

# Markets for You

30 Mar 2020

Good gets *better*

**Indices Performance**

Global Indices	27-Mar	Prev_Day	Abs. Change	% Change#
Russell 3000	1,185	1,230	-45	-3.66
Nasdaq	7,502	7,798	-295	-3.79
FTSE	5,510	5,816	-305	-5.25
Nikkei	19,389	18,665	725	3.88
Hang Seng	23,484	23,352	132	0.57
Indian Indices	27-Mar	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	29,816	29,947	-131	-0.44
Nifty 50	8,660	8,641	19	0.22
Nifty 100	8,747	8,732	15	0.17
Nifty 500	7,003	6,994	9	0.14
Nifty Bank	19,969	19,614	355	1.81
S&P BSE Power	1,366	1,362	3	0.25
S&P BSE Small Cap	9,497	9,470	27	0.28
S&P BSE HC	11,629	11,607	21	0.18

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
27-Mar	18.18	1.47	19.52	1.76
Month Ago	24.33	1.10	26.48	1.31
Year Ago	27.78	1.15	28.05	1.18

**Nifty 50 Top 3 Gainers**

Company	27-Mar	Prev_Day	% Change#
Coal India	132	123	6.86
Cipla	408	386	5.57
Axis Bank	360	341	5.37

**Nifty 50 Top 3 Losers**

Company	27-Mar	Prev_Day	% Change#
Bajaj Finance	2542	2794	-9.00
Hero Moto	1661	1802	-7.81
IndusInd Bank	411	436	-5.69

**Advance Decline Ratio**

	BSE	NSE
Advances	1133	1028
Declines	1171	811
Unchanged	177	121

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	11	-45435
MF Flows**	-60	34539

 \*27<sup>th</sup> Mar 2020; \*\*23<sup>rd</sup> 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 &amp; WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

[1] Data as on 26 Mar 2020

**Global Indices**

- Asian equity markets were mixed as worries about an imminent global recession overshadowed investor optimism over U.S. stimulus. Even G20 countries pledged to pour \$5 trillion into the global economy to overcome the COVID-19 crisis. Today (as of Mar 30), Asian markets opened lower as investors continue to assess the economic impact of the global coronavirus pandemic that continues to spread rapidly. Both Nikkei and Hang Seng plunged fell 4.11% and 2.09% (as at 8.a.m. IST), respectively.
- European markets lost as investors took stock of the spread of coronavirus while policymakers tried to agree on a unified response.
- U.S. markets declined as investors focused back on the coronavirus outbreak. The U.S. has become the new epicentre of the outbreak with the highest number of confirmed cases.

**Indian Equity Market**

- Indian equity markets witnessed a volatile session as investors reacted to the Reserve Bank of India's steep rate-cut decision and announcement of various measures to help the economy cope with the pandemic. RBI cut the repo rate by 75 bps and said the outlook was heavily dependent on the intensity and spread of the pandemic. RBI governor admitted that growth projection of 4.7% for the Mar 2020 quarter and 5% for FY20 were at risk.
- Key benchmark indices S&P BSE Sensex lost 0.44% and Nifty 50 gained 0.22% to close at 29,815.59 and 8,660.25 respectively. S&P BSE MidCap lost 0.29% and S&P BSE SmallCap gained 0.28%.
- The overall market breadth on BSE was weak with 1,133 scrips advancing and 1,171 scrips declining. A total of 177 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Bankex was the major gainer, up 0.96% followed by S&P BSE Metal, up 0.47% and S&P BSE Consumer Durables, up 0.28%. S&P BSE Telecom was the major loser, down 5.18% followed by S&P BSE Auto, down 2.35% and S&P BSE Oil & Gas, down 1.5%.

