



Nippon india Mutual Fund

Wealth sets you free

(Formerly Reliance Mutual Fund)

Markets for You

13 Mar 2020

Good gets *better*

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

Indices Performance				
Global Indices	12-Mar	Prev_Day	Abs. Change	% Change#
Russell 3000	1,152	1,270	-118	-9.29
Nasdaq	7,202	7,952	-750	-9.43
FTSE	5,237	5,877	-639	-10.87
Nikkei	18,560	19,416	-856	-4.41
Hang Seng	24,309	25,232	-923	-3.66
Indian Indices	12-Mar	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	32,778	35,697	-2,919	-8.18
Nifty 50	9,590	10,458	-868	-8.30
Nifty 100	9,694	10,578	-884	-8.36
Nifty 500	7,901	8,618	-717	-8.32
Nifty Bank	23,971	26,488	-2,517	-9.50
S&P BSE Power	1,505	1,644	-139	-8.43
S&P BSE Small Cap	11,615	12,725	-1,110	-8.72
S&P BSE HC	12,250	13,356	-1,107	-8.29

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
12-Mar	19.78	1.35	21.83	1.59
Month Ago	25.29	1.02	27.65	1.25
Year Ago	27.76	1.14	27.70	1.19

Nifty 50 Top 3 Gainers			
Company	12-Mar	Prev_Day	% Change#
			NA
			NA
			NA

Nifty 50 Top 3 Losers			
Company	12-Mar	Prev_Day	% Change#
BPCL	344	404	-14.86
UPL Ltd.	444	517	-14.19
State Bank of India	213	245	-13.26

Advance Decline Ratio			
	BSE	NSE	
Advances	201	141	
Declines	2265	1835	
Unchanged	107	78	

Institutional Flows (Equity)		
Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-3484	-9032
MF Flows**	1037	18871

*12th Mar 2020; **11th Mar 2020

Economic Indicator			
YoY(%)	Current	Quarter Ago	Year Ago
CPI	6.58% (Feb-20)	5.54% (Nov-19)	2.57% (Feb-19)
IIP	2.00% (Jan-20)	-6.60% (Oct-19)	1.60% (Jan-19)
GDP	4.70% (Dec-19)	5.10% (Sep-19)	5.60% (Dec-18)

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 11 Mar 2020

Global Indices

- Asian equity markets plunged as the World Health Organisation (WHO) declared the coronavirus outbreak a global pandemic among heightened fears over its spread and wide-ranging effects on businesses. Also, the U.S. President's address on the coronavirus failed to impress investors. He put a travel ban on Europe, except U.K. Today (as of Mar 13), Asian markets opened with heavy losses as overnight U.S. markets nosedived and coronavirus spread concerns loomed. Both Nikkei and Hang Seng fell 8.20% and 7.36% (as at 8.a.m. IST), respectively.
- European markets saw their worst one-day drop in history, as investors reacted to U.S. President's decision to impose a travel ban on Europe and the European Central Bank's decision not to cut interest rates.
- U.S. markets witnessed a historic drop, worst since the 1987 market crash. This came after the President and the Federal Reserve failed to ease concerns over the economic slowdown from the coronavirus.

Indian Equity Market

- Indian equity markets yet again ended deep in the red, losing the most in absolute terms till date. The World Health Organisation officially declaring the coronavirus outbreak a global pandemic and rising number of infected people in the country dented sentiment. The U.S. President suspending travel from Europe to the U.S. added to the woes.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 8.18% and 8.3% to close at 32,778.14 and 9,590.15 respectively. S&P BSE MidCap and S&P BSE SmallCap lost 7.84% and 8.72% respectively.
- The overall market breadth on BSE was weak with 201 scrips advancing and 2,265 scrips declining. A total of 107 scrips remained unchanged.
- On the BSE sectoral front, all sectors lost. S&P BSE Oil & Gas was the major loser, down 9.82%, followed by S&P BSE Realty and S&P BSE Metal, down 9.5% and 9.39%, respectively. S&P BSE Bankex and S&P BSE Basic Materials lost 9.38% and 9.19% respectively.

Domestic News

- Data from RBI showed that India's current account deficit (CAD) narrowed sharply to US\$ 1.4 billion (0.2% of GDP) in Q3FY20 from US\$ 17.7 billion (2.7% of GDP) in Q3FY19 and US\$ 6.5 billion (0.9% of GDP) in the previous quarter or Q2FY20. CAD narrowed on account of a lower trade deficit which stood at US\$ 34.6 billion and a rise in net services receipts at US\$ 21.9 billion as compared with the corresponding period of last year.
- India's Index of Industrial Production (IIP) growth rose 2% YoY in Jan 2020 as against a deacceleration of 0.3% in Dec 2019 and an increase of 1.6% in Jan 2019. The mining, manufacturing and electricity sector rose 4.4%, 1.5% and 3.1% in Jan 2020. The mining sector had risen 5.4% in Dec 2019, while manufacturing and electricity had fallen 1.2% and 0.1%, respectively.
- India's consumer inflation slowed to 6.58% in Feb 2020 from 7.59% YoY in Jan 2020 and 2.57% in Feb 2019. Food inflation grew 10.81% in Feb compared with a growth of 13.63% in Jan and a de-growth of 0.73% in the same month of the previous year. Food and beverages inflation eased to 9.45% YoY in Feb from 11.79% in Jan. Vegetable prices eased to 31.61% YoY in Feb compared with 50.19% in Jan.
- The Reserve Bank of India said it will undertake U.S. dollar sell/buy swaps to provide liquidity in the foreign exchange market and is ready to take all measures required to mitigate the risks from the coronavirus spread. It will undertake six-month U.S. dollar sell/buy swaps, the bank said in a statement. The swaps will be conducted through the auction route in multiple tranches.
- Media reports showed the Goods and Services Tax (GST) Council could consider a proposal to increase GST on mobile phones to 18% in its next meeting on Mar 14, 2020. This is being done to correct the inverted duty structure being faced by the industry. At present, mobile phones attract a 12% GST rate, even as several parts that go into making mobile phones fall under the 18% GST rate bracket, creating a case where the duty on inputs is higher than that on finished goods, leading to an inverted duty structure.

