



Nippon *india* Mutual Fund
Wealth sets you free

(Formerly Reliance Mutual Fund)

Markets for You

05 Jun 2020

Good gets *better*

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

Indices Performance

| Global Indices | 04-Jun | Prev_Day | Abs. Change | % Change [#] |
|-------------------|--------|----------|-------------|-----------------------|
| Russell 3000 | 1,498 | 1,514 | -15 | -1.02 |
| Nasdaq | 9,616 | 9,683 | -67 | -0.69 |
| FTSE | 6,341 | 6,382 | -41 | -0.64 |
| Nikkei | 22,696 | 22,614 | 82 | 0.36 |
| Hang Seng | 24,366 | 24,326 | 41 | 0.17 |
| Indian Indices | 04-Jun | Prev_Day | Abs. Change | % Change [#] |
| S&P BSE Sensex | 33,981 | 34,110 | -129 | -0.38 |
| Nifty 50 | 10,029 | 10,062 | -32 | -0.32 |
| Nifty 100 | 10,198 | 10,220 | -22 | -0.22 |
| Nifty 500 | 8,186 | 8,203 | -17 | -0.21 |
| Nifty Bank | 20,390 | 20,941 | -550 | -2.63 |
| S&P BSE Power | 1,532 | 1,519 | 13 | 0.88 |
| S&P BSE Small Cap | 11,565 | 11,571 | -6 | -0.05 |
| S&P BSE HC | 16,099 | 15,838 | 261 | 1.65 |

P/E Dividend Yield

| Date | Sensex | | Nifty | |
|-----------|--------|------------|-------|------------|
| | P/E | Div. Yield | P/E | Div. Yield |
| 4-Jun | 21.48 | 1.12 | 23.42 | 1.52 |
| Month Ago | 19.77 | 1.21 | 24.06 | 1.57 |
| Year Ago | 28.76 | 1.19 | 29.73 | 1.21 |

Nifty 50 Top 3 Gainers

| Company | 04-Jun | Prev_Day | % Change [#] |
|-----------------|--------|----------|-----------------------|
| Vedanta Limited | 104 | 97 | 7.96 |
| Tech Mahindra | 582 | 553 | 5.21 |
| Zee Ent. | 206 | 196 | 5.06 |

Nifty 50 Top 3 Losers

| Company | 04-Jun | Prev_Day | % Change [#] |
|---------------|--------|----------|-----------------------|
| Asian Paints | 1634 | 1717 | -4.82 |
| Bajaj Finance | 2313 | 2412 | -4.10 |
| IndusInd Bank | 415 | 432 | -4.00 |

Advance Decline Ratio

| | BSE | NSE |
|-----------|------|-----|
| Advances | 1268 | 943 |
| Declines | 1183 | 889 |
| Unchanged | 157 | 91 |

Institutional Flows (Equity)

| Description (Cr) | Inflow/Outflow | YTD |
|------------------|----------------|--------|
| FII Flows* | 2162 | -22155 |
| MF Flows** | 141 | 38447 |

*4th 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 03 Jun 2020

Global Indices

- Asian markets largely remained positive as the concerns over the unrest in U.S. has taken a backseat and U.S. private sector jobs report showed employers cut fewer jobs than expected in May. However, Chinese markets closed lower amid lingering worries about diplomatic tensions between the United States and China. Today (as on Jun 5) majority of the markets traded lower tracking overnight losses in the Wall Street. Both Nikkei and Hang Seng are down 0.23% and 0.20% (as at 8.a.m. IST), respectively.
- European markets fell after the European Central Bank President commented that the euro zone has faced an unprecedented contraction.
- Most of the U.S. markets closed in the red as investors remained on sidelines ahead of the release of the Labor Department's monthly jobs report on Jun 5.