**Domestic News**

- The Monetary Policy Committee (MPC) lowered the key policy repo rate by 75 bps to 4.40% from the earlier 5.15% in order to combat the coronavirus outbreak across the country and the nationwide lockdown. The reverse repo rate was reduced by 90 bps to 4.0% while the bank rate and the marginal standing facility rate stand reduced at 4.65% from the previous 5.40%. The MPC decided to continue with the accommodative stance on the monetary policy as long as it is necessary to revive the growth and mitigate the impact of coronavirus outbreak on the economy. The Reserve Bank of India (RBI) Governor further added that the MPC committee advanced their meeting to Mar 24 from Mar 27 as compared from Apr 1 to Apr 3 which was scheduled earlier. Four members of the committee voted for a 75 bps reduction in the key policy repo rate while two members voted for a reduction of 50 bps.
- RBI gave approval to all commercial banks, co-operative banks, all-India Financial Institutions, and non-banking financial companies to allow a moratorium of three months on payment of instalments for all term loans that are outstanding as on Mar 1, 2020. Similarly, RBI also gave approval for deferment of interest on working capital facilities by three months. The objective of the move is to help borrowers tide over the difficulties caused by the coronavirus outbreak across the country.
- RBI has decided to conduct Targeted Long Term Repos Operations (TLTROs) of up to three years tenor of appropriate sizes for a total amount of up to Rs. 1,00,000 crore at a floating rate linked to the policy repo rate.
- RBI decided to reduce the cash reserve ratio (CRR) of all banks by 100 bps to 3% of net demand and time liabilities. The new norms will come into effect from Mar 28, 2020 and will be available for one year ending on Mar 26, 2021. The move is expected to release primary liquidity to the tune of Rs. 1.37 lakh crore uniformly across the banking system.



FII Derivative Trade Statistics			
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	10681.69	11042.12	7400.71
Index Options	192274.93	193393.95	25888.05
Stock Futures	16188.65	16444.88	60343.14
Stock Options	468.93	495.07	354.50
Total	219614.20	221376.02	93986.40

Derivative Statistics- Nifty Options			
	27-Mar	Prev_Day	Change
Put Call Ratio (OI)	1.23	1.17	0.06
Put Call Ratio(Vol)	0.75	0.82	-0.06

Debt Watch				
	27-Mar	Wk. Ago	Mth. Ago	Year Ago
Call Rate	4.68%	5.00%	4.93%	6.22%
T-Repo	0.85%	4.37%	4.84%	6.02%
Repo	4.40%	5.15%	5.15%	6.25%
Reverse Repo	4.00%	4.90%	4.90%	6.00%
91 Day T-Bill	4.21%	4.78%	5.02%	6.31%
364 Day T-Bill	4.60%	4.92%	5.13%	6.39%
10 Year Gilt	6.14%	6.26%	6.38%	7.33%
G-Sec Vol. (Rs.Cr)	40371	42471	50755	31053
FBIL MIBOR <sup>[1]</sup>	5.48%	5.16%	5.00%	6.25%
3 Month CP Rate	5.90%	6.50%	6.00%	7.55%
5 Year Corp Bond	6.99%	7.19%	6.86%	8.34%
1 Month CD Rate	5.49%	5.63%	5.17%	8.13%
3 Month CD Rate	5.16%	5.29%	5.42%	7.26%
1 Year CD Rate	7.38%	7.23%	5.75%	7.49%

Currency Market			
Currency	27-Mar	Prev_Day	Change
USD/INR	74.84	75.24	-0.40
GBP/INR	91.56	89.02	2.54
EURO/INR	82.64	82.05	0.59
JPY/INR	0.69	0.68	0.01

Commodity Prices				
Commodity	27-Mar	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/t)	14.73	19.43	47.12	59.34
Brent Crude(\$/bl)	20.31	25.99	53.18	67.94
Gold( \$/oz)	1618	1498	1642	1309
Gold(Rs./10 gm)	40989	40989	42451	32067