Good gets better

FII Derivative Trade Statistics		12-Mar		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	8974.08	7757.97	18413.93	
Index Options	315768.39	316192.68	70729.94	
Stock Futures	17969.64	17540.24	84523.00	
Stock Options	4164.41	4205.96	4079.34	
Total	346876.52	345696.85	177746.21	

Derivative Statistics- Nifty Options			
	12-Mar	Prev_Day	Change
Put Call Ratio (OI)	0.90	1.07	-0.17
Put Call Ratio(Vol)	0.83	0.80	0.03

Debt Watch				
	12-Mar	Wk. Ago	Mth. Ago	Year Ago
Call Rate	4.93%	4.94%	4.93%	6.14%
T-Repo	4.70%	4.78%	4.91%	6.13%
Repo	5.15%	5.15%	5.15%	6.25%
Reverse Repo	4.90%	4.90%	4.90%	6.00%
91 Day T-Bill	4.85%	4.80%	5.09%	6.32%
364 Day T-Bill	4.89%	5.00%	5.23%	6.44%
10 Year Gilt	6.24%	6.24%	6.48%	7.36%
G-Sec Vol. (Rs.Cr)	68775	75493	27086	31361
FBIL MIBOR ^[1]	5.14%	5.15%	5.15%	6.26%
3 Month CP Rate	5.60%	5.60%	5.75%	7.60%
5 Year Corp Bond	7.10%	6.78%	7.09%	8.39%
1 Month CD Rate	5.30%	5.19%	5.11%	7.12%
3 Month CD Rate	5.24%	5.35%	5.32%	7.29%
1 Year CD Rate	5.49%	5.57%	6.08%	7.79%

Currency Market			
Currency	12-Mar	Prev_Day	Change
USD/INR	74.17	73.81	0.36
GBP/INR	94.99	95.47	-0.47
EURO/INR	83.76	83.80	-0.04
JPY/INR	0.72	0.71	0.01

Commodity Prices				
Commodity	12-Mar	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/t)	31.51	45.85	51.08	56.84
Brent Crude(\$/bl)	31.56	51.63	56.13	64.77
Gold(\$/oz)	1577	1670	1565	1302
Gold(Rs./10 gm)	43228	43294	40467	32033

Source: Refinitiv

[1] Data as on 11 Mar 2020

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Derivatives Market

- Nifty Mar 2020 Futures stood at 9,546.60, a discount of 43.55 points below the spot closing of 9,590.15. The turnover on NSE's Futures and Options segment rose to Rs. 26,32,978.45 crore on March 12, 2020, compared with Rs. 14,25,247.04 crore on March 11, 2020.
- The Put-Call ratio stood at 0.75 compared with the previous session's close of 0.78.
- The Nifty Put-Call ratio stood at 0.9 compared with the previous session's close of 1.07.
- Open interest on Nifty Futures stood at 19 million, compared with the previous session's close of 19.6 million.

Indian Debt Market

- Bond yields continued to rise owing to weak global cues and fears over the coronavirus outbreak across the global. This raised concerns over foreign fund outflows in the domestic debt market.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) rose 11 bps to close at 6.24% from the previous closing of 6.13% after moving in a range of 6.12% to 6.24%.
- Data from RBI showed that India's money supply as on Feb 28, 2020 grew 9.4% compared to an increase of 10.5% in the same period of the previous year. Bank credit to commercial sector as on Feb 28, 2020 grew 6.3% compared to an increase of 13.7% in the same period of the previous year. The net foreign exchange assets of banking sector as on Feb 28, 2020 grew 24.1% compared to an increase of 3.4% in the same period of the previous year.

Currency Market Update

- The Indian rupee in spot trade plunged against the greenback following losses in the domestic equity market.
- The euro weakened against the greenback after the European Central Bank in its monetary policy review announced more stimulus measures to fight the coronavirus impact. However, further losses were restricted after the European Central Bank did not lower interest rates as expected.

Commodity Market Update

- Gold prices fell as market participants preferred to book profits at higher levels.
- Brent crude prices plummeted amid concerns over the coronavirus outbreak across the globe.

International News

- A Labor Department report showed first-time claims for U.S. unemployment benefits dipped to 211,000, a decrease of 4,000 from the previous week's level of 215,000.
- A Labor Department report showed U.S. producer prices index for final demand slid 0.6% in Feb 2020 after climbing 0.5% in Jan 2020.
- The New York Federal Reserve said that it will offer banks more than \$1 trillion worth of additional short-term cash loans as part of an effort to smooth operations in the Treasury and money markets.
- European Central Bank president surprised markets by leaving rates unchanged but announced fresh stimulus measures including additional EUR 120 billion bond purchases.

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