

# Markets for You

20 Mar 2020

Good gets *better*

**Indices Performance**

| Global Indices    | 19-Mar | Prev_Day | Abs. Change | % Change* |
|-------------------|--------|----------|-------------|-----------|
| Russell 3000      | 1,121  | 1,104    | 17          | 1.53      |
| Nasdaq            | 7,151  | 6,990    | 161         | 2.30      |
| FTSE              | 5,152  | 5,081    | 71          | 1.40      |
| Nikkei            | 16,553 | 16,727   | -174        | -1.04     |
| Hang Seng         | 21,709 | 22,292   | -583        | -2.61     |
| Indian Indices    | 19-Mar | Prev_Day | Abs. Change | % Change* |
| S&P BSE Sensex    | 28,288 | 28,870   | -581        | -2.01     |
| Nifty 50          | 8,263  | 8,469    | -205        | -2.42     |
| Nifty 100         | 8,389  | 8,608    | -219        | -2.55     |
| Nifty 500         | 6,807  | 7,011    | -203        | -2.90     |
| Nifty Bank        | 20,084 | 20,580   | -497        | -2.41     |
| S&P BSE Power     | 1,333  | 1,348    | -16         | -1.19     |
| S&P BSE Small Cap | 9,722  | 10,183   | -461        | -4.53     |
| S&P BSE HC        | 11,397 | 11,608   | -211        | -1.82     |

**P/E Dividend Yield**

| Date      | Sensex |            | Nifty |            |
|-----------|--------|------------|-------|------------|
|           | P/E    | Div. Yield | P/E   | Div. Yield |
| 19-Mar    | 16.96  | 1.57       | 18.63 | 1.84       |
| Month Ago | 25.27  | 1.03       | 27.60 | 1.26       |
| Year Ago  | 27.99  | 1.14       | 28.27 | 1.17       |

**Nifty 50 Top 3 Gainers**

| Company       | 19-Mar | Prev_Day | % Change* |
|---------------|--------|----------|-----------|
| ITC           | 162    | 151      | 7.40      |
| Bharti Airtel | 445    | 426      | 4.51      |
| Kotak Bank    | 1211   | 1172     | 3.32      |

**Nifty 50 Top 3 Losers**

| Company         | 19-Mar | Prev_Day | % Change* |
|-----------------|--------|----------|-----------|
| Bharti Infratel | 124    | 150      | -17.24    |
| Coal India      | 124    | 145      | -14.82    |
| Zee Ent.        | 141    | 164      | -13.95    |

**Advance Decline Ratio**

|           | BSE  | NSE  |
|-----------|------|------|
| Advances  | 549  | 401  |
| Declines  | 1866 | 1515 |
| Unchanged | 146  | 114  |

**Institutional Flows (Equity)**

| Description (Cr) | Inflow/Outflow | YTD    |
|------------------|----------------|--------|
| FII Flows*       | -5045          | -30982 |
| MF Flows**       | 1356           | 25706  |

 \*19<sup>th</sup> Mar 2020; \*\*17<sup>th</sup> Mar 2020

**Economic Indicator**

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

Since May-17, MOSPI has revised base year of IIP &amp; WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

[1] Data as on 18 Mar 2020

**Global Indices**

- Asian equity markets fell even as the European Central Bank announced to spend more than \$800 billion to buy bonds and the U.S. passed a funding and relief package to fight the pandemic. Investors feared the world is heading for a virus-fueled economic catastrophe. Today (as of Mar 20), Asian markets opened higher as investors await the release of China's benchmark lending rate. Nikkei is closed on account of a public holiday. Hang Seng was up 2.02% (as at 8.a.m. IST).
- European markets crawled up drawing support from policy announcements by the European Central Bank (ECB) and the Bank of England (BoE) to deal with the pandemic. BoE announced another surprise interest rate cut after ECB came out with a new "Pandemic Emergency Purchase Programme" worth 750 billion euros.
- U.S. markets gained after the previous session's steep losses on the back of rise in big tech and energy stocks.

**Indian Equity Market**

- Indian equity markets declined as investors continued to fear the coronavirus pandemic and the risk of a wider financial contagion. Global brokerages and financial agencies have been cutting their growth forecast for the Indian economy for the fiscal and the quarter in the face of the pandemic.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 2.01% and 2.42% to close at 28,288.23 and 8,263.45 respectively. S&P BSE MidCap and S&P BSE SmallCap lost 3.7% and 4.53% respectively.
- The overall market breadth on BSE was weak with 549 scrips advancing and 1,866 scrips declining. A total of 146 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Telecom was the only gainer, up 1.66%. S&P BSE Metal was the major loser, down 7.17% followed by S&P BSE Capital Goods, down 6.18% and S&P BSE Auto, down 5.93%.

**Domestic News**

- A prominent global brokerage has within two days sharply cut its Jun quarter growth forecast by 90 bps to a low of 3.1% and the full-year India GDP target by 100 bps to 4.1% for FY2021. It cited an almost certain global recession due to the Covid-19 pandemic.
- According to the media, the Securities and Exchange Board of India (SEBI) has eased compliance rules for companies that have been struggling to cope with COVID-19 outbreak and allowed them to file their quarterly and annual financial results by Jun 30, 2020.
- Media reports showed the government is mulling offering easier loan repayment terms and tax breaks for small-and medium-sized companies to help the economy weather the onslaught of the coronavirus.
- The government may plan a cash transfer scheme to mitigate the impact of the economic fallout caused by the Covid-19 pandemic, media reports showed. The scheme could cover the poor and those who have been affected the most by Covid-19.

