

Markets for You

29 Jul 2020

Good gets *better*

Indices Performance

Global Indices	28-Jul	Prev_Day	Abs. Change	% Change*
Russell 3000	1,608	1,626	-17	-1.07
Nasdaq	10,402	10,536	-134	-1.27
FTSE	6,129	6,105	24	0.40
Nikkei	22,657	22,716	-58	-0.26
Hang Seng	24,773	24,603	170	0.69
Indian Indices	28-Jul	Prev_Day	Abs. Change	% Change*
S&P BSE Sensex	38,493	37,935	558	1.47
Nifty 50	11,301	11,132	169	1.52
Nifty 100	11,388	11,231	157	1.40
Nifty 500	9,142	9,025	117	1.29
Nifty Bank	22,105	21,849	256	1.17
S&P BSE Power	1,555	1,542	13	0.85
S&P BSE Small Cap	12,917	12,840	78	0.61
S&P BSE HC	16,966	16,833	133	0.79

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
28-Jul	25.68	1.00	29.87	1.49
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	28-Jul	Prev_Day	% Change*
Ultratech Cem	4136	3860	7.16
Tata Motors	106	102	4.67
TCS	2310	2207	4.67

Nifty 50 Top 3 Losers

Company	28-Jul	Prev_Day	% Change*
Bharti Infratel	191	194	-1.93
ICICI Bank	352	359	-1.79
Nestle India Limited	17095	17350	-1.47

Advance Decline Ratio

	BSE	NSE
Advances	1316	930
Declines	1334	939
Unchanged	153	105

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	39	-12265
MF Flows**	-333	32573

 *28th Jul 2020; **27th 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 27 Jul, 2020

Global Indices

- Asian markets witnessed mixed trend as hopes over additional fiscal stimulus by the U.S. policymaker coupled with the launch of late-stage trials of experimental COVID-19 vaccines neutralised worries over escalating U.S.-China tensions and the increase in coronavirus infections from China to Spain and Germany. Today (as on July 29), Asian markets were mixed as investors await the U.S. Federal Reserve's interest rate decision. Both Nikkei and Hang Seng were trading lower 0.69% and 0.28%, respectively (as at 8 a.m. IST), respectively.
- European markets closed on a mixed note with market participants reacting to news indicating some progress on fresh stimulus efforts in the U.S. and reports showing surge in coronavirus cases across the world and reimposition of lockdown measures in several countries.
- U.S. markets fell as market participants are tracking on the developments after Republicans unveiled their version of a new coronavirus relief bill.

Indian Equity Market

- Indian equity markets edged higher led by robust corporate earnings along with hopes of fresh stimulus measures by U.S. Federal Reserve which shall cushion the global impact of renewed coronavirus outbreaks.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 1.47% and 1.52% to close at 38,492.95 and 11,300.55 respectively.
- The overall market breadth on BSE was weak with 1,316 scrips advancing and 1,334 scrips declining. A total of 153 scrips remained unchanged.
- On the BSE sectoral front, all sectors gained. S&P BSE Auto was the major gainer, up 3.26%, followed by S&P BSE IT and S&P BSE Basic Materials, up 2.54% and 2.41%, respectively. S&P BSE Metal and S&P BSE Teck gained 2.32% and 2.18% respectively.

Domestic News

- A survey of micro, small and medium-sized enterprises (MSMEs) conducted by SKOCH Group in partnership with the Indian Micro, Small and Medium Enterprises Federation, Bhartiya Vitta Salahkar Samiti, and the Tax Law Educare Society, found that approximately 25-30 million jobs had been lost by the end of Jun 2020. Further, by the end of Aug 2020 another 10-15 million jobs can be lost.
- The Reserve Bank of India (RBI) has signed a currency swap agreement with the Central Bank of Sri Lanka. As per the agreement, the Central Bank of Sri Lanka can withdraw U.S. dollar, Euro or Indian Rupee in multiple tranches up to a maximum of USD 400 million or its equivalent under a currency swap agreement. The agreement was signed under the SAARC Currency Swap Framework 2019-22 would be valid till Nov 13, 2022.
- According to real estate brokerage firm PropTiger's latest report 'Real Insight: Q2 2020', in Apr-June 2020, housing prices plunged 79% to 19,038 units across eight major cities, as demand was severely affected by the national lockout to contain the Covid-19 pandemic. Further, sales of residential properties fell 52% to 88,593 units across eight cities during Jan-Jun 2020.
- According to a report 'India: A reopening gone wrong' by Oxford Economics, India's GDP growth may decline from late third quarter i.e. Oct-Dec 2020 of FY21 as the push from the initial reopening fades. The report further mentions that India's position is worst in its Asia recovery scorecard, thus the country is expected to take the longest among major economies to converge to its pre-coronavirus growth level.



