



Nippon india Mutual Fund
Wealth sets you free

(Formerly Reliance Mutual Fund)

Markets for You

02 Jun 2020

Good gets *better*

Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.

Indices Performance

Global Indices	01-Jun	Prev_Day	Abs. Change	% Change [#]
Russell 3000	1,490	1,483	8	0.52
Nasdaq	9,552	9,490	62	0.66
FTSE	6,166	6,077	90	1.48
Nikkei	22,062	21,878	185	0.84
Hang Seng	23,733	22,961	771	3.36
Indian Indices	01-Jun	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	33,304	32,424	879	2.71
Nifty 50	9,826	9,580	246	2.57
Nifty 100	9,996	9,759	237	2.43
Nifty 500	8,020	7,822	198	2.53
Nifty Bank	19,960	19,297	663	3.43
S&P BSE Power	1,510	1,482	29	1.95
S&P BSE Small Cap	11,223	10,893	330	3.03
S&P BSE HC	15,711	15,646	64	0.41

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
1-Jun	21.19	1.14	22.96	1.55
Month Ago	20.90	1.13	22.35	1.54
Year Ago	29.01	1.19	29.49	1.22

Nifty 50 Top 3 Gainers

Company	01-Jun	Prev_Day	% Change [#]
Bajaj Finance	2161	1954	10.61
Bajaj Finserv Limited	4763	4405	8.13
Titan Industries Limited	959	890	7.74

Nifty 50 Top 3 Losers

Company	01-Jun	Prev_Day	% Change [#]
Dr.Reddy	3954	4071	-2.89
Bharti Infratel	224	230	-2.48
Ultratech Cem	3816	3905	-2.28

Advance Decline Ratio

	BSE	NSE
Advances	1884	1506
Declines	605	349
Unchanged	140	118

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1205	-39140
MF Flows**	141	38447

*1st Jun 2020; **29th May 2020

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
CPI	5.84% (Mar-20)	7.35% (Dec-19)	2.86% (Mar-19)
IIP	-16.70% (Mar-20)	0.40% (Dec-19)	2.70% (Mar-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 May 2020

Global Indices

- Asian markets closed in the green after data showed Chinese factory activity expanded in May. Investors shrugged off political unrest in the U.S. and worries about a revival of the coronavirus. Today (as on Jun 2), markets traded higher although tensions between the U.S. and China continue to linger. Both Nikkei and Hang Seng are up 0.80% and 0.36%, respectively.
- Most of the European markets rose with investors taking positive cues from the comments of the U.S. President on the U.S.-China trade deal which did not contain any threat of tariff hikes on China.
- U.S. markets managed to close on the green after a report from the Institute for Supply Management showed U.S. manufacturing activity contracted at a slower rate in May.

Indian Equity Market

- Indian equity markets edged higher with investors taking positive cues from government's announcement to ease lockdown in phased manner across the country after almost two months of strict measures. The government is adopting step-by-step approach to restore normalcy while businesses focus on exit strategies and revive growth.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 2.71% and 2.57% to close at 33,303.52 and 9,826.15 respectively. S&P BSE MidCap and S&P BSE SmallCap gained 2.65% and 3.03% respectively.
- The overall market breadth on BSE was strong with 1,884 scrips advancing and 605 scrips declining. A total of 140 scrips remained unchanged.
- On the BSE sectoral front, all sectors gained. S&P BSE Consumer Durables was the major gainer, up 6.56%, followed by S&P BSE Metal and S&P BSE Finance, up 3.92% and 3.77%, respectively. S&P BSE Bankex and S&P BSE Consumer Discretionary Goods & Services gained 3.26% and 3.21% respectively.

Domestic News

- IHS Markit survey showed, India's manufacturing Purchasing Managers' Index (PMI) rose to 30.8 in May 2020 from 27.4 in Apr 2020. Amid the ongoing coronavirus lockdown, Indian manufacturers recorded another sharp deterioration in business conditions. Weaker demand drove output lower following record decline in Apr 2020. Consequently, firms cut staff numbers at the quickest pace since data collection began over 15 years ago.
- Global rating agency, Moody's Investors Service downgraded India's local-currency senior unsecured rating from Baa2 to BAA3 and maintained the negative outlook. Also lowered India's short-term local-currency rating from P-2 from P-3 with negative outlook. The rationale for downgrade reflects Moody's view that the country's policymaking institutions will be challenged in enacting and implementing policies which effectively mitigate the risks of a sustained period.
- As per the data released by the Centre for Monitoring Indian Economy (CMIE), India's unemployment rate increased to 23.48% in May 2020, slightly lower than 23.52% in Apr 2020, reflecting the impact of covid-19.
- Provisional data from Power System Operation Corporation showed, electricity generation in India fell 14.3% in May 2020, better than 24% fall in Apr 2020. Rise in temperatures resulted to higher demand for residential power. Despite higher consumption by residential consumers, power use was lower as many industries and commercial establishments were shut or not operating at full capacity.
- Reliance Industries has converted Alok Industries, a recently acquired textile firm, to produce protective gear needed by professionals battling the coronavirus outbreak and claims it would save one-third of the cost compared to imported Chinese equipment.
- As per media reports, Walmart-backed Flipkart's proposal seeking clearance for entry into the food retail sector was denied by the Department for Industry Promotion and Internal Trade (DPIIT) due to a regulatory issue.

