

Markets for You

27 Jul 2020

Good gets *better*

Indices Performance

Global Indices	24-Jul	Prev_Day	Abs. Change	% Change*
Russell 3000	1,601	1,611	-9	-0.58
Nasdaq	10,363	10,461	-98	-0.94
FTSE	6,124	6,211	-88	-1.41
Nikkei ^[1]	22,752	22,884	-133	-0.58
Hang Seng	24,705	25,263	-558	-2.21
Indian Indices	24-Jul	Prev_Day	Abs. Change	% Change*
S&P BSE Sensex	38,129	38,140	-12	-0.03
Nifty 50	11,194	11,215	-21	-0.19
Nifty 100	11,298	11,334	-37	-0.32
Nifty 500	9,086	9,114	-28	-0.31
Nifty Bank	22,662	23,084	-422	-1.83
S&P BSE Power	1,556	1,565	-8	-0.54
S&P BSE Small Cap	12,967	12,996	-30	-0.23
S&P BSE HC	17,083	17,167	-85	-0.49

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
24-Jul	25.37	1.02	29.35	1.43
Month Ago	22.41	1.03	25.63	1.48
Year Ago	27.16	1.24	27.62	1.32

Nifty 50 Top 3 Gainers

Company	24-Jul	Prev_Day	% Change*
RIL	2146	2058	4.29
HCL Tech	680	653	4.15
Tech Mahindra	653	632	3.19

Nifty 50 Top 3 Losers

Company	24-Jul	Prev_Day	% Change*
Zee Ente.	152	159	-4.56
Hindalco	156	162	-3.58
Axis Bank	446	461	-3.31

Advance Decline Ratio

	BSE	NSE
Advances	1034	684
Declines	1624	1190
Unchanged	138	93

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	2114	-16177
MF Flows**	-467	33627

 *24th Jul 2020; **23rd 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 22 Jul, 2020

Global Indices

- Asian markets retreated following disappointing U.S. initial jobless claims for the week to Jul 18 coupled with concerns about rising U.S.-China tensions. Worries about the spread of the coronavirus added to the woes. Today (as on July 27), Asian markets were mixed as investors continue to watch for developments on issues such as the coronavirus pandemic. Both Nikkei and Hang Seng were trading lower 0.68% and 0.34%, respectively (as at 8.a.m. IST), respectively.
- European markets declined sharply on rising tensions between the U.S. and China and worries about global economic outlook due to the impact of the coronavirus pandemic. The continued uncertainty about trade discussions between the U.K. and the European Union, increased losses.
- U.S. markets fell amid concerns about rising tensions between the U.S. and China after Beijing decided to revoke the license for the establishment and operation of the U.S. Consulate General in Chengdu.

Indian Equity Market

- Indian equity markets dipped amid selling pressure in financial, auto, and metal sectors. However, buying in selected blue chip and IT stocks gave the much-needed support, thereby restricting losses.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 0.03% and 0.19% to close at 38,128.90 and 11,194.15 respectively. S&P BSE MidCap and S&P BSE SmallCap lost 0.59% and 0.23% respectively.
- The overall market breadth on BSE was weak with 1,034 scrips advancing and 1,624 scrips declining. A total of 138 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Energy was the major gainer, up 2.9% followed by S&P BSE IT, up 1.33% and S&P BSE Teck, up 0.76%. S&P BSE Metal was the major loser, down 2.11% followed by S&P BSE Bankex, down 1.93% and S&P BSE Realty, down 1.89%.

Domestic News

- The Reserve Bank of India (RBI) in its Financial Stability Report took note of the disconnect between the real sector activity within the domestic economy and the ongoing exuberance in the domestic equity market. RBI also indicated that as the uncertainty over the COVID-19 pandemic begins to wane, the central bank will gradually withdraw the stimulus and support packages without disrupting the markets. RBI further warned that brewing geopolitical tensions and loss in economic activity due to COVID-19 pandemic may adversely impact the growth prospects of the global economy.
- RBI warned that macro tests undertaken for ascertaining the credit risk indicate that the gross non-performing asset ratio of all scheduled commercial banks may increase from 8.5% in Mar 2020 to 12.5% by Mar 2021 under the baseline scenario which again might rise further to 14.7% under a very severely stressed scenario. RBI also opined that banks turned risk averse due to a series of credit defaults in 2019 as a result of which market access became difficult which resulted in funding constraints.
- RBI in its Financial Stability Report noted that both gross bad loans and aggregate loan portfolios came down under the large borrower category for the period from Mar 2018 to Mar 2020. However, formation of non-performing assets and credit increased under small borrower category during the same period.
- The International Monetary Fund (IMF) underlined the importance of economic reforms to attract investment in the country. IMF further added that additional investments in infrastructure are also imperative to bring about inclusive growth with continued sustainability.
- Hero MotoCorp reported additional investment of Rs. 84 crore in Ather Energy, smart electric scooter start-up, taking up its stake in the company to 34.58% from 31.27% previously.
- Crompton Greaves Consumer Electricals reported 38.90% decline in its consolidated profit to Rs. 74.80 crore for the quarter ended Jun 30, 2020 as against profit of Rs122.44 crore in the same period a year ago. The decline in profit came due to lower income.



