

# Markets for You

28 Jul 2020

Good gets *better*

**Indices Performance**

Global Indices	27-Jul	Prev_Day	Abs. Change	% Change*
Russell 3000	1,626	1,601	24	1.53
Nasdaq	10,536	10,363	173	1.67
FTSE	6,105	6,124	-19	-0.31
Nikkei	22,716	22,752	-36	-0.16
Hang Seng	24,603	24,705	-102	-0.41
Indian Indices	27-Jul	Prev_Day	Abs. Change	% Change*
S&P BSE Sensex	37,935	38,129	-194	-0.51
Nifty 50	11,132	11,194	-62	-0.56
Nifty 100	11,231	11,298	-66	-0.59
Nifty 500	9,025	9,086	-61	-0.67
Nifty Bank	21,849	22,662	-813	-3.59
S&P BSE Power	1,542	1,556	-14	-0.92
S&P BSE Small Cap	12,840	12,967	-127	-0.98
S&P BSE HC	16,833	17,083	-249	-1.46

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
27-Jul	25.42	1.02	29.18	1.44
Month Ago	22.62	1.02	26.67	1.54
Year Ago	27.10	1.22	27.73	1.32

**Nifty 50 Top 3 Gainers**

Company	27-Jul	Prev_Day	% Change*
Asian Paints	1778	1712	3.86
HCL Tech	701	680	3.11
Infosys	948	923	2.77

**Nifty 50 Top 3 Losers**

Company	27-Jul	Prev_Day	% Change*
ICICI Bank	359	382	-6.10
Zee Ente.	145	152	-4.15
HDFC Bank	1080	1119	-3.54

**Advance Decline Ratio**

	BSE	NSE
Advances	868	532
Declines	1809	1370
Unchanged	171	79

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	3873	-12304
MF Flows**	-569	33524

 \*27<sup>th</sup> Jul 2020; \*\*23<sup>rd</sup> 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 &amp; WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

[1] Data as on 24 Jul, 2020

**Global Indices**

- Asian markets witnessed a mixed trend as encouraging data from China, coupled with hopes of further stimulus measures by policymakers across the globe to revive the staggering economy neutralised concerns over simmering U.S.-China tensions. Today (as on July 28), Asian markets rose as investors continue to watch developments on the coronavirus pandemic front. Both Nikkei and Hang Seng were trading higher 0.51% and 1.00% respectively (as at 8 a.m. IST), respectively.
- European markets declined as investors looked ahead to more stimulus announcements from the U.S. and other governments across the world. Escalating tensions between U.S.-China and continued uncertainty on trade discussions between U.K. and the European Union weighed on sentiment.
- U.S. markets rose partially on optimism about additional fiscal stimulus after Treasury Secretary said Republicans have finalized their new coronavirus relief legislation.

**Indian Equity Market**

- Indian equity markets slipped with investor sentiments weighed down after the Reserve Bank of India in the bi-annual Financial Stability Report stated that gross NPA ratio of banks may increase from 8.5% in Mar 2020 to 12.5% by March 2021 under the baseline scenario, but it could worsen to as much as 14.7% under a very severely stressed scenario.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 0.51% and 0.56% to close at 37,934.73 and 11,131.80 respectively.
- The overall market breadth on BSE was weak with 835 scrips advancing and 1,842 scrips declining. A total of 171 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE IT was the major gainer, up 2.38% followed by S&P BSE Teck, up 1.85% and S&P BSE Metal, up 0.41%. S&P BSE Bankex was the major loser, down 3.58% followed by S&P BSE Finance, down 2.45% and S&P BSE Realty, down 1.74%.

**Domestic News**

- According to RBI's Governor, despite the coronavirus-led gloom, India is experiencing some dramatic shift and both industry and policymakers need to make the most of it. The governor identified five emerging trends of the country – boom in the farm sector, renewable energy getting precedence, growth led by information and communication technology and start-ups, changes in supply and value chains in both domestic and global and infrastructure as the force multiplier of growth.
- According to the finance ministry, the government declared it had released Rs. 1.65 lakh crore of Goods and Services Tax (GST) compensation in FY20 while Rs. 95,444 crore was the cess collections. Maharashtra received the highest compensation at Rs. 19,233 crore followed by Karnataka at Rs. 18,628 crore.
- According to a major rating agency, state-owned banks' plans to raise capital from private investors won't be enough to offset expected risks unless supported by more government capital support. Many major state banks have recently announced plans to collect a total of \$6 billion from the stock market in fresh equities.
- According to a report by economic think tank Indian Council for Research on International Economic Relations (ICRIER), an increase in the intensity of artificial intelligence (AI) units, measured as the ratio of AI investments to total sales, can result in an immediate 2.5% increase in India's GDP.
- Kotak Mahindra Bank reported a 16.41% decline in consolidated pre-tax profit for the quarter ended Jun 2020 at Rs 2,435 crore from Rs 2,913 crore in the same period of the previous year. The decline came on account of increase in provisions due to uncertainty over the COVID-19 pandemic.
- According to media reports, Tech Mahindra reported 1.36% rise in consolidated net profit at Rs. 972.3 crore for the quarter ended Jun 2020 as compared to a net profit of Rs. 959.30 crore in the same period of the previous year.



