

Markets for You

22 Jan 2020

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Indices Performance				
Global Indices	21-Jan	Prev_Day	Abs. Change	% Change [#]
Russell 3000	1,492	1,494	-2	-0.12
Nasdaq	9,371	9,389	-18	-0.19
FTSE	7,611	7,651	-41	-0.53
Nikkei	23,865	24,084	-219	-0.91
Hang Seng	27,985	28,796	-811	-2.81
Indian Indices	21-Jan	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	41,324	41,529	-205	-0.49
Nifty 50	12,170	12,225	-55	-0.45
Nifty 100	12,287	12,343	-56	-0.45
Nifty 500	9,988	10,026	-38	-0.38
Nifty Bank	30,948	31,081	-133	-0.43
S&P BSE Power	1,981	2,010	-29	-1.47
S&P BSE Small Cap	14,652	14,651	1	0.00
S&P BSE HC	14,005	14,008	-3	-0.02

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
21-Jan	25.44	1.03	27.84	1.25
Month Ago	29.18	1.11	28.60	1.22
Year Ago	24.06	1.15	26.29	1.23

Nifty 50 Top 3 Gainers			
Company	21-Jan	Prev_Day	% Change [#]
Bharti Infratel	241	222	8.41
AGC Networks Limited	223	212	4.99
Zee Ente.	284	271	4.93

Nifty 50 Top 3 Losers			
Company	21-Jan	Prev_Day	% Change [#]
Tata Steel	476	491	-2.96
M&M	553	567	-2.54
Indian Oil	115	118	-2.30

Advance Decline Ratio			
	BSE	NSE	
Advances	1078	787	
Declines	1434	1055	
Unchanged	162	115	

Institutional Flows (Equity)		
Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1301	10081
MF Flows**	-1020	1106

*21st Jan 2020; **20th 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 20 Jan 2020

Global Indices

- Asian markets slipped after the International Monetary Fund cut global growth projections for 2020. Hong Kong market was hit as a global rating agency has cut the city's credit rating and outlook, citing weaker than estimated institutional and governance strength. Today (as of Jan 22), Asian markets were impacted in the morning trade by heightened concerns over the spread of the coronavirus in China. Both Nikkei and Hang Seng rose 0.32% and 0.56% (as at 8.a.m. IST), respectively.
- European markets too remained under pressure with investors largely remaining cautious as the World Economic Forum got underway in Switzerland. Meanwhile, the outbreak of the deadly coronavirus in China and on global growth worries weighed on market sentiments.
- U.S. markets fell amid concerns about the economic impact of a deadly coronavirus outbreak in China. Bourses were further hit by the downward projection of global economic outlook by the International Monetary Fund.

Indian Equity Market

- Indian equity markets closed on a weak note amid reports that International Monetary Fund (IMF) has cut India's gross domestic product (GDP) growth forecast for FY20. Weak earnings results for the quarter ended Dec 2019 by company majors weighed on the market sentiment. Losses were extended on weak global cues due to concerns about the economic impact of a Chinese disease outbreak. However, decline in crude oil prices restricted the losses.
- Key benchmark indices S&P BSE Sensex and Nifty 50 fell 0.49% and 0.45% to close at 41,323.81 and 12,169.85, respectively. S&P BSE Mid-Cap fell 0.21% and S&P BSE Small Cap stood flat.
- The overall market breadth on BSE was weak with 1,434 scrips declining and 1,078 scrips advancing. A total of 162 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Power stood as the major loser and fell 1.47%, followed by S&P BSE Realty that fell 1.44%. S&P BSE Metal and S&P BSE Auto fell 1.32% and 1.24%, respectively. Auto sector came under pressure following data from Federation of Automobile Dealers Associations (FADA) that total vehicle registration reportedly fell 15% YoY to 16,06,002 units December 2019.

Domestic News

- The government is looking to provide credit guarantee to medium sized companies to access more and cheaper funds, enlarging the scope of the existing scheme, which is restricted to micro and small enterprises. The proposed inclusion of medium enterprises will resolve the issue of units becoming ineligible on its upgradation to medium category from small category on investment in plant and machinery/ equipment.
- According to a media report, government has prepared a draft for a new legislation to improve protection for foreign investors in India. The bill offers relief to foreign investors from possible policy changes but will uphold the state's right to tax them. The bill also adds setting up new adjudicating authorities to speedily resolve disputes, in a bid to upgrade India's investment climate and boost foreign investment.
- According to a media report, the government is considering a new formula for payments to creditors of distressed companies. The new formula will be created under the insolvency and bankruptcy law, which would give a better deal to unsecured lenders and operational creditors. There are two options under consideration- liquidation amount set by the valuers before the resolution is started, and anything in excess of this amount.
- The Union Minister for Food and Public Distribution said that the 'One Nation, One Ration Card' scheme will be implemented by Jun 1, 2020 across the country. Under this scheme a beneficiary will be able to avail benefits across the country using the same ration card.
- Uber announced the sale of its food delivery business in India- Uber Eats to Zomato in an all-stock deal. Uber will get a 9.9% stake in Zomato as part of the deal whose size has not been disclosed. Uber Eats operates in 41 cities. The deal is applicable only in India. According to media reports, the deal value is around \$300- 350 million.