FII Derivative Trade Statistics			
	24-Jul		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	3740.84	3520.47	10840.78
Index Options	332386.00	330647.94	55499.47
Stock Futures	14525.38	15806.00	91154.46
Stock Options	5559.76	5373.91	6527.53
Total	356211.98	355348.32	164022.24

Derivative Statistics- Nifty Options			
	24-Jul	Prev_Day	Change
Put Call Ratio (OI)	1.74	1.87	-0.12
Put Call Ratio(Vol)	1.01	1.10	-0.09

Debt Watch				
	24-Jul	Wk. Ago	Mth. Ago	Year Ago
Call Rate	3.42%	3.49%	3.54%	5.58%
T-Repo	3.18%	3.17%	2.00%	5.49%
Repo	4.00%	4.00%	4.00%	5.75%
Reverse Repo	3.35%	3.35%	3.35%	5.50%
91 Day T-Bill	3.26%	3.21%	3.16%	5.70%
364 Day T-Bill	3.45%	3.36%	3.50%	5.95%
10 Year Gilt	5.82%	5.80%	5.92%	6.44%
G-Sec Vol. (Rs.Cr)	41818	45761	29881	37098
FBIL MIBOR	3.84%	3.92%	3.91%	5.70%
3 Month CP Rate	3.65%	3.65%	3.95%	6.40%
5 Year Corp Bond	6.43%	6.31%	6.69%	7.73%
1 Month CD Rate	3.26%	3.21%	3.04%	5.86%
3 Month CD Rate	3.30%	3.28%	3.26%	6.28%
1 Year CD Rate	3.85%	3.76%	4.11%	6.93%

Currency Market			
Currency	24-Jul	Prev_Day	Change
USD/INR	74.87	74.75	0.11
GBP/INR	95.42	95.29	0.13
EURO/INR	86.95	86.65	0.30
JPY/INR	0.70	0.70	0.01

Commodity Prices				
Commodity	24-Jul	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/t)	41.21	40.50	37.81	55.87
Brent Crude(\$/bl)	43.72	44.27	41.50	64.02
Gold(\$/oz)	1901	1809	1761	1426
Gold(Rs./10 gm)	50960	48942	48389	34897

Source: Refinitiv

[1] Data as on 22 Jul, 2020

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Derivatives Market

- Nifty Jul 2020 Futures stood at 11,170.25, a discount of 23.90 points below the spot closing of 11,194.15. The turnover on NSE's Futures and Options segment fell to Rs. 11,53,542.45 crore on July 24, 2020, compared with Rs. 34,71,635.85 crore on July 23, 2020.
- The Put-Call ratio stood at 0.88 compared with the previous session's close of 0.84.
- The Nifty Put-Call ratio stood at 1.74 compared with the previous session's close of 1.86.
- Open interest on Nifty Futures stood at 13.42 million, compared with the previous session's close of 13.59 million.

Indian Debt Market

- Bond yields rose amid thin volumes with the market participants anticipating bond supportive steps from the Reserve Bank of India (RBI) in the coming months to ease oversupply concerns.
- Yield on the 10-year benchmark paper (5.79% GS 2030) increased 2 bps to close at 5.82% as compared to previous close of 5.80% after moving in a range of 5.80% to 5.83%.
- Data from Reserve Bank of India showed that India's foreign exchange reserves rose to \$517.64 billion for the week ended Jul 17, 2020 from \$516.36 billion at the end of the previous week.
- Banks did not borrowed under the central bank's Marginal Standing Facility on Jul 23, 2020 borrowing of Rs. 60 crore on Jul 22, 2020.

Currency Market Update

- The Indian rupee in the spot trade weakened against the greenback following losses in the domestic equity market and concerns over escalating tensions between U.S. and China after the latter ordered the U.S. to close its consulate in the southwestern city of Chengdu.
- The euro rose against the greenback after preliminary data showed that economic activity in euro zone bounced back to growth in Jul 2020.

Commodity Market Update

- Gold prices rose after China ordered the U.S. to close its consulate in the southwestern city of Chengdu.
- Brent crude prices fell amid concerns over rising coronavirus infection cases in U.S. and escalating tensions between U.S. and China.

International News

- According to the data from the Labor Department, U.S. initial jobless claims increased 109,000 to 1.416 million from the previous week's revised level of 1.307 million.
- According to preliminary survey from European Commission, flash consumer confidence indicator for euro area fell to -15 in Jul 2020 from -14.7 in Jun 2020.
- According to survey data from IHS Markit, eurozone flash composite output index rose to a 25-month high of 54.8 in Jul 2020 from 48.5 in Jun 2020. The increase came due to the relaxation of the coronavirus containment measures.
- According to GfK, U.K. consumer confidence index rose to -27 in Jul 2020 from -30 in Jun 2020.



**Thank you for
your time.**

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