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| FII Derivative Trade Statistics |           |           |           |
|---------------------------------|-----------|-----------|-----------|
| (Rs Cr)                         | 19-Mar    |           |           |
|                                 | Buy       | Sell      | Open Int. |
| Index Futures                   | 9118.11   | 8817.89   | 16458.14  |
| Index Options                   | 141241.44 | 141618.51 | 60201.17  |
| Stock Futures                   | 21516.62  | 20269.26  | 69390.54  |
| Stock Options                   | 2577.89   | 2564.26   | 3456.20   |
| Total                           | 174454.06 | 173269.92 | 149506.05 |

| Derivative Statistics- Nifty Options |        |          |        |
|--------------------------------------|--------|----------|--------|
|                                      | 19-Mar | Prev_Day | Change |
| Put Call Ratio (OI)                  | 0.98   | 0.96     | 0.02   |
| Put Call Ratio(Vol)                  | 0.81   | 0.67     | 0.13   |

| Debt Watch                |        |         |          |          |
|---------------------------|--------|---------|----------|----------|
|                           | 19-Mar | Wk. Ago | Mth. Ago | Year Ago |
| Call Rate                 | 4.96%  | 4.93%   | 4.95%    | 6.20%    |
| T-Repo                    | 4.39%  | 4.70%   | 4.89%    | 6.14%    |
| Repo                      | 5.15%  | 5.15%   | 5.15%    | 6.25%    |
| Reverse Repo              | 4.90%  | 4.90%   | 4.90%    | 6.00%    |
| 91 Day T-Bill             | 4.77%  | 4.85%   | 5.02%    | 6.26%    |
| 364 Day T-Bill            | 5.15%  | 4.89%   | 5.18%    | 6.40%    |
| 10 Year Gilt              | 6.41%  | 6.24%   | 6.39%    | 7.38%    |
| G-Sec Vol. (Rs.Cr)        | 41566  | 68775   | 52556    | 30753    |
| FBIL MIBOR <sup>[1]</sup> | 5.14%  | 5.15%   | 5.10%    | 6.25%    |
| 3 Month CP Rate           | 6.50%  | 5.60%   | 5.70%    | 7.45%    |
| 5 Year Corp Bond          | 7.46%  | 7.10%   | 6.97%    | 8.48%    |
| 1 Month CD Rate           | 5.84%  | 5.30%   | 5.10%    | 7.22%    |
| 3 Month CD Rate           | 5.13%  | 5.24%   | 5.27%    | 7.29%    |
| 1 Year CD Rate            | 5.57%  | 5.49%   | 5.81%    | 7.41%    |

| Currency Market |        |          |        |
|-----------------|--------|----------|--------|
| Currency        | 19-Mar | Prev_Day | Change |
| USD/INR         | 75.06  | 74.17    | 0.89   |
| GBP/INR         | 86.62  | 89.76    | -3.13  |
| EURO/INR        | 82.03  | 81.72    | 0.31   |
| JPY/INR         | 0.69   | 0.69     | 0.00   |

| Commodity Prices   |        |        |          |          |
|--------------------|--------|--------|----------|----------|
| Commodity          | 19-Mar | Wk Ago | Mth. Ago | Year Ago |
| NYMEX Crude(\$/b)  | 25.04  | 31.51  | 53.26    | 59.07    |
| Brent Crude(\$/bl) | 24.42  | 31.56  | 60.56    | 67.47    |
| Gold(\$/oz)        | 1470   | 1577   | 1611     | 1306     |
| Gold(Rs./10 gm)    | 40395  | 43228  | 41491    | 31952    |

Source: Refinitiv

[1] Data as on 18 Mar 2020

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**Derivatives Market**

- Nifty Mar 2020 Futures stood at 8,205.90, a discount of 57.55 points below the spot closing of 8,263.45. The turnover on NSE's Futures and Options segment rose to Rs. 18,07,622.66 crore on March 19, 2020, compared with Rs. 10,10,921.46 crore on March 18, 2020.
- The Put-Call ratio stood at 0.72 compared with the previous session's close of 0.57.
- The Nifty Put-Call ratio stood at 0.98 compared with the previous session's close of 0.96.
- Open interest on Nifty Futures stood at 19.78 million, compared with the previous session's close of 20.29 million.

**Indian Debt Market**

- Bond yields saw a sharp rise as the domestic currency plunged with strong surge in the greenback and increase in U.S. Treasury yield as investors sold notes.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) rose 11 bps to close at 6.41% from the previous closing of 6.30% after moving in a range of 6.33% to 6.45%.
- Banks borrowed Rs. 300 crore under the central bank's Marginal Standing Facility on Mar 18, 2020 compared with no borrowings on Mar 17, 2020.

**Currency Market Update**

- The Indian rupee in spot trade plunged to an all-time low against the greenback following losses in the domestic equity market.
- The euro fell against the U.S. dollar as the investor risk sentiment dampened on concerns about the economic fallout from the coronavirus outbreak across the globe which in boosted the safe haven appeal of the greenback.

**Commodity Market Update**

- Gold prices fell as concerns over the coronavirus outbreak prompted investors to sell assets and hoard cash.
- Brent crude prices surged as market participants across the globe assessed the impact of massive stimulus provided by central banks across the globe.

**International News**

- The Federal Reserve decided to introduce a new lending facility Money Market Mutual Fund Liquidity Facility to support the smooth flow of credit to households and businesses amid the pandemic. The treasury will provide \$10 billion for the program.
- The European Central Bank announced a new EUR 750 billion Pandemic Emergency Purchase Programme to combat the risks posed by the outbreak and escalating diffusion of the coronavirus.
- The Bank of England cut the bank rate again, to a record low, and expanded its bond buying scheme and the targeted funding measure for small and medium businesses.
- Eurostat data showed euro zone construction output rose 3.6% MoM in Jan 2020, after a 1.8% fall in Dec 2019.





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