Indian Equity Market

- Indian equity markets came under selling pressure dragged by banking stocks. The sector came under selling pressure after the Supreme Court asked the finance ministry to clarify its stand on whether interest rate could be waived for the moratorium period. The RBI opined that such interest waiver may jeopardise the financial stability and health of the banking sector.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 0.38% and 0.32% to close at 33,980.70 and 10,029.10 respectively. S&P BSE MidCap and S&P BSE SmallCap lost 0.06% and 0.05% respectively.
- The overall market breadth on BSE was strong with 1,268 scrips advancing and 1,183 scrips declining. A total of 157 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Telecom was the major gainer, up 3.47% followed by S&P BSE Teck, up 2.28% and S&P BSE IT, up 1.86%. S&P BSE Bankex was the major loser, down 2.7% followed by S&P BSE Finance, down 2.54% and S&P BSE Capital Goods, down 1.73%.

Domestic News

- According to an ICRA report, banks gross non-performing assets (NPAs) are likely to increase to 11.3-11.6% by the end of FY20-21 from 8.6% as of Mar 2020, due to disruptions caused by the covid-19 pandemic. Report further added that, fresh gross NPAs are projected to be at 5-5.5% of standard advances during FY20-21, which will increase the banks' credit provision and impact their earnings.
- According to a report released by the ministry of statistics and programme implementation in its annual periodic labour force survey, India's unemployment rate eased during Jul 2018 to Jun 2019 to 5.8% from 6.1%, during the similar period in FY17-18. The labour force participation rate inched up to 37.5% from 36.9% during the similar comparable period. Even the worker population ratio rose to 35.3% from 34.7%.
- According to a domestic rating agency, Indian construction industry is likely to see 12-16% fall in investment from Rs. 8.6 lakh crore to Rs. 7.3 lakh crore during FY20-21. Covid-19 pandemic has severely impacted the economy and liquidity scenario.
- With a view to protect domestic manufacturers from cheap imports from China, Malaysia and Korea, government has extended anti-dumping duty on certain variety of steel products till Dec 4, 2020.
- As per media reports, Amazon may buy around 5% stake in Bharti Airtel worth atleast \$2 billion.
- Bharat Petroleum Corporation (BPCL) reported a pre-tax loss of Rs. 2,958.91 crore for the quarter ended Mar 2020, while the company had reported a profit during the same time period last year.

Good gets better

| FII Derivative Trade Statistics | | | |
|---------------------------------|------------------|------------------|------------------|
| (Rs Cr) | 04-Jun | | |
| | Buy | Sell | Open Int. |
| Index Futures | 6955.72 | 6424.08 | 8712.13 |
| Index Options | 288560.52 | 288721.66 | 46137.50 |
| Stock Futures | 19433.89 | 17798.36 | 81093.82 |
| Stock Options | 3639.10 | 3663.29 | 3588.78 |
| Total | 318589.23 | 316607.39 | 139532.23 |

| Derivative Statistics- Nifty Options | | | |
|--------------------------------------|--------|----------|--------|
| | 04-Jun | Prev_Day | Change |
| Put Call Ratio (OI) | 1.36 | 1.59 | -0.23 |
| Put Call Ratio(Vol) | 0.98 | 1.03 | -0.05 |

| Debt Watch | | | | |
|---------------------------|--------|---------|----------|----------|
| | 04-Jun | Wk. Ago | Mth. Ago | Year Ago |
| Call Rate | 3.75% | 3.70% | 4.06% | 5.87% |
| T-Repo | 3.11% | 3.07% | 3.32% | 5.79% |
| Repo | 4.00% | 4.00% | 4.40% | 6.00% |
| Reverse Repo | 3.35% | 3.35% | 3.75% | 5.75% |
| 91 Day T-Bill | 3.39% | 3.18% | 3.54% | 6.05% |
| 364 Day T-Bill | 3.47% | 3.41% | 3.60% | 6.16% |
| 10 Year Gilt | 6.01% | 5.99% | 6.08% | 7.02% |
| G-Sec Vol. (Rs.Cr) | 27486 | 22526 | 42527 | 44224 |
| FBIL MIBOR ^[1] | 3.96% | 4.02% | 4.48% | 5.95% |
| 3 Month CP Rate | 4.35% | 4.35% | 5.55% | 6.75% |
| 5 Year Corp Bond | 6.86% | 6.83% | 7.03% | 8.01% |
| 1 Month CD Rate | 3.18% | 3.82% | 4.02% | 6.15% |
| 3 Month CD Rate | 3.70% | 3.77% | 4.53% | 6.43% |
| 1 Year CD Rate | 4.08% | 4.30% | 4.75% | 7.16% |

