

Markets for You

24 Jan 2020

Good gets *better*

Indices Performance				
Global Indices	23-Jan	Prev_Day	Abs. Change	% Change [#]
Russell 3000	1,496	1,493	3	0.17
Nasdaq	9,402	9,384	19	0.20
FTSE	7,508	7,572	-64	-0.85
Nikkei	23,795	24,031	-236	-0.98
Hang Seng	27,909	28,341	-432	-1.52
Indian Indices	23-Jan	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	41,386	41,115	271	0.66
Nifty 50	12,180	12,107	73	0.61
Nifty 100	12,313	12,231	82	0.67
Nifty 500	10,021	9,947	74	0.75
Nifty Bank	31,004	30,701	303	0.99
S&P BSE Power	1,971	1,952	19	0.97
S&P BSE Small Cap	14,772	14,633	139	0.95
S&P BSE HC	14,106	14,003	102	0.73

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
23-Jan	25.48	1.03	27.88	1.25
Month Ago	26.17	1.02	28.58	1.22
Year Ago	23.71	1.17	26.32	1.25

Nifty 50 Top 3 Gainers				
Company	23-Jan	Prev_Day	% Change [#]	
Yes Bank	41	38	6.50	
Indian Oil	118	114	4.14	
GAIL	130	126	2.98	

Nifty 50 Top 3 Losers				
Company	23-Jan	Prev_Day	% Change [#]	
Zee Ente.	279	300	-7.03	
AGC Networks Limited	223	234	-4.83	
United Phos	542	563	-3.69	

Advance Decline Ratio				
	BSE	NSE		
Advances	1436	1078		
Declines	1092	752		
Unchanged	140	140		

Institutional Flows (Equity)			
Description (Cr)	Inflow/Outflow	YTD	
FII Flows*	29	11806	
MF Flows**	-423	606	

*23rd Jan 2020; **22nd 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 22 Jan 2020

Global Indices

- Asian markets slumped following renewed concerns over deadly virus spread after the death toll from China's new corona virus rose to 17 with nearly 600 cases confirmed. Today (as on Jan 24), markets remained high in the morning trade after the WHO declined to formally designate a new coronavirus as a global health emergency. Both Nikkei and Hang Seng was trading up 0.04% and 0.09% (as at 8.a.m. IST), respectively.
- European markets closed lower as the ECB Chief's remarks on the economic outlook for the euro zone disappointed market participants.
- Most of the U.S. markets managed to end the session in the green after witnessing initial weakness. Lingering concerns about the impact of the Chinese coronavirus was outweighed by reports showing that the World Health Organization (WHO) has said it is still too early to declare the outbreak a Public Health Emergency of International Concern.

Indian Equity Market

- After witnessing decline in the last three sessions, Indian equity markets closed in the green. Expectations from the government to provide necessary fiscal stimulus during Union Budget FY21 to lift the economy supported buying interest. Further, upbeat earnings results from some of the company majors boosted market sentiment. Also, decline in crude oil prices added to the gains. However, weak global cues amid concerns about the spread of a deadly virus in China as millions of Chinese are preparing to travel for the Lunar New Year restricted the gains.
- Key benchmark indices S&P BSE Sensex and Nifty 50 grew 0.66% and 0.61% to close at 41,386.40 and 12,180.35, respectively. S&P BSE Mid-Cap and S&P BSE Small Cap grew 1.06% and 0.95%, respectively.
- The overall market breadth on BSE was strong with 1,436 scrips advancing and 1,092 scrips declining. A total of 141 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Capital Goods stood as the major gainer and grew 2.33%, followed by S&P BSE Realty and S&P BSE Oil & Gas that grew 2.04% and 1.83%, respectively. Decline in oil prices likely helped oil & gas sector to gain. S&P BSE Telecom and S&P BSE Industrials grew 1.66% and 1.48%, respectively.

Domestic News

- According to media reports, the government is planning to raise more than Rs. 10,000 crore from Central Public Sector Enterprises ETF's seventh tranche that would be launched by the end of Jan 2019. The portfolio is primarily concentrated towards the energy and oil sector. The proceeds from the ETF will provide assistance to the government in meeting its disinvestment target of Rs. 1.05 lakh crore for the current fiscal.
- According to the oil ministry's monthly consumption review report, India's oil demand grew 1.8% in the first nine months of the current fiscal. This is slower than 2.7% in the same period of the previous year. The fall in oil demand can be attributed to a slowdown in the domestic economy which led to a decline in consumption of petrol, diesel and various industrial fuels in recent months.
- According to media reports, the government is considering putting in place a special purpose vehicle (SPV) to reduce the financial stress of the telecom sector. The government is also mulling giving spectrum worth Rs 1,46,700 crore to the SPV free of cost without any auction. The move is expected to improve the financial viability of the telecom companies.
- The government has issued quality control orders for certain substandard steel items and cables. The objective of the move is to put a check on the imports of the same and bring down India's trade deficit.