Source: Refinitiv

#### Disclaimer:

The information herein is meant only for general reading purposes and contains all factual and statistical information pertaining to Industry and markets which have been obtained from independent third party sources and which are deemed to be reliable. The information provided cannot be considered as guidelines, recommendations or as a professional guide for the readers. It may be noted that since Nippon Life India Asset Management Limited (NAM India) (formerly Reliance Nippon Life Asset Management Limited) has not independently verified the accuracy or authenticity of such information or data, or for that matter the reasonableness of the assumptions upon which such data and information has been processed or arrive data; NAM India does not in any manner assure the accuracy or authenticity of such data and information. Some of the statements & assertions contained in these materials may reflect NAM India's views or opinions, which in turn may have been formed on the basis of such data or information. The Sponsor(s), the Investment Manager, the Trustee or any of their respective directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such data or information. Whilst no action has been solicited based upon the information provided herein, due care has been taken to ensure that the facts are accurate and opinions given are fair and reasonable, to the extent possible. This information is not intended to be an offer or solicitation for the purchase or sale of any financial product or instrument. Recipients of this information should rely on information/data arising out of their own investigations. Before making any investments, the readers are advised to seek independent professional advice, verify the contents in order to arrive at an informed investment decision. None of the Sponsor(s), the Investment Manager, the Trustee, their respective directors, employees, affiliates or representatives shall be liable in any way for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including on account of lost profits arising from the information contained in this material.

Readers are requested to click here for ICRA Analytics Ltd disclaimer

#### Derivatives Market

- Nifty Apr 2020 Futures stood at 8,651.40, a discount of 8.85 points below the spot closing of 8,660.25. The turnover on NSE's Futures and Options segment fell to Rs. 4,29,040.68 crore on March 27, 2020, compared with Rs. 14,46,506.47 crore on March 26, 2020.
- The Put-Call ratio stood at 0.7 compared with the previous session's close of 0.82.
- The Nifty Put-Call ratio stood at 1.23 compared with the previous session's close of 1.17.
- Open interest on Nifty Futures stood at 11.27 million, compared with the previous session's close of 18.63 million.

#### Indian Debt Market

- Bond yields fell further as the Monetary Policy Committee trimmed the key interest rate by 75 bps to 4.40% to lower the impact of coronavirus on the economy. Besides, bond purchase under open market operation also aided sentiments.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) dropped 8 bps to close at 6.14% from the previous closing of 6.22% after moving in a range of 5.98% to 6.17%.
- RBI conducted a Targeted Long Term Repo Operation (TLTRO) for a notified amount of Rs. 25,000 crores with a 3-year tenor. Total amount of bids received were for Rs. 60,500 crore, of which Rs. 25,009 crore was accepted.

#### Currency Market Update

- The Indian rupee in spot trade rose against the greenback following selling of the greenback by some banks on behalf of the Reserve Bank of India. The greenback also remained under pressure after initial jobless claims in U.S. surged for the week ended Mar 21, 2020.
- The euro rose against the greenback after key central banks and governments across the globe adopted stimulus measures worth trillions of dollars.

#### Commodity Market Update

- Gold prices fell on hopes that the \$2.2 trillion stimulus package bill in U.S. will soon be passed.
- Brent crude prices plunged to a near 20-year low and closed just above 20\$ per barrel on persisting concerns over the coronavirus outbreak across the globe

#### International News

- Fitch Ratings affirmed the sovereign ratings of the U.S. at 'AAA' with a stable outlook, citing its structural strengths.
- A Commerce Department report showed personal income in the U.S. increased more than expected in Feb 2020, while personal spending rose 0.6%, in line with estimates.
- National Bureau of Statistics showed China's industrial profits declined 38.3% during Jan to Feb 2020 from the same period last year.
- Ministry of Communications and Internal Affairs said overall consumer prices in the Tokyo region of Japan were up 0.4% YoY in Mar 2020, unchanged from the Feb 2020 reading. Core CPI, which excludes volatile food prices, also advanced an annual 0.4%.

*Good gets better*

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



**Nippon india Mutual Fund**

Wealth sets you free

(Formerly Reliance Mutual Fund)

**Thank you for  
your time.**

**Good gets *better***

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