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FII Derivative Trade Statistics		21-Jan	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	4801.66	4666.87	15322.95
Index Options	261097.12	260825.79	64946.59
Stock Futures	15253.15	15899.99	104301.04
Stock Options	8712.39	8952.79	6407.07
Total	289864.32	290345.44	190977.65

Derivative Statistics- Nifty Options			
	21-Jan	Prev_Day	Change
Put Call Ratio (OI)	1.08	1.13	-0.06
Put Call Ratio(Vol)	0.81	0.91	-0.10

Debt Watch				
	21-Jan	Wk. Ago	Mth. Ago	Year Ago
Call Rate	4.94%	4.97%	5.09%	6.49%
T-Repo	4.99%	4.94%	4.89%	6.52%
Repo	5.15%	5.15%	5.15%	6.50%
Reverse Repo	4.90%	4.90%	4.90%	6.25%
91 Day T-Bill	5.05%	5.08%	5.00%	6.54%
364 Day T-Bill	5.22%	5.16%	5.17%	6.79%
10 Year Gilt	6.64%	6.67%	6.60%	7.31%
G-Sec Vol. (Rs.Cr)	31007	38155	61012	41537
FBIL MIBOR ^[1]	5.18%	5.15%	5.23%	6.55%
3 Month CP Rate	5.80%	5.80%	5.40%	7.60%
5 Year Corp Bond	7.48%	7.44%	7.68%	8.45%
1 Month CD Rate	5.15%	5.12%	5.08%	6.71%
3 Month CD Rate	5.59%	5.34%	5.13%	7.11%
1 Year CD Rate	5.99%	6.04%	6.04%	7.95%

Currency Market			
Currency	21-Jan	Prev_Day	Change
USD/INR	71.18	71.06	0.13
GBP/INR	92.62	92.33	0.29
EURO/INR	78.99	78.88	0.11
JPY/INR	0.65	0.64	0.00

Commodity Prices				
Commodity	21-Jan	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	58.25	58.31	60.38	53.67
Brent Crude(\$/bl)	63.95	64.17	70.50	62.19
Gold(\$/oz)	1558	1546	1478	1280
Gold(Rs./10 gm)	39851	39602	37957	32154

Source: Thomson Reuters Eikon

[1] Data as on 20 Jan 2020

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Derivatives Market

- Nifty Jan 2020 Futures stood at 12,203.10, a premium of 33.25 points above the spot closing of 12,169.85. The turnover on NSE's Futures and Options segment rose to Rs. 12,82,524.23 crore on January 21, 2020, compared with Rs. 12,81,508.03 crore on January 20, 2020.
- The Put-Call ratio stood at 0.91 compared with the previous session's close of 0.89.
- The Nifty Put-Call ratio stood at 1.08 compared with the previous session's close of 1.13.
- Open interest on Nifty Futures stood at 14.74 million, compared with the previous session's close of 14.8 million.

Indian Debt Market

- Bond yields stood unchanged ahead of the RBI's upcoming special open market operation (OMO). Besides, market participants are looking for fiscal development in the forthcoming federal budget, which will be a major trigger in the near future.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) closed unchanged at 6.64% compared with the previous close after trading in the range of 6.62% to 6.65%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,214 crore (gross) on Jan 21, 2020 compared with borrowings of Rs. 3,366 crore (gross) on Jan 20, 2020. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 17,640 crore on Jan 20, 2020.
- Banks borrowed Rs. 3,916 crore under the central bank's Marginal Standing Facility on Jan 20, 2020 compared with borrowings of Rs. 5,989 crore on Jan 17, 2020.

Currency Market Update

- The Indian rupee in spot trade weakened against the U.S. dollar for the fourth consecutive session following losses in the domestic equity market.
- The euro inched down against the greenback as investor risk sentiment dampened amid concerns over the spread of a pneumonia-like virus in China which has reportedly infected more than 300 people and spread to Thailand, South Korea and Japan.

Commodity Market Update

- Gold prices fell as market participants preferred to book profits from the recent rally.
- Brent crude prices fell on expectations that increased output from OPEC would be able to neutralize supply disruptions in the Middle East.

International News

- The UK employment rate rose by 0.6% to hit a record high of 76.3% during the three months to Nov 2019. Meanwhile, ILO unemployment rate was steady at 3.8%, its lowest level since 1970s. Employment increased by 208,000 QoQ to a record high 32.90 million.
- The International Monetary Fund (IMF) in the latest update to its World Economic Outlook report lowered global growth projections for the 2020 and 2021, mainly due to the weaker-than-expected expansion in India. Global growth for the current year is forecasted at 3.3%, compared with 3.4% forecast made in Oct 2019.
- The Bank of Japan (BoJ) kept its monetary policy stimulus unchanged while interest rates were retained at -0.1%.


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**Thank you for
your time.**

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