

Markets for You

23 Jul 2020

Good gets *better*

Indices Performance

Global Indices	22-Jul	Prev_Day	Abs. Change	% Change [#]
Russell 3000	1,646	1,637	9	0.56
Nasdaq	10,706	10,680	26	0.24
FTSE	6,207	6,270	-63	-1.00
Nikkei	22,752	22,884	-133	-0.58
Hang Seng	25,058	25,636	-578	-2.25
Indian Indices	22-Jul	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	37,872	37,930	-59	-0.16
Nifty 50	11,133	11,162	-30	-0.27
Nifty 100	11,249	11,284	-34	-0.31
Nifty 500	9,047	9,071	-24	-0.26
Nifty Bank	22,883	22,782	101	0.44
S&P BSE Power	1,563	1,545	19	1.22
S&P BSE Small Cap	12,917	12,947	-29	-0.23
S&P BSE HC	16,888	16,908	-20	-0.12

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
22-Jul	25.09	1.02	28.93	1.44
Month Ago	22.48	1.02	25.66	1.48
Year Ago	27.47	1.24	27.81	1.31

Nifty 50 Top 3 Gainers

Company	22-Jul	Prev_Day	% Change [#]
Axis Bank	479	446	7.34
Titan Industries Limited	1058	1015	4.19
Power Grid	180	174	3.46

Nifty 50 Top 3 Losers

Company	22-Jul	Prev_Day	% Change [#]
Hero Moto	2768	2869	-3.53
Tata Motors	105	108	-3.04
HUL	2249	2318	-3.00

Advance Decline Ratio

	BSE	NSE
Advances	1133	781
Declines	1515	1116
Unchanged	153	74

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	2090	-20031
MF Flows**	-650	35334

*22nd Jul 2020; **21st Jul 2020

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	6.09% (Jun-20)	5.84% (Mar-20)	3.18% (Jun-19)
IIP	-34.71% (May-20)	5.20% (Feb-20)	4.50% (May-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 21 Jul, 2020

Global Indices

- Asian markets slipped after U.S. President warned that the U.S. coronavirus crisis will probably worsen before improving. However, the downside, was capped by vaccine hopes and an agreement among European Union leaders on a 750 billion euro (\$859 billion) fund to prop up their coronavirus-hit economies. Today (as on Jul 23), markets are trading higher following overnight gains in Wall Street. While Nikkei remained closed, Hang Seng traded up 0.71% (as at 8:00 AM), respectively.
- European markets closed lower as investors' focus shifted back to U.S.-China tensions, and surging coronavirus cases around the world.
- U.S. markets closed higher as encouraging data added to the optimism about the economic outlook despite the recent surge in new coronavirus cases.

Indian Equity Market

- Indian equity markets slipped following weak global cues and a surge in coronavirus cases.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 0.16% and 0.27% to close at 37,871.52 and 11,132.60 respectively. S&P BSE MidCap gained 0.19% and S&P BSE SmallCap lost 0.23%.
- The overall market breadth on BSE was weak with 1,133 scrips advancing and 1,515 scrips declining. A total of 153 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Consumer Durables was the major gainer, up 2.25% followed by S&P BSE Utilities, up 1.25% and S&P BSE Power, up 1.22%. S&P BSE IT was the major loser, down 1.41% followed by S&P BSE Auto, down 1.29% and S&P BSE Capital Goods, down 1.08%.

Domestic News

- Data from the ministry of corporate affairs showed that the total number of registered companies in the country as on Jun 2020 stood at 2,014,969. Out of them, 746,278 companies were closed, 2,242 companies were assigned dormant status as per the Companies Act, 2013, 6,706 were under liquidation and 43,770 companies were in the process of being struck-off. Thus, the total number of active companies as on Jun 2020 stood at 1,215,973. Total number of public companies stood at 63,855 out of which 6,798 were listed. Economic activity wise, maximum number of companies were in the business services sector followed by manufacturing, trading and construction.
- According to media reports, the central government has notified a Rs. 6,940 crore worth production linked incentive scheme in order to boost local drug manufacturing and reduce its dependency on imports.
- According to the Chief Economic Advisor, the next fiscal support by the government to combat the COVID-19 pandemic will come soon after a vaccine to cure the same gets available which at the moment is not very far off. The Chief Economic Advisor opined that availability of vaccine will reduce the uncertainty caused by the pandemic and people will be able to spend more on discretionary items.
- According to the Chief General Manager for the Department of Payment and Settlement Systems at the Reserve Bank of India, payments through digital modes may jump to 1.5 billion transactions, worth Rs 15 trillion per day by 2025.
- Larsen & Toubro (L&T) reported a 68.37% YoY fall in consolidated net profit at Rs. 536.88 crore for the quarter ended Jun 2020 compared with Rs. 1,697.62 crore in the same quarter last year. Total income fell 27.19% to Rs. 22,037.37 crore from Rs. 30,270.94 crore in the year-ago quarter.
- Alembic Pharmaceuticals reported more than two-fold jump in consolidated net profit to Rs. 301.46 crore for the quarter ended on Jun 30, 2020 as against Rs. 123.72 crore for the same quarter of the previous fiscal. The rise in profit came mainly due to robust sales in international markets.

