

# Markets for You

05 May 2020

Good gets *better*

**Indices Performance**

Global Indices	04-May	Prev_Day	Abs. Change	% Change#
Russell 3000	1,363	1,350	13	0.94
Nasdaq	8,711	8,605	106	1.23
FTSE	5,754	5,763	-9	-0.16
Nikkei <sup>[1]</sup>	19,619	20,194	-574	-2.84
Hang Seng	23,614	24,644	-1,030	-4.18
Indian Indices	04-May	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	31,715	33,718	-2,002	-5.94
Nifty 50	9,294	9,860	-566	-5.74
Nifty 100	9,454	10,007	-553	-5.52
Nifty 500	7,597	8,013	-416	-5.19
Nifty Bank	19,744	21,535	-1,791	-8.32
S&P BSE Power	1,447	1,491	-44	-2.92
S&P BSE Small Cap	10,754	11,102	-348	-3.14
S&P BSE HC	15,365	15,332	33	0.21

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
4-May	19.77	1.21	21.39	1.64
Month Ago	16.79	1.57	18.22	1.88
Year Ago	28.86	1.18	29.24	1.12

**Nifty 50 Top 3 Gainers**

Company	04-May	Prev_Day	% Change#
Cipla	612	590	3.77
Bharti Airtel	533	514	3.54
Sun Pharma	465	464	0.22

**Nifty 50 Top 3 Losers**

Company	04-May	Prev_Day	% Change#
ICICI Bank	338	380	-11.07
Hindalco	116	130	-10.98
Vedanta Limited	80	90	-10.72

**Advance Decline Ratio**

	BSE	NSE
Advances	554	412
Declines	1865	1439
Unchanged	178	117

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	2773	-52141
MF Flows**	-413	34458

\*4<sup>th</sup> May 2020; \*\*29<sup>th</sup> Apr 2020

**Economic Indicator**

YoY(%)	Current	Quarter Ago	Year Ago
CPI	5.91% (Mar-20)	7.35% (Dec-19)	2.86% (Mar-19)
IIP	4.50% (Feb-20)	2.10% (Nov-19)	0.20% (Feb-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 01 May 2020; [2] Data as on 30 Apr 2020

**Global Indices**

- Asian markets closed in the red following recent tension between U.S. and China over the origin of coronavirus. Media reports stated that U.S. intelligence documents accused China of concealing the severity of the coronavirus outbreak to hoard medical supplies. Today (as on May 5), major Asian markets remained closed due to holiday. Investors remained optimistic ahead of the release of key economic data across the countries. Nikkei remained closed due to market holiday, Hang Seng traded up 0.60% (as at 8.a.m. IST).
- European markets closed in the red amid rising U.S.-China tensions around the source of the coronavirus outbreak. Meanwhile, private survey showed that euro zone's manufacturing sector contracted in Apr with COVID-19 related measures weighed on demand and production.
- U.S. markets closed in the green after New York Governor said that the daily count of hospitalizations and new deaths from COVID-19 are declining. However, he added that officials are not seeing as steep of a decline as they hoped.

**Indian Equity Market**

- Indian equity markets closed in the red following renewed concerns over U.S.-China tension as media reports stated that U.S. intelligence documents accused China of concealing the severity of the coronavirus outbreak to hoard medical supplies. Back home, another extension of the nationwide lockdown weighed on investor sentiment.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 5.94% and 5.74% to close at 31,715.35 and 9,293.50 respectively. S&P BSE MidCap and S&P BSE SmallCap lost 4.25% and 3.14% respectively.
- The overall market breadth on BSE was weak with 554 scrips advancing and 1,865 scrips declining. A total of 178 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Telecom was the major gainer, up 2.39% followed by S&P BSE Healthcare, up 0.21%. S&P BSE Finance was the major loser, down 8.26% followed by S&P BSE Bankex, down 8.25% and S&P BSE Metal, down 8.23%.

**Domestic News**

- Data from a private survey showed that the seasonally adjusted IHS Markit India Manufacturing Purchasing Managers' Index fell to 27.4 in Apr 2020 from 51.8 in Mar 2020. The unprecedented contraction can be attributed to the nationwide lockdown imposed by the government to combat the COVID-19 pandemic. The latest reading depicts the sharpest deterioration in business conditions across the sector since data collection began over 15 years ago. A reading above 50 indicates expansion while below it indicates contraction.
- A major domestic credit rating agency forecasted the growth of the India economy to contract by 16% to 20% in the first quarter of FY21. This would translate to a contraction in growth of 1.0% to 2.0% for FY21. The downgrade comes after the government extended the ongoing nationwide lockdown till May 17 even though it did so with graded relaxations across different zones. The rating agency is of the view that while graded relaxations will help in the revival of the economic activity to some extent, the pace of the economic activity will remain constrained due to comparatively stringent norms in major urban centers.
- According to media reports, the non-banking financial companies have requested the Reserve Bank of India to give approval to one-time restructuring of all loans. The move comes due to the evolving economic scenario in the wake of the nationwide lockdown imposed by the government to combat the COVID-19 pandemic.
- After Facebook, Silver Lake has invested Rs. 5,655.75 crore in Reliance Industries' Jio Platforms. The investment by Silver Lake values Jio Platforms at an equity value of Rs. 4.9 trillion and an enterprise value of Rs. 5.15 trillion.
- Bharat Heavy Electricals Ltd announced that it has invited global companies to partner with and leverage its facilities for setting up manufacturing bases in the country.