FII Derivative Trade Statistics		28-Jul		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	5608.61	5108.69	9518.16	
Index Options	158486.64	158279.84	59552.31	
Stock Futures	32532.85	32680.65	92719.22	
Stock Options	7550.68	7434.81	5688.46	
Total	204178.78	203503.99	167478.15	

Derivative Statistics- Nifty Options			
	28-Jul	Prev_Day	Change
Put Call Ratio (OI)	1.83	1.83	0.00
Put Call Ratio(Vol)	0.96	0.96	0.00

Debt Watch				
	28-Jul	Wk. Ago	Mth. Ago	Year Ago
Call Rate	3.48%	3.43%	3.54%	5.56%
T-Repo	3.12%	3.18%	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	3.28%	3.21%	3.16%	5.66%
364 Day T-Bill	3.45%	3.37%	3.49%	5.90%
10 Year Gilt	5.85%	5.83%	5.89%	6.53%
G-Sec Vol. (Rs.Cr)	39387	32944	45778	44495
FBIL MIBOR ^[1]	3.85%	3.86%	3.94%	5.75%
3 Month CP Rate	3.65%	3.65%	3.85%	6.35%
5 Year Corp Bond	6.42%	6.36%	6.67%	7.81%
1 Month CD Rate	3.30%	3.26%	3.16%	5.76%
3 Month CD Rate	3.32%	3.29%	3.22%	6.30%
1 Year CD Rate	3.74%	3.76%	4.10%	6.95%

Currency Market			
Currency	28-Jul	Prev_Day	Change
USD/INR	74.75	74.76	-0.02
GBP/INR	96.16	95.89	0.26
EURO/INR	87.72	87.53	0.19
JPY/INR	0.71	0.71	0.00

Commodity Prices				
Commodity	28-Jul	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/t)	40.84	41.71	38.48	56.03
Brent Crude(\$/bl)	43.73	45.20	41.51	62.30
Gold(\$/oz)	1959	1842	1771	1418
Gold(Rs./10 gm)	52278	49264	48117	34781

Source: Refinitiv

[1] Data as on 27 Jul, 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 ICRA Analytics Ltd disclaimer

Derivatives Market

- Nifty Jul 2020 Futures stood at 11,306.15, a premium of 5.60 points above the spot closing of 11,300.55. The turnover on NSE's Futures and Options segment rose to Rs. 17,55,818.03 crore on July 28, 2020, compared with Rs. 13,18,992.22 crore on July 27, 2020.
- The Put-Call ratio stood at 0.83 compared with the previous session's close of 0.89.
- The Nifty Put-Call ratio stood at 1.83 compared with the previous session's close of 1.49.
- Open interest on Nifty Futures stood at 13.35 million, compared with the previous session's close of 13.11 million.

Indian Debt Market

- Bond yields fell on late buying by market participants after the government said it would issue a new 10-year paper this week.
- Yield on the 10-year benchmark paper (5.79% GS 2030) fell 1 bps to 5.85% as compared to previous close of 5.86% after moving in a range of 5.85% to 5.88%.
- Banks did not borrow under the central bank's Marginal Standing Facility on Jul 27, 2020 and Jul 24, 2020.

Currency Market Update

- The Indian rupee was steady for the second consecutive session against the U.S. dollar on suspected intervention by the Reserve Bank of India via greenback purchases by state-run banks, which neutralised gains from inflows related to a rights issue.
- Euro fell against the U.S. dollar but likely to be temporary in nature as the United States continued to see a rise in coronavirus cases.

Commodity Market Update

- Gold prices rose on growing possibility that the U.S. Federal Reserve might announce more stimulus measures.
- Brent crude prices rose on hopes of a gradual improvement in demand outlook of the commodity.

International News

- As per the monthly Distributive Trades Survey data from the Confederation of British Industry showed, U.K. retail sales balance rose to +4% in Jul 2020 from -37% in Jun 2020. Sales grew after three months of sharp declines. However, a net 5% expects sales to fall next month.
- Fitch Ratings maintained the sovereign ratings of China at A+ with a 'stable' outlook as the economy witnessed a remarkable recovery from the fall posed by the coronavirus pandemic.
- According to the survey data from the ifo institute showed, German's export expectations index for manufacturing improved to +6.9 points in Jul 2020 from -2.2 points in Jun 2020. Expectations among car manufacturers showed strong improvement in July.



**Thank you for
your time.**

Good gets *better*