

Markets for You

30 Jul 2020

Good gets *better*

Indices Performance

Global Indices	29-Jul	Prev_Day	Abs. Change	% Change*
Russell 3000	1,631	1,608	23	1.40
Nasdaq	10,543	10,402	141	1.35
FTSE	6,131	6,129	2	0.04
Nikkei	22,397	22,657	-260	-1.15
Hang Seng	24,883	24,773	110	0.45
Indian Indices	29-Jul	Prev_Day	Abs. Change	% Change*
S&P BSE Sensex	38,071	38,493	-422	-1.10
Nifty 50	11,203	11,301	-98	-0.86
Nifty 100	11,311	11,388	-78	-0.68
Nifty 500	9,096	9,142	-46	-0.50
Nifty Bank	22,077	22,105	-29	-0.13
S&P BSE Power	1,557	1,555	2	0.14
S&P BSE Small Cap	12,972	12,917	55	0.43
S&P BSE HC	17,328	16,966	362	2.13

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
29-Jul	25.45	1.01	29.59	1.54
Month Ago	22.45	1.13	26.49	1.55
Year Ago	27.30	1.22	27.60	1.33

Nifty 50 Top 3 Gainers

Company	29-Jul	Prev_Day	% Change*
Dr.Reddy	4302	4051	6.19
IndusInd Bank	551	527	4.47
Tata Steel	374	359	4.25

Nifty 50 Top 3 Losers

Company	29-Jul	Prev_Day	% Change*
RIL	2097	2178	-3.72
Nestle India Limited	16598	17095	-2.91
HCL Tech	694	712	-2.53

Advance Decline Ratio

	BSE	NSE
Advances	1339	996
Declines	1358	869
Unchanged	134	102

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	183	-12082
MF Flows**	-333	32573

 *29th 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 28 Jul, 2020

Global Indices

- Asian markets witnessed mixed trend with investors keenly awaiting updates on a U.S. coronavirus relief bill and looked ahead of the U.S. Federal Reserve meeting for clues on the outlook for monetary policy. Today (as on July 30), Asian markets rose after the U.S. Federal Reserve kept its benchmark overnight lending rate near zero, which was widely expected. Both Nikkei and Hang Seng were trading higher 0.27% and 0.51%, respectively (as at 8 a.m. IST), respectively.
- European markets closed on a mixed note as market participants remained cautious amid continued concerns about the quick spread of the coronavirus pandemic across the world and fears of fresh lockdown measures. However, downside was limited on expectations of more stimulus from the U.S. Federal Reserve (Fed).
- U.S. markets rose partially in reaction to the latest batch of earnings, with a number of well-known big companies reported upbeat results for the Jun quarter of 2020. Significant increase in pending home sales in Jun 2020, added to the upside.

Indian Equity Market

- Indian equity markets went down amid caution as investors focused on the U.S. Federal Reserve's announcements on monetary stimulus measures, scheduled later during the day. Market participants also awaited the outcome of the Prime Minister's meeting with banking and non-banking lenders on the credit flow and steps to revive the economy.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 1.1% and 0.86% to close at 38,071.13 and 11,202.85 respectively. S&P BSE MidCap and S&P BSE SmallCap gained 0.68% and 0.43% respectively.
- The overall market breadth on BSE was weak with 1,339 scrips advancing and 1,358 scrips declining. A total of 134 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Healthcare was the major gainer, up 2.13% followed by S&P BSE Metal, up 0.98% and S&P BSE Basic Materials, up 0.87%. S&P BSE Energy was the major loser, down 3.04% followed by S&P BSE Auto, down 1.2% and S&P BSE Oil & Gas, down 1.08%.

Domestic News

- The Union Cabinet approved the new National Education Policy (NEP). Now there would be a single regulator for all higher education institutions and MPhil would be discontinued. To give a fillip to digital learning, a National Educational Technology Forum (NETF) would be set up.
- The Income Tax Department extended the deadline for filing income tax returns for FY18-19 fiscal by two months till Sep 30, 2020 from Jul 31, 2020 amid constraints due to the Covid pandemic & to further ease compliances for taxpayers.
- The government has kickstarted the process for identifying exemptions under the customs duty law that need to be eliminated and have become outdated. The objective of the move is to improve the ease of doing business and align the customs laws and procedures with the needs of changing time.
- Government should take a relook at some of the provisions of its proposed Code on Social Security, 2019 considering the migrants' crisis that unfolded after the lockdown, a parliamentary panel observed. The Code was introduced in the Lok Sabha in Dec 2019, which seeks to subsume 9 existing laws.
- ITC has completed the acquisition of spices manufacturer Sunrise Foods Private Ltd in an all-cash deal valued at Rs. 2,150 crore. This is a part of its strategy to boost packaged foods division and drive synergies in sourcing and supply chain from its agri-business arm.
- According to media reports, Dr Reddy's may launch COVID-19 drugs remdesivir and favipiravir in Aug 2020 which will be given to mild and moderate patients.



