933	108	0.45
Hang Seng	29,056	28,883	173	0.60
Indian Indices	17-Jan	Prev_Day	Abs. Change	% Change <sup>#</sup>
S&P BSE Sensex	41,945	41,933	13	0.03
Nifty 50	12,352	12,356	-3	-0.03
Nifty 100	12,471	12,471	1	0.00
Nifty 500	10,119	10,110	9	0.09
Nifty Bank	31,591	31,854	-263	-0.83
S&P BSE Power	2,004	1,992	12	0.61
S&P BSE Small Cap	14,709	14,648	61	0.42
S&P BSE HC	14,051	13,876	175	1.26

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
17-Jan	26.13	1.01	28.61	1.24
Month Ago	28.91	1.12	28.35	1.23
Year Ago	23.96	1.16	26.21	1.24

Nifty 50 Top 3 Gainers			
Company	17-Jan	Prev_Day	% Change <sup>#</sup>
Bharti Airtel	500	474	5.52
AGC Networks Limited	202	193	4.98
Dr.Reddy	3034	2937	3.30

Nifty 50 Top 3 Losers			
Company	17-Jan	Prev_Day	% Change <sup>#</sup>
Bharti Infratel	218	243	-10.20
IndusInd Bank	1352	1386	-2.47
GAIL	126	129	-1.86

Advance Decline Ratio			
	BSE	NSE	
Advances	1325	946	
Declines	1219	886	
Unchanged	171	123	

Institutional Flows (Equity)		
Description (Cr)	Inflow/Outflow	YTD
FII Flows*	9732	10200
MF Flows**	194	2072

\*17<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

## Global Indices

- Asian equity markets gained as China GDP data came in line with expectations, which gave investors hope that the world's second-largest economy is resilient. Also, China's industrial output and retail sales grew in Dec 2019 and Nov 2019, respectively. Today (as of Jan 20), Asian markets opened mixed as the Chinese central bank is set to announce the monthly fixing of the country's benchmark lending rate. Nikkei was trading up 0.16% and Hang Seng was trading down 0.08% (as at 8.a.m. IST).
- European markets too witnessed buying spree led by the Chinese GDP data for 2019. On the economic front, euro zone inflation picked up slightly in Dec, with headline inflation coming in at 1.3% from 1.0% in Nov.
- U.S. markets edged higher as investors took positive cues from a couple of Chinese economic data. While, Chinese industrial data for Dec topped expectations, with production rising 6.9% on a YoY basis, the overall Chinese economy grew by 6.1% in 2019, matching expectations.

## Indian Equity Market

- Indian equity markets were subdued as investors awaited cues from the earnings season and the upcoming Union Budget 2020-21. Investors expect the government to take various measures in the budget to boost growth in the economy.
- Key benchmark indices S&P BSE Sensex gained 0.03% and Nifty 50 lost 0.03% to close at 41,945.37 and 12,352.35 respectively. S&P BSE MidCap and S&P BSE SmallCap gained 0.54% and 0.42% respectively.
- The overall market breadth on BSE was strong with 1,325 scrips advancing and 1,219 scrips declining. A total of 172 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Energy was the major gainer, up 1.79% followed by S&P BSE Telecom, up 1.49% and S&P BSE Healthcare, up 1.26%. S&P BSE Bankex was the major loser, down 0.78% followed by S&P BSE Metal, down 0.71% and S&P BSE Finance, down 0.7%.

## Domestic News

- Securities and Exchange Board of India (SEBI) mandated that specific overseas government agencies and their related entities will be barred from clubbing of investment limit which is applicable for foreign portfolio investors. The exemption would be applicable for those cases where the Indian government has entered into agreements or treaties with overseas governments or there is an order.
- Association of Mutual Funds in India (AMFI) has asked the government to allow low cost debt-linked saving schemes, with tax benefits, to strengthen bond market. Also, it has asked the government to lower holding period in gold and commodity ETFs to one year from existing three years for Long-Term Capital Gains (LTCG) purposes. The industry body has also requested the government that mutual fund units should be notified as 'Specified Long-Term Assets' that are eligible for exemption on Long-Term Capital Gains. Also, it has asked to bring ULIP's of life insurance companies and equity MF schemes on par.
- The Securities and Exchange Board of India (SEBI) has permitted stocks exchanges to launch 'option in goods' in their commodity derivatives segment. Also, it has allowed options on commodity futures.
- According to United Nations World Economic Situation and Prospects (WESP) 2020 report, global growth rate of 2.5% is expected in 2020. However, as per the report, trade tensions and geopolitical uncertainty might adversely impact the growth prospects. It expects GDP for India to be 5.7% and 6.6% as against previous expectation of 7.6% and 7.4% for FY20 and FY21, respectively.