Good gets better

FII Derivative Trade Statistics		01-Jun		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	5303.97	5935.11	6846.33	
Index Options	136229.62	136024.68	34452.38	
Stock Futures	21483.15	20108.71	77980.20	
Stock Options	2763.36	2827.75	2001.97	
Total	165780.10	164896.25	121280.88	

Derivative Statistics- Nifty Options			
	01-Jun	Prev_Day	Change
Put Call Ratio (OI)	1.53	1.61	-0.08
Put Call Ratio(Vol)	0.78	0.79	-0.01

Debt Watch				
	01-Jun	Wk. Ago	Mth. Ago	Year Ago
Call Rate	3.60%	3.71%	4.19%	5.92%
T-Repo	3.14%	2.53%	3.75%	5.94%
Repo	4.00%	4.00%	4.40%	6.00%
Reverse Repo	3.35%	3.35%	3.75%	5.75%
91 Day T-Bill	3.24%	3.07%	3.59%	6.10%
364 Day T-Bill	3.45%	3.43%	3.73%	6.23%
10 Year Gilt	6.03%	5.96%	6.11%	7.03%
G-Sec Vol. (Rs.Cr)	36924	66341	35084	86184
FBIL MIBOR ^[1]	4.04%	4.31%	4.41%	6.00%
3 Month CP Rate	4.35%	4.35%	5.45%	6.80%
5 Year Corp Bond	6.86%	6.87%	6.86%	8.00%
1 Month CD Rate	3.30%	3.63%	4.14%	6.38%
3 Month CD Rate	3.45%	3.49%	4.60%	6.47%
1 Year CD Rate	4.03%	4.31%	4.79%	7.20%

Currency Market			
Currency	01-Jun	Prev_Day	Change
USD/INR	75.48	75.64	-0.16
GBP/INR	93.53	93.31	0.22
EURO/INR	84.09	83.91	0.18
JPY/INR	0.70	0.71	0.00

Commodity Prices				
Commodity	01-Jun	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	35.44	33.34	19.22	53.44
Brent Crude(\$/bl)	35.66	33.20	14.85	68.02
Gold(\$/oz)	1740	1729	1699	1305
Gold(Rs./10 gm)	40989	40989	40989	32056

Source: Refinitiv

[1] Data as on 29 May 2020

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Derivatives Market

- Nifty Jun 2020 Futures stood at 9,791.00, a discount of 35.15 points below the spot closing of 9,826.15. The turnover on NSE's Futures and Options segment rose to Rs. 11,00,322.42 crore on June 01, 2020, compared with Rs. 7,72,014.24 crore on May 29, 2020.
- The Put-Call ratio stood at 0.76 compared with the previous session's close of 0.79.
- The Nifty Put-Call ratio stood at 1.53 compared with the previous session's close of 1.61.

Indian Debt Market

- Bond yields rose on worries over the country's widening fiscal deficit. Market participants also remained concerned as the Reserve Bank of India did not take any steps so far to absorb the additional sovereign debt. It needs to be noted that the fiscal deficit for FY20 came in at 4.59% of gross domestic product which was sharply wider than the government's revised target of 3.8%.
- Yield on the existing 10-year benchmark paper (6.45% GS 2029) rose 3 bps to close at 6.04% compared to the previous close of 6.01% after trading in a range of 6.02% to 6.05%.
- Yield on the new 10-year benchmark paper (5.79% GS 2030) rose 4 bps to close at 5.82% compared to the previous close of 5.78% after moving in a range of 5.78% to 5.82%.

Currency Market Update

- The Indian rupee in spot trade strengthened against the greenback following gains in the domestic equity market after the Indian government announced a phased re-opening of the domestic economy. However, dollar demand from private banks and foreign banks capped the gains.
- The euro rose against the greenback after U.S. President refrained from imposing new tariffs on China.

Commodity Market Update

- Gold prices rose on concerns over escalating tensions between U.S. and China.
- Brent crude prices rose on reports that the OPEC and Russia were moving closer to a compromise on the duration for extending oil output cuts.

International News

- According to revised data released by the University of Michigan, U.S. consumer sentiment index for May 2020 was downwardly revised to 72.3 from the preliminary reading of 73.7, while it was above Apr 2020 reading of 71.8.
- According to final data from IHS Markit, eurozone's manufacturing PMI rose to 39.4 in May 2020 from record low of 33.4 in Apr 2020. The improvement came as companies restarted work after coronavirus lockdown eased.
- According to survey results from IHS Markit, China's manufacturing Purchasing Managers' Index (PMI) rose to 50.7 in May 2020 from 49.4 in Apr 2020. It returned to expansion zone in May driven by the easing of restrictions related to the coronavirus.


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