FII Derivative Trade Statistics		29-Jul		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	6213.98	5220.88	11095.77	
Index Options	213981.26	214550.11	63965.90	
Stock Futures	40137.24	39774.42	91550.47	
Stock Options	5638.79	5690.49	5280.31	
Total	265971.27	265235.90	171892.45	

Derivative Statistics- Nifty Options			
	29-Jul	Prev_Day	Change
Put Call Ratio (OI)	1.41	1.83	-0.43
Put Call Ratio (Vol)	0.97	0.96	0.01

Debt Watch				
	29-Jul	Wk. Ago	Mth. Ago	Year Ago
Call Rate	3.47%	3.48%	3.55%	5.60%
T-Repo	3.16%	3.18%	2.95%	5.56%
Repo	4.00%	4.00%	4.00%	5.75%
Reverse Repo	3.35%	3.35%	3.35%	5.50%
91 Day T-Bill	3.29%	3.25%	3.13%	5.80%
364 Day T-Bill	3.50%	3.48%	3.48%	5.91%
10 Year Gilt	5.83%	5.82%	5.90%	6.41%
G-Sec Vol. (Rs.Cr)	33764	26608	45778	52731
FBIL MIBOR ^[1]	3.90%	3.83%	3.85%	5.75%
3 Month CP Rate	3.65%	3.65%	3.80%	6.30%
5 Year Corp Bond	6.35%	6.39%	6.63%	7.74%
1 Month CD Rate	3.23%	3.22%	3.32%	5.70%
3 Month CD Rate	3.33%	3.32%	4.13%	6.31%
1 Year CD Rate	3.77%	3.84%	4.06%	6.91%

Currency Market			
Currency	29-Jul	Prev_Day	Change
USD/INR	74.77	74.75	0.02
GBP/INR	96.67	96.16	0.52
EURO/INR	87.78	87.72	0.06
JPY/INR	0.71	0.71	0.00

Commodity Prices				
Commodity	29-Jul	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/t)	41.08	41.83	39.62	56.85
Brent Crude(\$/bl)	44.20	43.66	42.11	61.58
Gold(\$/oz)	1970	1872	1771	1427
Gold(Rs./10 gm)	52853	50005	48376	34730

Source: Refinitiv

[1] Data as on 28 Jul, 2020

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Derivatives Market

- Nifty Jul 2020 Futures stood at 11,222.45, a premium of 19.60 points above the spot closing of 11,202.85. The turnover on NSE's Futures and Options segment rose to Rs. 22,62,936.95 crore on July 29, 2020, compared with Rs. 17,55,818.03 crore on July 28, 2020.
- The Put-Call ratio stood at 0.93 compared with the previous session's close of 0.83.
- The Nifty Put-Call ratio stood at 1.41 compared with the previous session's close of 1.83.
- Open interest on Nifty Futures stood at 14.28 million, compared with the previous session's close of 13.35 million.

Indian Debt Market

- Bond yields fell for the second consecutive session as market participants resorted to short covering in the benchmark note. The announcement of the auction of a new 10-year paper also provides support to market sentiments.
- Yield on the 10-year benchmark paper (5.79% GS 2030) fell 2 bps to 5.83% as compared to previous close of 5.85% after moving in a range of 5.83% to 5.85%.
- Data from RBI showed that reserve money increased at an annualised rate of 14.7% in the week to Jul 24, 2020, compared with an increase of 12.9% a year earlier. The currency in circulation rose 22.8% during the week compared with an increase of 13.2% a year earlier.

Currency Market Update

- The Indian rupee inched up against the U.S. dollar as the U.S. dollar index touched over-two-year low on expectations that the U.S. Federal Reserve (Fed) will adopt a dovish stance at its monetary policy decision due today.
- Euro rose against the U.S. dollar before the U.S. Fed is anticipated to maintain its commitment to holding rates near zero for years.

Commodity Market Update

- Gold prices rose on growing possibility of more stimulus measures from U.S. Federal Reserve.
- Brent crude prices rose after crude oil inventories in U.S. decreased by 10.6 million barrels for the week ending Jul 24.

International News

- The U.S. pending home sales index rose 16.6% to 116.1 in Jun 2020, slower than 44.3% surge to 99.6 in May 2020. A pending home sale is one in which a contract was signed but not yet closed.
- Japan's sovereign rating outlook was downgraded by Fitch Ratings to 'negative' from 'stable' citing the sharp economic contraction caused by the coronavirus pandemic. Japan's sovereign rating is 'A'.
- U.S. consumer confidence index plunged to 92.6 in Jul 2020 compared with an upwardly revised 98.3 (98.1 originally reported) in Jun 2020.
- According to advance estimates, Hong Kong's gross domestic product (GDP) contracted 9% YoY in the Jun quarter of 2020, slower than 9.1% fall in the Mar quarter of 2020.



**Thank you for
your time.**

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