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FII Derivative Trade Statistics			
(Rs Cr)	17-Jan		
	Buy	Sell	Open Int.
Index Futures	2270.02	2856.09	14133.41
Index Options	421502.73	420866.28	56047.84
Stock Futures	11135.96	11351.87	104471.38
Stock Options	4440.37	4542.10	5912.41
<b>Total</b>	<b>439349.08</b>	<b>439616.34</b>	<b>180565.04</b>

Derivative Statistics- Nifty Options			
	17-Jan	Prev_Day	Change
Put Call Ratio (OI)	1.46	1.59	-0.13
Put Call Ratio(Vol)	0.98	1.13	-0.16

Debt Watch				
	17-Jan	Wk. Ago	Mth. Ago	Year Ago
Call Rate	5.02%	4.99%	5.06%	6.39%
T-Repo	4.98%	4.92%	4.90%	6.48%
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%	5.02%	5.00%	6.58%
364 Day T-Bill	5.10%	5.23%	5.22%	6.80%
10 Year Gilt	6.63%	6.59%	6.75%	7.28%
G-Sec Vol. (Rs.Cr)	49149	34381	32403	24913
FBIL MIBOR	5.22%	5.22%	5.25%	6.50%
3 Month CP Rate	5.80%	5.80%	5.40%	7.65%
5 Year Corp Bond	7.45%	7.48%	7.86%	8.42%
1 Month CD Rate	5.11%	5.03%	5.05%	6.73%
3 Month CD Rate	5.62%	5.09%	5.09%	7.21%
1 Year CD Rate	6.12%	6.09%	5.82%	7.91%

Currency Market			
Currency	17-Jan	Prev_Day	Change
USD/INR	71.04	70.91	0.14
GBP/INR	92.95	92.45	0.50
EURO/INR	79.14	79.05	0.09
JPY/INR	0.64	0.64	0.00

Commodity Prices				
Commodity	17-Jan	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	58.55	58.99	60.83	51.78
Brent Crude(\$/bl)	64.34	68.16	70.83	59.49
Gold(\$/oz)	1556	1562	1476	1291
Gold(Rs./10 gm)	39804	39607	37936	32396

Source: Thomson Reuters Eikon

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### Derivatives Market

- Nifty Jan 2020 Futures stood at 12,384.65, a premium of 32.30 points above the spot closing of 12,352.35. The turnover on NSE's Futures and Options segment fell to Rs. 8,37,592.91 crore on January 17, 2020, compared with Rs. 32,27,320.73 crore on January 16, 2020.
- The Put-Call ratio stood at 0.87 compared with the previous session's close of 0.75.
- The Nifty Put-Call ratio stood at 1.46 compared with the previous session's close of 1.59.
- Open interest on Nifty Futures stood at 15.13 million, compared with the previous session's close of 14.88 million.

### Indian Debt Market

- Bond yields rose amid inflationary pressure, which suspended speculations on the future of policy rate cuts. In addition, fiscal worries and the quantum of government borrowings kept the market under pressure.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) rose 3 bps to close at 6.63% compared with the previous close of 6.60% after trading in the range of 6.60% to 6.63%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 2,939 crore (gross) on Jan 17, 2020 compared with borrowings of Rs. 2,769 crore (gross) on Jan 16, 2020. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 22,606 crore on Jan 16, 2020.
- Banks borrowed Rs. 6,450 crore under the central bank's Marginal Standing Facility on Jan 16, 2020 compared with borrowings of Rs. 3,430 crore on Jan 15, 2020.

### Currency Market Update

- The Indian rupee in spot trade weakened against the U.S. dollar following persistent greenback buying by state-run banks, likely for importers. The rupee closed at 71.08 a dollar, down 0.23% compared to the previous day's close of 70.92.
- The euro fell against the greenback after data showed that U.S. homebuilding surged to a 13-year high in Dec 19.

### Commodity Market Update

- Gold prices rose after China's economy grew at the slowest pace in 29 years in 2019.
- Brent crude prices fell after China's economy grew at the slowest pace in 29 years in 2019.

### International News

- A Labor Department report showed U.S. initial jobless claims fell to 204,000, a decrease of 10,000 from the previous week's 214,000.
- A Federal Reserve report showed U.S. industrial production fell 0.3% in Dec 2019 after climbing 0.8% in Nov 2019.
- A Commerce Department report showed U.S. housing starts skyrocketed 16.9% to an annual rate of 1.608 million in Dec 2019 after 2.6% increase to 1.375 million in Nov 2019.
- A Commerce Department report showed U.S. business inventories dipped 0.2% in Nov 2019 after inching up 0.1% in Oct 2019.

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