Good gets better

FII Derivative Trade Statistics		23-Jan	
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	3665.94	4593.23	17783.62
Index Options	330867.73	330845.02	67579.63
Stock Futures	14587.93	16326.51	104974.56
Stock Options	6602.18	6491.25	6458.37
Total	355723.78	358256.01	196796.18

Derivative Statistics- Nifty Options			
	23-Jan	Prev_Day	Change
Put Call Ratio (OI)	1.16	1.00	0.16
Put Call Ratio(Vol)	0.93	0.80	0.14

Debt Watch				
	23-Jan	Wk. Ago	Mth. Ago	Year Ago
Call Rate	4.97%	4.95%	5.11%	6.43%
T-Repo	4.99%	4.88%	4.87%	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	5.09%	5.09%	5.02%	6.60%
364 Day T-Bill	5.26%	5.29%	5.18%	6.80%
10 Year Gilt	6.60%	6.60%	6.57%	7.29%
G-Sec Vol. (Rs.Cr)	29952	33403	30738	28124
FBIL MIBOR ^[1]	5.16%	5.15%	5.25%	6.60%
3 Month CP Rate	5.75%	5.80%	5.40%	7.60%
5 Year Corp Bond	7.36%	7.40%	7.67%	8.49%
1 Month CD Rate	5.13%	5.12%	5.08%	6.70%
3 Month CD Rate	5.62%	5.55%	5.11%	7.04%
1 Year CD Rate	6.13%	6.06%	5.97%	7.96%

Currency Market			
Currency	23-Jan	Prev_Day	Change
USD/INR	71.24	71.21	0.04
GBP/INR	93.48	93.01	0.47
EURO/INR	78.96	78.91	0.04
JPY/INR	0.65	0.65	0.00

Commodity Prices				
Commodity	23-Jan	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	55.46	58.52	60.46	52.39
Brent Crude(\$/bl)	61.55	64.92	69.33	61.39
Gold(\$/oz)	1563	1553	1485	1282
Gold(Rs./10 gm)	39872	39727	38128	32341

Source: Thomson Reuters Eikon

[1] Data as on 22 Jan 2020

Disclaimer:

The information herein is meant only for general reading purposes and contains all factual and statistical information pertaining to Industry and markets which have been obtained from independent third party sources and which are deemed to be reliable. The information provided cannot be considered as guidelines, recommendations or as a professional guide for the readers. It may be noted that since Nippon Life India Asset Management Limited (NAM India) (formerly Reliance Nippon Life Asset Management Limited) has not independently verified the accuracy or authenticity of such information or data, or for that matter the reasonableness of the assumptions upon which such data and information has been processed or arrive data; NAM India does not in any manner assure the accuracy or authenticity of such data and information. Some of the statements & assertions contained in these materials may reflect NAM India's views or opinions, which in turn may have been formed on the basis of such data or information. The Sponsor(s), the Investment Manager, the Trustee or any of their respective directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such data or information. Whilst no action has been solicited based upon the information provided herein, due care has been taken to ensure that the facts are accurate and opinions given are fair and reasonable, to the extent possible. This information is not intended to be an offer or solicitation for the purchase or sale of any financial product or instrument. Recipients of this information should rely on information/data arising out of their own investigations. Before making any investments, the readers are advised to seek independent professional advice, verify the contents in order to arrive at an informed investment decision. None of the Sponsor(s), the Investment Manager, the Trustee, their respective directors, employees, affiliates or representatives shall be liable in any way for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including on account of lost profits arising from the information contained in this material. Readers are requested to click here for ICRON disclaimer - <http://www.icraonline.com/legal/standard-disclaimer.html>

Derivatives Market

- Nifty Jan 2020 Futures stood at 12,201.00, a premium of 20.65 points above the spot closing of 12,180.35. The turnover on NSE's Futures and Options segment rose to Rs. 34,45,384.84 crore on January 23, 2020, compared with Rs. 16,74,537.87 crore on January 22, 2020.
- The Put-Call ratio stood at 0.81 compared with the previous session's close of 0.87.
- The Nifty Put-Call ratio stood at 1.16 compared with the previous session's close of 1.
- Open interest on Nifty Futures stood at 14.8 million, compared with the previous session's close of 14.84 million.

Indian Debt Market

- Bond yields eased after the outcome of the special open market operation came in better than market expectation. Additionally, the decline in crude oil prices also supported the sentiment and added to the gains.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) reduced 4 bps to close at 6.60% compared with the previous close of 6.64% after trading in the range of 6.60% to 6.64%.
- Banks borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 3,074 crore (gross) on Jan 23, 2020 compared with borrowings of Rs. 2,959 crore (gross) on Jan 22, 2020. Sale of securities under Reserve Bank of India's (RBI) reverse repo window stood at Rs. 33,645 crore on Jan 22, 2020.
- Banks borrowed Rs. 2,250 crore under the central bank's Marginal Standing Facility on Jan 22, 2020 compared with borrowings of Rs. 3,400 crore on Jan 21, 2020.

Currency Market Update

- The Indian rupee in spot trade weakened against the greenback following buying of the greenback by foreign banks. Worries over the spread of the coronavirus in China also weighed on the market sentiment.
- The euro weakened against the greenback after the European Central Bank kept interest rates and its monetary stimulus program unchanged in its monetary policy review and launched a broad review of its policy.

Commodity Market Update

- Gold prices rose as its safe haven appeal improved amid concerns over the coronavirus outbreak in China.
- Brent crude prices plunged amid concerns over the coronavirus outbreak in China and its impact on global economy which may lead to a decline in oil demand.

International News

- The European Central Bank kept interest rates on hold in its monetary policy review. The asset purchase program and the forward guidance was also left unchanged. In addition, the new European Central Bank Chief launched a broad review of the bank's monetary policy strategy which will cover "a whole host of issues" ranging from the inflation target to the impact of climate change. A review of the ECB's monetary policy strategy was last undertaken in 2003. The process is expected to conclude at the end of the year.
- According to Cabinet Office, Japan's leading index fell to 90.8 in Nov 2019 from 91.6 in Oct 2019. Meanwhile, the coincident index fell to 94.7 in Nov 2019 as against 95.3 in Oct 2019.

Good gets better

**Thank you for
your time.**

Good gets *better*