



**Nippon india Mutual Fund**

Wealth sets you free

(Formerly Reliance Mutual Fund)

# Markets for You

26 May 2020

Good gets *better*

**Indices Performance**

Global Indices	25-May	Prev_Day	Abs. Change	% Change#
Russell 3000 <sup>[1]</sup>	1,452	1,445	7	0.49
Nasdaq <sup>[1]</sup>	9,325	9,285	40	0.43
FTSE <sup>[1]</sup>	5,993	6,015	-22	-0.37
Nikkei	20,742	20,388	353	1.73
Hang Seng	22,952	22,930	22	0.10
Indian Indices	22-May	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	30,673	30,933	-260	-0.84
Nifty 50	9,039	9,106	-67	-0.74
Nifty 100	9,227	9,300	-73	-0.79
Nifty 500	7,416	7,471	-55	-0.73
Nifty Bank	17,279	17,735	-456	-2.57
S&P BSE Power	1,418	1,426	-9	-0.61
S&P BSE Small Cap	10,524	10,548	-24	-0.23
S&P BSE HC	15,518	15,452	66	0.43

**P/E Dividend Yield**

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
22-May	18.79	1.24	20.97	1.69
Month Ago	18.90	1.24	20.48	1.66
Year Ago	28.91	1.20	29.44	1.11

**Nifty 50 Top 3 Gainers**

Company	22-May	Prev_Day	% Change#
Zee Ente.	163	154	6.04
M&M	426	408	4.42
Cipla	639	617	3.69

**Nifty 50 Top 3 Losers**

Company	22-May	Prev_Day	% Change#
Axis Bank	337	357	-5.67
HDFC Ltd.	1516	1597	-5.08
Bajaj Finserv Limited	4316	4539	-4.93

**Advance Decline Ratio**

	BSE	NSE <sup>[1]</sup>
Advances	932	667
Declines	1365	1103
Unchanged	153	121

**Institutional Flows (Equity)**

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	-206	-45825
MF Flows**	-385	34768

 \*22<sup>nd</sup> May 2020; \*\*21<sup>st</sup> May 2020

**Economic Indicator**

YoY(%)	Current	Quarter Ago	Year Ago
CPI	5.91% (Mar-20)	7.35% (Dec-19)	2.86% (Mar-19)
IIP	-16.70% (Mar-20)	0.40% (Dec-19)	2.70% (Mar-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 22 May 2020

**Global Indices**

- Most of the Asian markets rose as growing signs of re-opening of economies around the world helped investors shrug off a flare up in U.S. China tensions. Today (as on May 26), Asian markets rose after American biotech firm has started the first human study of its experimental coronavirus vaccine. Both Nikkei and Hang Seng traded up 1.57% and 1.89% (as at 8.a.m. IST), respectively.
- European markets surged amid thin holiday trade, on optimism that the economies will start recovering thanks to easing of lockdown measures and gradual reopening of businesses. U.K. market was closed due to holiday.
- U.S. markets were little changed after moving in a range bound during the session. Concerns about rising tensions between the U.S. and China also kept market participants on the sidelines, as Beijing moved to strengthen control over Hong Kong with new security laws.

**Indian Equity Market**

- Indian equity markets closed in the red as investors shrugged off the outcome of Monetary Policy Committee's meeting held on May 22 wherein the central bank cut key policy rates by 40 bps. Markets witnessed selling pressure after the RBI Governor said that the GDP growth for FY 21 is estimated to remain in the negative territory with some pickup in growth impulses in the second half of the current fiscal onwards. He added that the inflation outlook is highly uncertain due to the outbreak of the Covid-19 pandemic and expressed concern over elevated prices of pulses.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 0.84% and 0.74% to close at 30,672.59 and 9,039.25 respectively. S&P BSE MidCap and S&P BSE SmallCap lost 0.83% and 0.23% respectively.
- The overall market breadth on BSE was weak with 932 scrips advancing and 1,365 scrips declining. A total of 153 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE IT was the major gainer, up 1.68% followed by S&P BSE Teck, up 1.44% and S&P BSE Healthcare, up 0.43%. S&P BSE Finance was the major loser, down 3% followed by S&P BSE Bankex, down 2.44% and S&P BSE Metal, down 1.98%.

**Domestic News**

- The Monetary Policy Committee (MPC) in its second off-cycle monetary policy review in less than two months lowered the key policy repo rate by 40 bps to a record low of 4.00% by a five to one vote. Subsequently the reverse repo rate stands reduced to 3.35% from the earlier 3.75% while the marginal standing facility rate and the bank rate has also been lowered to 4.25% from the earlier 4.65%. The MPC decided to continue with its accommodative stance on its monetary policy as long as it is necessary to mitigate the impact of the COVID-19 pandemic on the domestic economy while ensuring that retail inflation remains within its medium-term target.
- MPC decided to lower the key policy repo rate in order to ease financial conditions as it noted that the impact of the COVID-19 pandemic on the domestic economy was more severe than anticipated and as a result various sectors of the economy was reeling under acute stress. The COVID-19 pandemic led to supply disruption and demand compression. Also, the destruction of financial and economic activity severely affected the health and the livelihood. MPC expects the easing of monetary policy will help revive the domestic economic activity to some extent by facilitating the flow of funds at affordable rates.
- According to the MPC, the inflation outlook of the country moving ahead is clouded with uncertainty. MPC expects that the unusual rise in food inflation to moderate with gradual easing of restrictions on COVID-19 induced lockdowns. Also, a normal monsoon is expected to keep food inflation under control. In addition, muted global crude oil prices and lower prices of metals and other industrial raw materials will help keep the input costs of domestic firms on the downside. Besides deficient demand is also expected to keep retail inflation muted. However, the persisting supply disruptions and volatility in financial markets may neutralize the above-mentioned aspects and result in an increase in domestic inflationary pressures to some extent. Overall, MPC expects retail inflation to come down below its medium-term target in the third quarter and fourth quarter of FY21.



