

Markets for You

31 Jul 2020

Good gets *better*

Indices Performance

Global Indices	30-Jul	Prev_Day	Abs. Change	% Change*
Russell 3000	1,636	1,631	5	0.32
Nasdaq	10,588	10,543	45	0.43
FTSE	5,990	6,131	-141	-2.31
Nikkei	22,339	22,397	-58	-0.26
Hang Seng	24,711	24,883	-173	-0.69
Indian Indices	30-Jul	Prev_Day	Abs. Change	% Change*
S&P BSE Sensex	37,736	38,071	-335	-0.88
Nifty 50	11,102	11,203	-101	-0.90
Nifty 100	11,231	11,311	-80	-0.70
Nifty 500	9,032	9,096	-64	-0.71
Nifty Bank	21,647	22,077	-430	-1.95
S&P BSE Power	1,533	1,557	-24	-1.52
S&P BSE Small Cap	12,916	12,972	-56	-0.43
S&P BSE HC	17,675	17,328	348	2.01

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
30-Jul	25.21	1.02	29.46	1.56
Month Ago	22.55	1.13	26.32	1.55
Year Ago	26.64	1.23	27.34	1.34

Nifty 50 Top 3 Gainers

Company	30-Jul	Prev_Day	% Change*
Dr.Reddy	4517	4302	4.98
Sun Pharma	510	493	3.44
Wipro	284	277	2.56

Nifty 50 Top 3 Losers

Company	30-Jul	Prev_Day	% Change*
BPCL	419	454	-7.65
IndusInd Bank	520	551	-5.57
Indian Oil	89	93	-4.37

Advance Decline Ratio

	BSE	NSE
Advances	1023	674
Declines	1631	1212
Unchanged	158	91

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-291	-12372
MF Flows**	-300	31663

 *30th Jul 2020; **29th 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 29 Jul, 2020

Global Indices

- Asian markets closed in the red as relentless surge in coronavirus cases around the world overshadowed investor optimism over the Federal Reserve's dovish policy statement. Today (as on July 31), Asian markets mostly fell after a record contraction in U.S. GDP in the second quarter. While Nikkei was trading lower 1.52%, Hang Seng was up 0.76% (as at 8 a.m. IST), respectively.
- European markets plunged as worries about the impact of the coronavirus pandemic mounted after data showed a sharp contraction in U.S. GDP, and on the U.S. Federal Reserve's weak outlook for the economy. A slew of disappointing earnings reports from major European companies weighed as well.
- U.S. markets decline initially after the U.S. economic activity showed a record contraction of 32.9% in the Jun quarter of 2020 but recovered most of their losses at the end.

Indian Equity Market

- Indian equity markets erased the initial gains in the second half of the session to close in the red. Investors rushed to settle their positions ahead of the expiration of monthly derivative contracts for Jul due by the end of the session.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 0.88% and 0.9% to close at 37,736.07 and 11,102.15 respectively. S&P BSE MidCap and S&P BSE SmallCap lost 0.38% and 0.43% respectively.
- The overall market breadth on BSE was weak with 1,023 scrips advancing and 1,631 scrips declining. A total of 158 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Healthcare was the major gainer, up 2.01% followed by S&P BSE IT, up 0.64% and S&P BSE Teck, up 0.07%. S&P BSE Telecom was the major loser, down 2.25% followed by S&P BSE Oil & Gas, down 2.2% and S&P BSE Finance, down 1.97%.

Domestic News

- Delhi's Chief Minister has announced reduction in the Value Added Tax (VAT) on diesel to 16.75% from the existing 30%. Thus, the diesel price will be reduced by Rs. 8.36 to Rs. 73.64 a litre from Rs. 82 a litre. The move is expected to boost the state's economy.
- As part of its efforts to boost connectivity, Asian Infrastructure Investment Bank (AIIB), a multilateral financing agency headquartered in Beijing, is looking to provide \$3 billion worth of loans for various major infrastructure projects.
- According to media reports, the Attorney General (AG) has claimed that the central government has no obligation to pay the GST compensation shortfall. The AG also said that by having the appropriate sum to be attributed to it, the GST Council has to agree to make up the deficit in the compensation fund.
- According to a report by a major credit rating agency, it is imperative that banks widen their balance sheets and restore credit offtake rather than simply concentrate on asset quality. The conscious measures taken by the Reserve Bank of India (RBI) to lower the repo rate also lowered the marginal cost of a fund-based lending rate through banks.
- According to media reports, Housing Development Finance Corporation (HDFC) witnessed a 9.5% fall in its pre-tax profit which stood at Rs. 3,607 crore in the quarter ended Jun 2020 as compared to a pre-tax profit of Rs. 3,985 crore in the same period of the previous year. The pre-tax profit came down on account of additional provisioning due to COVID-19 pandemic.
- According to media reports, Cognizant has reported 29% drop in net income for the quarter ended Jun 2020 which stood at \$361 million or around Rs. 2,701 crore). The IT major is however confident of witnessing strong growth in the coming quarters due to increase in bookings and demand for digital services.



