

Markets for You

07 Jul 2020

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Indices Performance

Global Indices	06-Jul	Prev_Day	Abs. Change	% Change#
Russell 3000	1,604	1,572	32	2.00
Nasdaq	10,434	10,208	226	2.21
FTSE	6,286	6,157	129	2.09
Nikkei	22,714	22,306	408	1.83
Hang Seng	26,339	25,373	966	3.81
Indian Indices	06-Jul	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	36,487	36,021	466	1.29
Nifty 50	10,764	10,607	156	1.47
Nifty 100	10,919	10,776	143	1.33
Nifty 500	8,816	8,696	119	1.37
Nifty Bank	22,199	21,852	347	1.59
S&P BSE Power	1,631	1,607	24	1.47
S&P BSE Small Cap	12,767	12,603	164	1.30
S&P BSE HC	16,314	16,344	-31	-0.19

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
6-Jul	24.30	1.06	28.13	1.49
Month Ago	21.74	1.11	23.91	1.50
Year Ago	28.62	1.18	29.04	1.24

Nifty 50 Top 3 Gainers

Company	06-Jul	Prev_Day	% Change#
M&M	571	531	7.55
Bajaj Finance	3109	2932	6.05
Hindalco	154	146	5.43

Nifty 50 Top 3 Losers

Company	06-Jul	Prev_Day	% Change#
ITC	200	208	-3.73
Bajaj Auto	2897	2932	-1.20
GAIL	104	105	-1.14

Advance Decline Ratio

	BSE	NSE
Advances	1607	1160
Declines	1194	771
Unchanged	179	88

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	621	-21852
MF Flows**	-815	40106

 *6th Jul 2020; **3rd Jul 2020

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	5.91% (Mar-20)	7.35% (Dec-19)	2.86% (Mar-19)
IIP	-55.50% (Apr-20)	2.20% (Jan-20)	3.20% (Apr-19)
GDP	3.10% (Mar-20)	4.10% (Dec-19)	5.70% (Mar-19)

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 03 Jul, 2020

Global Indices

- Asian markets advanced as signs of economic recovery in China coupled with hopes of more stimulus measures helped offset worries over a spike in Covid-19 cases in some U.S. states and other parts of the world. Today (as on July 07), Asian markets opened mixed as investors await the Reserve Bank of Australia's interest rate decision. While Nikkei was trading down 0.48%, Hang Seng was up 0.07% (as at 8.a.m. IST), respectively.
- European markets gained strongly notably as Chinese stocks rose sharply after a state media said fostering a "healthy" bull market after the pandemic is now more important to the economy than ever. Some upbeat economic data from the euro area too contributed significantly to the uptick in European markets.
- U.S. markets rose strongly following surge in Chinese equity market amid positive commentary on the market from state media. Market participants also remain generally optimistic about the U.S. economic outlook following last Thursday's better than expected jobs data.

Indian Equity Market

- Indian equity markets rose on the back of positive global cues and encouraging business update by certain companies for Q1FY21.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 1.29% and 1.47% to close at 36,487.28 and 10,763.65 respectively.
- The overall market breadth on BSE was strong with 1,607 scrips advancing and 1,194 scrips declining. A total of 179 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Energy was the major gainer, up 2.97% followed by S&P BSE Realty, up 2.95% and S&P BSE Auto, up 2.93%. S&P BSE FMCG was the major loser, down 0.82% followed by S&P BSE Telecom, down 0.63% and S&P BSE Healthcare, down 0.19%.

Domestic News

- According to a major credit rating agency, the effect of the coronavirus pandemic and the subsequent policy response is likely to turn the additional Rs. 1.67 trillion of borrowings from the top 500 debt-heavy private-sector firms into delinquent assets between FY21-FY22. It is above Rs. 2.54 trillion predicted before pandemic onset, bringing the total quantum to Rs 4.21 trillion. This constitutes 6.63% of the total debt.
- According to a domestic rating agency, suspension of H1-B visas by the U.S. will cost domestic IT firms Rs. 1,200 crore and have a marginal effect on their profitability of 0.25% - 0.30%. An increase in local hiring over the past few years since the U.S. began curbing the issuance of visas will now help to limit the impact on Indian IT companies.
- According to the Ficci-Dhruva Advisors industry survey conducted in Jun 2020 with participation of over 100 top corporate executives from across sectors, close to 30% of the firms are operating at 70% plus capacity utilisation, while nearly 45% expect capacity utilisation to be above 70% in the near term. The opening up of India's post-lockdown economy and implementation of the government's unveiled economic package have begun showing results on the ground with initial signs of progress in business performance now evident.
- According to a release issued by the Multi Commodity Exchange of India (MCX), the exchange obtained approval from Securities Exchange Board of India for the launch of gold mini option with gold mini (100 gm) as its underlying. According to MCX, Gold mini option Aug 2020, Sep 2020 and Oct 2020 contracts will be available for trading from Jul 10, 2020. The maximum single order size shall be 100 lots.