| Currency Market | | | |
|-----------------|--------|----------|--------|
| Currency | 04-Jun | Prev_Day | Change |
| USD/INR | 75.53 | 75.33 | 0.20 |
| GBP/INR | 94.66 | 94.87 | -0.21 |
| EURO/INR | 84.64 | 84.44 | 0.19 |
| JPY/INR | 0.69 | 0.69 | 0.00 |

| Commodity Prices | | | | |
|--------------------|--------|--------|----------|----------|
| Commodity | 04-Jun | Wk Ago | Mth. Ago | Year Ago |
| NYMEX Crude(\$/b) | 37.37 | 33.62 | 19.97 | 53.45 |
| Brent Crude(\$/bl) | 37.10 | 33.19 | 15.73 | 65.00 |
| Gold(\$/oz) | 1711 | 1719 | 1701 | 1325 |
| Gold(Rs./10 gm) | 46640 | 40989 | 40989 | 32407 |

Source: Refinitiv

[1] Data as on 03 Jun 2020

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Derivatives Market

- Nifty Jun 2020 Futures stood at 10,017.65, a discount of 11.45 points below the spot closing of 10,029.10. The turnover on NSE's Futures and Options segment rose to Rs. 22,25,985.70 crore on June 04, 2020, compared with Rs. 17,25,770.69 crore on June 03, 2020.
- The Put-Call ratio stood at 0.98 compared with the previous session's close of 0.9.
- The Nifty Put-Call ratio stood at 1.36 compared with the previous session's close of 1.59.
- Open interest on Nifty Futures stood at 11.34 million, compared with the previous session's close of 11.74 million.

Indian Debt Market

- Bond yields fell on hopes that the Reserve Bank of India would conduct open market purchase of government securities to absorb the additional supply of sovereign debt. Meanwhile market participants awaited a weekly debt auction and minutes of the Monetary Policy Committee's May meeting due to be released on May 5, 2020 which capped the gains.
- Yield on the old 10-year benchmark paper (6.45% GS 2029) fell 2 bps to close at 6.01% compared to the previous close of 6.03% after trading in a range of 6.01% to 6.05%.
- Yield on the new 10-year benchmark paper (5.79% GS 2030) fell 2 bps to close at 5.80% compared to the previous close of 5.82% after moving in a range of 5.80% to 5.82%.
- Banks did not borrow under borrowed under the central bank's Marginal Standing Facility on Jun 3, 2020 and Jun 2, 2020.

Currency Market Update

- The Indian rupee in spot trade weakened against the greenback following losses in the domestic equity market.
- The euro rose against the greenback after the European Central Bank increased the size of its Pandemic Emergency Purchase Program which led to optimism regarding the recovery of the euro zone economy. The euro closed at 1.1336, up 0.93% compared to the previous day's close of 1.1232.

Commodity Market Update

- Gold prices rose after U.S. trade deficit surged in Apr 2020 which raised concerns of an economic slowdown.
- Brent crude prices fell amid doubts as to whether the crude oil producers will agree to extend record output cuts.

International News

- According to a report released by the Institute for Supply Management, U.S. services purchasing managers' index improved to 45.4 in May 2020 after falling to 41.8 in Apr 2020.
- The European Central Bank (ECB) left its key interest rates unchanged as expected, however, ECB increased the size of its emergency asset purchase programme.
- According to the Commerce Department, U.S. new orders fell 13% in Apr 2020 after declining by a revised 11% percent in Mar 2020.
- Eurozone retail sales fell for the second straight month by 11.7% in Apr 2020 MoM as against an 11.1% fall in Mar 2020. On a yearly basis, retail sales fell 19.6% in Apr following 8.8% decline in Mar.



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**Thank you for
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