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FII Derivative Trade Statistics	04-May		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	7699.59	7993.51	7120.14
Index Options	350250.53	349615.46	28596.28
Stock Futures	24961.54	22619.05	76147.95
Stock Options	1883.04	1877.01	740.69
Total	384794.70	382105.03	112605.06

Derivative Statistics- Nifty Options	04-May	Prev_Day	Change
Put Call Ratio (OI)	1.35	1.78	-0.43
Put Call Ratio(Vol)	1.11	0.96	0.14

Debt Watch	04-May	Wk. Ago	Mth. Ago	Year Ago
Call Rate	4.06%	4.03%	4.25%	6.03%
T-Repo	3.32%	2.09%	2.37%	5.83%
Repo	4.40%	4.40%	4.40%	6.00%
Reverse Repo	3.75%	3.75%	4.00%	5.75%
91 Day T-Bill	3.54%	3.57%	4.10%	6.44%
364 Day T-Bill	3.60%	3.81%	4.49%	6.51%
10 Year Gilt	6.08%	6.15%	6.31%	7.39%
G-Sec Vol. (Rs.Cr)	42527	38551	19983	29579
FBIL MIBOR <sup>[2]</sup>	4.41%	4.48%	4.61%	6.18%
3 Month CP Rate	5.55%	5.25%	6.00%	7.70%
5 Year Corp Bond	7.03%	6.88%	7.26%	8.48%
1 Month CD Rate	4.02%	5.30%	4.14%	7.03%
3 Month CD Rate	4.53%	4.95%	4.39%	7.23%
1 Year CD Rate	4.75%	4.92%	5.13%	7.64%

Currency Market	04-May	Prev_Day	Change
USD/INR	75.79	75.12	0.68
GBP/INR	94.21	93.59	0.62
EURO/INR	82.84	81.62	1.22
JPY/INR	0.71	0.70	0.01

Commodity Prices	04-May	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/t)	19.97	11.97	28.31	61.93
Brent Crude(\$/bl)	15.73	10.69	19.24	72.09
Gold(\$/oz)	1701	1714	1616	1279
Gold(Rs./10 gm)	40989	40989	40989	31220

Source: Refinitiv

[1] Data as on 01 May 2020; [2] Data as on 30 Apr 2020

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**Derivatives Market**

- Nifty May 2020 Futures stood at 9,285.90, a discount of 7.60 points below the spot closing of 9,293.50. The turnover on NSE's Futures and Options segment fell to Rs. 7,07,389.18 crore on May 04, 2020, compared with Rs. 26,71,408.04 crore on April 30, 2020.
- The Put-Call ratio stood at 1.05 compared with the previous session's close of 0.87.
- The Nifty Put-Call ratio stood at 1.35 compared with the previous session's close of 1.78.
- Open interest on Nifty Futures stood at 9.46 million, compared with the previous session's close of 13.48 million.

**Indian Debt Market**

- Bond yields declined following buying by state-run banks. Market participants await announcement on economic stimulus after the central government extended the country's lockdown by two weeks, but relaxed restrictions in select areas to help revive economic activities.
- Yield on the 10-year benchmark paper (6.45% GS 2029) fell 3 bps to close at 6.08% from the previous closing of 6.11% after moving in a range of 6.06% to 6.14%.
- RBI announced to conduct government securities auction of 5.09% GS 2022, New GS 2030 and 7.19% GS 2060, for notified amount of Rs. 19,000 crore. The auction will be conducted on May 8, 2020.
- Tata Steel has raised Rs. 500 crore selling bonds maturing in three years at an annual coupon that is 345 bps over the repo rate of central bank, which currently works out to be 7.85% to the investors of this issue. The notes are rated AA by CARE and India Ratings.

**Currency Market Update**

- The Indian rupee in spot trade weakened against the U.S. dollar following losses in the domestic equity market. Moreover, rising coronavirus cases in the country also weighed on the market sentiment.
- The euro weakened against the greenback as the investor risk sentiment dampened after the U.S. President threatened to impose tariffs on China which rekindled concerns of a new trade war.

**Commodity Market Update**

- Gold prices rose after the U.S. President threatened to impose tariffs on China.
- Brent crude prices rose as countries across the globe announced that they would begin easing coronavirus lockdowns.

**International News**

- According to a report released by the Institute for Supply Management (ISM) purchasing managers index (PMI) fell to 41.5 in Apr 2020 from 49.1 in Mar 2020. The index fell to its lowest level since April 2009. New orders slumped to 27.1 in Apr 2020 from 42.2 in Mar 2020.
- As per the survey data from the behavioral research firm Sentix, the headline investor confidence index rose to -41.8 in May 2020 from -42.9 in Apr 2020. The index reading suggests the beginning of a stabilization phase after undergoing a sharp fall due to covid-19 pandemic.
- Hong Kong's Gross domestic product (GDP) contracted 8.9% YoY in the Mar quarter of 2020, worse than 3% drop in the Dec quarter of 2019. This was the largest decline since first quarter of 1974 due to weak domestic and external demand amid covid-19, pandemic.


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



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**Thank you for  
your time.**

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