FII Derivative Trade Statistics			
(Rs Cr)	22-May		
	Buy	Sell	Open Int.
Index Futures	4671.27	5142.38	6488.67
Index Options	313579.21	311779.73	32285.63
Stock Futures	15204.21	14713.93	77799.61
Stock Options	3661.54	3693.96	3217.16
Total	337116.23	335330.00	119791.07

Derivative Statistics- Nifty Options			
	22-May	Prev_Day	Change
Put Call Ratio (OI)	1.24	1.18	0.06
Put Call Ratio(Vol)	1.04	0.89	0.15

Debt Watch				
	25-May	Wk. Ago	Mth. Ago	Year Ago
Call Rate <sup>[1]</sup>	3.71%	3.84%	4.04%	5.88%
T-Repo <sup>[1]</sup>	2.53%	3.16%	2.12%	5.92%
Repo	4.00%	4.40%	4.40%	6.00%
Reverse Repo	3.35%	3.75%	3.75%	5.75%
91 Day T-Bill <sup>[1]</sup>	3.07%	3.35%	3.73%	6.32%
364 Day T-Bill <sup>[1]</sup>	3.43%	3.72%	3.73%	6.41%
10 Year Gilt <sup>[1]</sup>	5.96%	6.05%	6.17%	7.23%
G-Sec Vol. (Rs.Cr) <sup>[1]</sup>	66341	36293	43530	58585
FBIL MIBOR <sup>[1]</sup>	4.31%	4.42%	4.48%	6.00%
3 Month CP Rate <sup>[1]</sup>	4.35%	4.55%	5.05%	6.90%
5 Year Corp Bond	6.87%	6.98%	6.95%	8.26%
1 Month CD Rate <sup>[1]</sup>	3.63%	3.94%	3.72%	6.54%
3 Month CD Rate <sup>[1]</sup>	3.49%	3.58%	4.93%	6.65%
1 Year CD Rate <sup>[1]</sup>	4.31%	4.59%	5.06%	7.44%

Currency Market			
Currency	22-May	Prev_Day	Change
USD/INR	75.79	75.78	0.01
GBP/INR	92.49	92.38	0.11
EURO/INR	82.82	83.04	-0.22
JPY/INR	0.71	0.70	0.00

Commodity Prices				
Commodity	25-May	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	33.34	31.33	15.49	58.39
Brent Crude(\$/bl) <sup>[1]</sup>	33.20	33.77	12.29	68.97
Gold(\$/oz)	1727	1732	1727	1285
Gold(Rs./10 gm)	40989	40989	40989	31591

Source: Refinitiv

<sup>[1]</sup>Data as on 22 May 2020

**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 assures 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 May 2020 Futures stood at 9,027.80, a discount of 11.45 points below the spot closing of 9,039.25. The turnover on NSE's Futures and Options segment fell to Rs. 8,33,371.85 crore on May 22, 2020, compared with Rs. 23,43,597.19 crore on May 21, 2020.
- The Put-Call ratio stood at 0.88 compared with the previous session's close of 0.84.
- The Nifty Put-Call ratio stood at 1.28 compared with the previous session's close of 1.24.
- Open interest on Nifty Futures stood at 9.98 million, compared with the previous session's close of 9.8 million.

**Indian Debt Market**

- Bond yields plunged to its lowest level in more than a decade after the Monetary Policy Committee slashed key policy repo rate by 40 bps to a record low of 4.00% in its second off-cycle monetary policy review in less than two months while sticking to its accommodative stance. Expectations that the Reserve Bank of India (RBI) will announce open market bond purchases also added to the gains.
- Yield on the existing 10-year benchmark paper (6.45% GS 2029) plummeted 7 bps to close at 5.96% compared to the previous close of 6.03% after trading in a range of 5.88% to 5.99%. Yield thus fell to its lowest level since Jan 24, 2009.
- Yield on the new 10-year benchmark paper (5.79% GS 2030) fell 3 bps to close at 5.74% compared to the previous close of 5.77% after moving in a range of 5.67% to 5.76%.

**Currency Market Update**

- The Indian rupee in spot trade weakened against the greenback as rising number of coronavirus cases in the country and renewed concerns over escalating tensions between U.S. and China dented market sentiment.
- The euro inched down against the greenback on renewed concerns over rising tensions between U.S. and China after the latter proposed to impose security laws on Hong Kong.

**Commodity Market Update**

- Gold prices fell amid reports that the government of Japan is considering fresh stimulus worth over \$929 billion.
- Brent crude prices fell on renewed concerns over rising tensions between U.S. and China.

**International News**

- According to the Conference Board, U.S. leading economic index plunged 4.4% in Apr 2020 after falling by a revised 7.4% in Mar 2020, which indicated that the U.S. economy is now in recession territory. Coincident economic index fell 8.9% in April after declining 1.5% in the prior month.
- Data published by the Office for National Statistics showed, fall in UK retail sales volume accelerated to 18.1% MoM in Apr 2020 from 5.2% in Mar 2020. It was the biggest monthly fall on record.
- According to an official work report, the Chinese government aims to add over 9 million jobs and target the urban unemployment rate at around 6%. They also dropped setting economic growth target for the first time as Covid-19 pandemic has withered the outlook.


**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.