FII Derivative Trade Statistics			
30-Jul			
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	6791.93	7610.94	13734.16
Index Options	311578.03	311014.17	65393.98
Stock Futures	31535.72	31828.10	89974.19
Stock Options	6088.68	6116.02	4631.03
Total	355994.36	356569.23	173733.36

Derivative Statistics- Nifty Options			
	30-Jul	Prev_Day	Change
Put Call Ratio (OI)	1.21	1.41	-0.20
Put Call Ratio (Vol)	0.95	0.97	-0.02

Debt Watch				
	30-Jul	Wk. Ago	Mth. Ago	Year Ago
Call Rate	3.45%	3.48%	3.65%	5.53%
T-Repo	3.18%	3.16%	3.07%	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	3.28%	3.25%	3.12%	5.70%
364 Day T-Bill	3.48%	3.45%	3.46%	5.93%
10 Year Gilt	5.83%	5.80%	5.89%	6.39%
G-Sec Vol. (Rs.Cr)	30966	29797	39172	49385
FBIL MIBOR ^[1]	3.87%	3.84%	3.89%	5.70%
3 Month CP Rate	3.65%	3.65%	3.75%	6.30%
5 Year Corp Bond	6.35%	6.43%	6.62%	7.71%
1 Month CD Rate	3.18%	3.22%	3.29%	5.71%
3 Month CD Rate	3.33%	3.32%	3.23%	6.28%
1 Year CD Rate	3.75%	3.86%	4.05%	6.87%

Currency Market			
Currency	30-Jul	Prev_Day	Change
USD/INR	74.84	74.77	0.07
GBP/INR	96.93	96.67	0.26
EURO/INR	87.96	87.78	0.19
JPY/INR	0.71	0.71	0.00

Commodity Prices				
Commodity	30-Jul	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/t)	39.80	40.97	39.22	58.04
Brent Crude(\$/bl)	43.13	44.31	42.50	61.69
Gold(\$/oz)	1960	1887	1781	1431
Gold(Rs./10 gm)	53099	50619	48304	34801

Source: Refinitiv

[1] Data as on 29 Jul, 2020

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Derivatives Market

- Nifty Jul 2020 Futures settled at spot closing of 11,102.15. Nifty Aug 2020 Futures stood at 11,093.40, a discount of 8.75 points, below the spot closing. The turnover on NSE's Futures and Options segment rose to Rs. 41,88,028.33 crore on July 30, 2020, compared with Rs. 22,62,936.95 crore on July 29, 2020.
- The Put-Call ratio stood at 0.84 compared with the previous session's close of 0.93.
- The Nifty Put-Call ratio stood at 1.21 compared with the previous session's close of 1.41.
- Open interest on Nifty Futures stood at 14.39 million, compared with the previous session's close of 14.28 million.

Indian Debt Market

- Bond yields closed steady as market participants preferred to remain on the sidelines and awaited the outcome of the auction of a new 10-year benchmark paper for further cues which is scheduled to take place on Jul 31, 2020.
- Yield on the 10-year benchmark paper (5.79% GS 2030) closed steady at 5.83% after moving in a range of 5.82% to 5.84%.
- Banks borrowed Rs. 4 crore under the central bank's Marginal Standing Facility on Jul 29, 2020 compared to that of Jul 28, 2020 when banks borrowed none.

Currency Market Update

- The Indian rupee was fell against the U.S. dollar on month-end dollar demand by importers but fall was limited due to positive risk appetite in the region. The rupee decline to 74.88 to the dollar compared with previous close of 74.88.
- Euro rose for the second day against the U.S. dollar after U.S. President raised the possibility of delaying the nation's Nov 2020 presidential election.

Commodity Market Update

- Gold prices fell as the U.S. Federal Reserve in its monetary policy review provided no clear cues as what stimulus measures it might adopt moving ahead.
- Brent crude prices fell due to persisting concerns over COVID-19 pandemic.

International News

- The Commerce Department report showed U.S. real gross domestic product (GDP) plunged 32.9% YoY in the Jun quarter of 2020, much sharper than 5.0% fall in the Mar quarter 2020. GDP was the biggest quarterly drop on record reflecting the impact of the coronavirus pandemic. Consumer spending was down 34.6% in the second quarter while exports plummeted 64.1% led by capital goods.
- Preliminary data from Destatis showed, Germany's GDP fell 10.1% QoQ in the Jun quarter of 2020, sharper than 2% in the previous quarter. Economy contracted at the fastest pace on record as the coronavirus pandemic took its toll on exports, domestic consumption and investment.
- Japan's retail sales fell 1.2% YoY in Jun 2020, slower than 12.3% drop in May 2020.



**Thank you for
your time.**

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