FII Derivative Trade Statistics			
	27-Jul		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	4650.16	5846.63	10205.85
Index Options	143793.68	144484.61	59145.81
Stock Futures	20747.36	21957.28	91169.52
Stock Options	9932.78	9787.09	6227.93
<b>Total</b>	<b>179123.98</b>	<b>182075.61</b>	<b>166749.11</b>

Derivative Statistics- Nifty Options			
	27-Jul	Prev_Day	Change
Put Call Ratio (OI)	1.49	1.74	-0.26
Put Call Ratio(Vol)	0.97	1.01	-0.04

Debt Watch				
	27-Jul	Wk. Ago	Mth. Ago	Year Ago
Call Rate	3.48%	3.48%	3.54%	5.56%
T-Repo	3.12%	3.17%	2.68%	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	3.27%	3.22%	3.16%	5.66%
364 Day T-Bill	3.33%	3.26%	3.49%	5.90%
10 Year Gilt	5.83%	5.80%	5.89%	6.53%
G-Sec Vol. (Rs.Cr)	35163	27983	45778	44495
FBIL MIBOR <sup>[1]</sup>	3.84%	3.79%	3.94%	5.75%
3 Month CP Rate	3.65%	3.65%	3.85%	6.35%
5 Year Corp Bond	6.48%	6.28%	6.67%	7.81%
1 Month CD Rate	3.27%	3.27%	3.16%	5.76%
3 Month CD Rate	3.31%	3.28%	3.22%	6.30%
1 Year CD Rate	3.73%	3.79%	4.10%	6.95%

Currency Market			
Currency	27-Jul	Prev_Day	Change
USD/INR	74.76	74.87	-0.11
GBP/INR	95.89	95.42	0.48
EURO/INR	87.53	86.95	0.58
JPY/INR	0.71	0.70	0.00

Commodity Prices				
Commodity	27-Jul	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/t)	41.41	40.78	38.48	56.03
Brent Crude(\$/bl)	43.11	43.55	41.51	62.30
Gold( \$/oz)	1942	1815	1771	1418
Gold(Rs./10 gm)	52260	49118	48117	34781

Source: Refinitiv

[1] Data as on 24 Jul, 2020

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**Derivatives Market**

- Nifty Jul 2020 Futures stood at 11,122.45, a discount of 9.35 points below the spot closing of 11,131.80. The turnover on NSE's Futures and Options segment rose to Rs. 13,18,992.22 crore on July 27, 2020, compared with Rs. 11,53,542.45 crore on July 24, 2020.
- The Put-Call ratio stood at 0.89 compared with the previous session's close of 0.88.
- The Nifty Put-Call ratio stood at 1.49 compared with the previous session's close of 1.74.
- Open interest on Nifty Futures stood at 13.11 million, compared with the previous session's close of 13.42 million.

**Indian Debt Market**

- Bond yields rose to its highest level since Jun 30, 2020 as hopes of a rate cut by the Monetary Policy Committee in its upcoming monetary policy review on Aug 6, 2020 faded after the retail inflation breached the central bank's tolerance level in Jun 2020. Lack of any supportive measures from the Reserve Bank of India to absorb the excess supply of sovereign debt also weighed on the market sentiment. Profit booking to some extent also contributed to the downside.
- Yield on the 10-year benchmark paper (5.79% GS 2030) rose 4 bps to 5.86% as compared to previous close of 5.82% after moving in a range of 5.81% to 5.86%.
- Banks did not borrow under the central bank's Marginal Standing Facility on Jul 24, 2020 and Jul 23, 2020.

**Currency Market Update**

- The Indian rupee remained unchanged against the U.S. dollar on suspected intervention by the Reserve Bank of India in the spot market, which neutralised the positive impact of a weak dollar index. The rupee closed steady at 74.83 per dollar from the previous close.
- Euro rose notably and touched two year high against the U.S. dollar on concerns over a rising number of coronavirus cases in the United States (US).

**Commodity Market Update**

- Gold prices surged to a record high as escalating tensions between U.S. and China and persisting concerns over rising coronavirus infection cases across the globe boosted the safe haven appeal of the yellow metal.

**International News**

- New orders for U.S. manufactured durable goods rose 7.3% in Jun 2020, slower than downwardly revised surge by 15.1% (15.7% rise originally reported) in May 2020.
- According to the survey results from the Ifo Institute showed, Germany's business confidence index rose to 90.5 in Jul 2020 compared with a revised 86.3 in Jun 2020.
- Japan's all industry activity index dropped 3.5% MoM in May 2020 compared with 7.6% fall in Apr 2020. The fall was the fourth consecutive month. Among components, construction activity fell 2.8% sequentially in May 2020 compared with a 0.1% rise in Apr 2020.
- China's industrial profits increased 11.5% YoY in Jun 2020, faster than 6% rise in May 2020 as easing of the coronavirus containment measures boosted manufacturing activity.





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your time.**

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