Good gets better

FII Derivative Trade Statistics		22-Jul		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	4133.69	3276.66	9663.05	
Index Options	179913.06	179129.96	62278.60	
Stock Futures	15363.72	16006.86	91716.71	
Stock Options	4815.87	4799.34	7890.29	
Total	204226.34	203212.82	171548.65	

Derivative Statistics- Nifty Options			
	22-Jul	Prev_Day	Change
Put Call Ratio (OI)	1.68	1.87	-0.20
Put Call Ratio(Vol)	1.16	1.13	0.03

Debt Watch				
	22-Jul	Wk. Ago	Mth. Ago	Year Ago
Call Rate	3.48%	3.51%	3.58%	5.65%
T-Repo	3.18%	3.13%	3.06%	5.63%
Repo	4.00%	4.00%	4.00%	5.75%
Reverse Repo	3.35%	3.35%	3.35%	5.50%
91 Day T-Bill	3.25%	3.21%	3.25%	5.72%
364 Day T-Bill	3.48%	3.40%	3.52%	5.92%
10 Year Gilt	5.82%	5.82%	5.88%	6.42%
G-Sec Vol. (Rs.Cr)	26608	32257	32349	49665
FBIL MIBOR ^[1]	3.86%	3.88%	3.91%	5.80%
3 Month CP Rate	3.65%	3.70%	3.95%	6.40%
5 Year Corp Bond	6.39%	6.33%	6.65%	7.72%
1 Month CD Rate	3.22%	3.12%	3.20%	6.02%
3 Month CD Rate	3.32%	3.28%	3.35%	6.28%
1 Year CD Rate	3.84%	3.78%	4.07%	6.99%

Currency Market			
Currency	22-Jul	Prev_Day	Change
USD/INR	74.68	74.77	-0.08
GBP/INR	94.97	94.87	0.09
EURO/INR	86.06	85.57	0.49
JPY/INR	0.70	0.70	0.00

Commodity Prices				
Commodity	22-Jul	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	41.83	41.15	40.55	55.84
Brent Crude(\$/bl)	43.66	44.50	43.67	62.10
Gold(\$/oz)	1872	1811	1754	1425
Gold(Rs./10 gm)	50005	49062	47911	34932

Source: Refinitiv

[1] Data as on 21 Jul, 2020

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Derivatives Market

- Nifty Jul 2020 Futures stood at 11,110.55, a discount of 22.05 points below the spot closing of 11,132.60. The turnover on NSE's Futures and Options segment rose to Rs. 19,98,781.81 crore on July 22, 2020, compared with Rs. 13,17,023.27 crore on July 21, 2020.
- The Put-Call ratio stood at 0.99 compared with the previous session's close of 0.91.
- The Nifty Put-Call ratio stood at 1.68 compared with the previous session's close of 1.87.
- Open interest on Nifty Futures stood at 13.21 million, compared with the previous session's close of 13.29 million.

Indian Debt Market

- Bond yields fell on value buying probably by state run banks. Also market participants awaited bond supportive steps from the Reserve Bank of India (RBI).
- Yield on the 10-year benchmark paper (5.79% GS 2030) fell 1 bps to close at 5.82 as compared to previous close of 5.83% after moving in a range of 5.81% to 5.83%.
- RBI carried out the auction of 91 day, 182 day and 364 day Treasury Bills for a notified amount of Rs. 12,000 crore, Rs. 13,000 crore and Rs. 10,000 crore respectively for which the entire amount was accepted. The cut of price for 91 day, 182 day and 364 day Treasury Bills subsequently stood at Rs. 99.1965 (3.25%), Rs. 98.3523 (3.36%) and Rs. 96.6092 (3.52%) respectively.
- Banks did not borrowed under the central bank's Marginal Standing Facility on Jul 21, 2020 as against Rs. 20 crore on Jul 20, 2020.

Currency Market Update

- The Indian rupee in the spot trade inched down against the greenback due to brewing tensions between U.S. and China and suspected intervention by the Reserve Bank of India. The rupee inched down 0.01% to close at 74.76 per U.S. dollar compared to the previous close of 74.75.
- The euro rose against the greenback as the investor risk sentiment improved after European Union leaders agreed on a fiscal stimulus plan.

Commodity Market Update

- Gold prices rose on hopes that central banks across the globe will adopt more stimulus measures to combat the pandemic.
- Brent crude prices fell after oil inventory in U.S. for the week ended July 17 rose by 4.9 million barrels.

International News

- According to the latest monthly report by the Cabinet Office, for the second straight month, Japan's government raised its economic view, as activity showed picking up movements. The improvement in activities is expected to continue. However, attention should be given to the possibility of the economies being impacted by domestic and overseas infections.
- According to the latest survey from the Jibun Bank, the manufacturing purchasing managers' index (PMI) continued to contract however at a slower rate and stood at 42.6 in Jul 2020 from 40.1 in Jun 2020. Also, services PMI rose to 45.2 in Jul from 45.0 in Jun and the composite index improved to 43.9 in Jun from 40.8 in Jul.





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