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FII Derivative Trade Statistics		06-Jul		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	3569.29	3065.27	6934.15	
Index Options	125100.80	124461.56	42922.43	
Stock Futures	11295.50	11256.19	87867.59	
Stock Options	3250.13	3302.70	5497.52	
Total	143215.72	142085.72	143221.69	

Derivative Statistics- Nifty Options			
	06-Jul	Prev_Day	Change
Put Call Ratio (OI)	1.60	1.50	0.10
Put Call Ratio(Vol)	0.96	0.89	0.07

Debt Watch				
	06-Jul	Wk. Ago	Mth. Ago	Year Ago
Call Rate	3.50%	3.55%	3.64%	5.56%
T-Repo	3.14%	2.95%	3.14%	5.58%
Repo	4.00%	4.00%	4.00%	5.75%
Reverse Repo	3.35%	3.35%	3.35%	5.50%
91 Day T-Bill	3.07%	3.13%	3.32%	5.85%
364 Day T-Bill	3.39%	3.48%	3.45%	6.05%
10 Year Gilt	5.96%	6.01%	6.02%	6.69%
G-Sec Vol. (Rs.Cr)	31893	45778	38523	126281
FBIL MIBOR ^[1]	3.90%	3.85%	4.01%	5.69%
3 Month CP Rate	3.85%	3.80%	4.30%	6.90%
5 Year Corp Bond	6.50%	6.63%	6.87%	7.89%
1 Month CD Rate	3.29%	3.32%	3.24%	5.90%
3 Month CD Rate	3.24%	4.13%	3.52%	6.28%
1 Year CD Rate	3.92%	4.06%	4.03%	7.42%

Currency Market			
Currency	06-Jul	Prev_Day	Change
USD/INR	74.68	74.78	-0.10
GBP/INR	93.35	93.27	0.08
EURO/INR	84.32	84.05	0.27
JPY/INR	0.69	0.70	0.00

Commodity Prices				
Commodity	06-Jul	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/t)	40.46	39.62	39.44	57.03
Brent Crude(\$/bl)	43.90	42.11	40.93	64.82
Gold(\$/oz)	1784	1771	1685	1400
Gold(Rs./10 gm)	48168	48376	46525	34655

Source: Refinitiv

[1] Data as on 03 Jul, 2020

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Derivatives Market

- Nifty Jul 2020 Futures stood at 10,754.85, a discount of 8.80 points below the spot closing of 10,763.65. The turnover on NSE's Futures and Options segment rose to Rs. 10,30,180.30 crore on July 06, 2020, compared with Rs. 7,92,884.44 crore on July 03, 2020.
- The Put-Call ratio stood at 0.88 compared with the previous session's close of 0.87.
- The Nifty Put-Call ratio stood at 1.6 compared with the previous session's close of 1.5.
- Open interest on Nifty Futures stood at 12.53 million, compared with the previous session's close of 12.07 million.

Indian Debt Market

- Bond yields inched down on expectations that the Reserve Bank of India would adopt additional measures to absorb the heavy supply of sovereign debt in the coming days. Hopes of further monetary easing also added to the gains
- Yield on the 10-year benchmark paper (5.79% GS 2030) inched down 1 bps to close at 5.84% compared to previous close of 5.85% after moving in a range of 5.82% to 5.84%.
- Banks borrowed Rs. 10 crore under the central bank's Marginal Standing Facility on Jul 03, 2020 as compared to a borrowing of Rs. 50 crore on Jul 02, 2020.
- RBI announced the (re-issue) of three dated securities namely 5.22% GS 2025, 6.19% GS 2034 and 7.16% GS 2050 for a notified amount of Rs. 30,000 crore. The auction would be carried out on Jul 10, 2020.

Currency Market Update

- The Indian rupee in the spot trade weakened marginally against the greenback following dollar demand from state run banks.
- The euro rose against the greenback after retail sales in euro zone rebounded at a faster than expected pace in May 2020 on a monthly basis. Factory orders in Germany also increased on a monthly basis in May 2020 which added to the gains.

Commodity Market Update

- Gold prices rose as its safe haven appeal improved on persisting concerns over increase in coronavirus infection cases in U.S.
- Brent crude prices fell following increase in coronavirus infection cases in U.S.

International News

- According to the Institute for Supply Management, U.S. non-manufacturing index surged to 57.1 in Jun 2020 from 45.4 in May 2020. The index rose at its fastest pace on monthly basis since its debut in 1997 due to surge in business activity and new orders index.
- According to IHS Markit, the UK headline seasonally adjusted Construction Total Activity Index surged to 55.3 in Jun 2020 from 28.9 in May 2020. The index rose at its fastest pace in nearly two years.
- According to the survey results from the behavioral research firm Sentix showed, eurozone The investor confidence index improved for the third consecutive month and stood at -18.2 in Jul 2020 compared with -24.8 in Jun 2020. However, outlook remained weak as the economy is expected to recover only slowly.



**Thank you for
your time.**

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