



Nippon *india* Mutual Fund

Wealth sets you free

(Formerly Reliance Mutual Fund)

Markets for You

01 Sep 2020

Good gets *better*

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

Indices Performance				
Global Indices	31-Aug	Prev_Day	Abs. Change	% Change#
Russell 3000	1,825	1,815	10	0.55
Nasdaq	11,775	11,696	80	0.68
FTSE ^[1]	5,964	6,000	-36	-0.61
Nikkei	23,140	22,883	257	1.12
Hang Seng	25,177	25,422	-245	-0.96
Indian Indices	31-Aug	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	38,628	39,467	-839	-2.13
Nifty 50	11,388	11,648	-260	-2.23
Nifty 100	11,496	11,792	-295	-2.51
Nifty 500	9,372	9,641	-269	-2.79
Nifty Bank	23,754	24,524	-769	-3.14
S&P BSE Power	1,670	1,736	-66	-3.79
S&P BSE Small Cap	14,336	14,991	-654	-4.37
S&P BSE HC	18,388	19,279	-891	-4.62

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
31-Aug	27.86	1.00	32.29	1.46
Month Ago	26.20	1.03	30.20	1.49
Year Ago	26.25	1.24	27.27	1.39

Nifty 50 Top 3 Gainers			
Company	31-Aug	Prev_Day	% Change#
ONGC	82	80	1.99
TCS	2257	2239	0.84
Tata Motors	143	143	0.28

Nifty 50 Top 3 Losers			
Company	31-Aug	Prev_Day	% Change#
Sun Pharma	520	556	-6.39
SBI	212	225	-5.71
NA	2092	2214	-5.49

Advance Decline Ratio		
	BSE	NSE
Advances	516	283
Declines	2357	1661
Unchanged	142	74

Institutional Flows (Equity)		
Description (Cr)	Inflow/Outflow	YTD
FII Flows*	477	36129
MF Flows**	-118	20854

*31st Aug 2020; **28th Aug 2020

Economic Indicator			
YoY(%)	Current	Quarter Ago	Year Ago
CPI	6.93% (Jul-20)	7.22% (Apr-20)	3.15% (Jul-19)
IIP	-16.60% (Jun-20)	-18.30% (Mar-20)	1.30% (Jun-19)
GDP	-23.90% (Jun-20)	3.10% (Mar-20)	5.20% (Jun-19)

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 28 Aug, 2020

Global Indices

- Asian markets largely remained low after China's official manufacturing PMI for Aug came in lower than market expectation. Meanwhile, investors monitored political developments in Japan. Today (as on Sep 01), Asian markets were mixed ahead of the private survey of Chinese manufacturing activity in August. Both Nikkei and Hang Seng were trading lower 0.39% and 0.19%, respectively (as at 8 a.m. IST).
- European markets fell as hopes of fresh stimulus from the European Central Bank faded, and weak inflation data from Germany triggered concerns about the country's economic recovery.
- U.S. markets showed a mixed performance as investors continued to weigh the likely impact of the coronavirus pandemic on the economy despite recent comments from U.S. Federal Reserve Chairman that said interest rates will likely remain lower for a long time. Worries about U.S.-China tensions and reports showing a surge in new coronavirus cases in several states across America weighed on sentiment.

Indian Equity Market

- Indian equity markets witnessed steep decline amid escalation in geo-political tensions between India and China. Investors also turned cautious ahead of the release of official data on the country's GDP for the first quarter of FY 21, scheduled today post market hours.
- Key benchmark indices S&P BSE Sensex and Nifty 50 lost 2.13% and 2.23% to close at 38,628.29 and 11,387.50 respectively.
- The overall market breadth on BSE was weak with 516 scrips advancing and 2,357 scrips declining. A total of 142 scrips remained unchanged.
- On the BSE sectoral front, all sectors lost. S&P BSE Realty was the major loser, down 4.7%, followed by S&P BSE Healthcare and S&P BSE Basic Materials, down 4.62% and 4.26%, respectively. S&P BSE Utilities and S&P BSE Power lost 3.85% and 3.79% respectively.

Domestic News

- Government data showed that India's Gross Domestic Product (GDP) for the quarter from Apr to Jun of 2020 contracted by a massive 23.9% as compared to a growth of 3.10% in the previous quarter and a growth of 5.20% in the same period of the previous fiscal. As per media reports, this was the first contraction in more than 40 years. The gross value added (GVA) at basic prices in the first quarter of FY21 contracted 22.8%. On a yearly basis, the private final consumption expenditure came down 26.7% while the government final consumption expenditure rose 16.4%. The gross fixed capital formation over the year also slumped 47.1%. On the sectoral front, growth of trade, hotels, transport and communication sector witnessed a contraction of 47.0%. The growth of manufacturing sector also shrank 39.3% while the growth of construction sector plummeted 50.3%. The only bright spot was the agriculture sector which witnessed a growth of 3.4%.
- Government data showed that India's fiscal deficit surpassed its full year budgeted target in just four months. India's fiscal deficit during the period from Apr to Jul of 2020 stood at 103.1% of the budgeted target for the current fiscal.
- Government data showed that the growth of India's eight core sectors contracted for the fifth consecutive month in Jul 2020. Growth of India's eight core sectors contracted 9.6% in Jul 2020 compared to a contraction of 12.9% in the previous month and a growth of 2.6% in the same period of the previous year. The steel sector witnessed a maximum contraction of 16.4% followed by refinery products sector and cement sector which contracted 13.9% and 13.5% respectively.
- Adani Group has acquired 74% stake in Mumbai International Airport Limited (MIAL), the second largest airport in Mumbai operating in India.
- Vedanta Ltd has announced that it has tied up for a long-term syndicated loan facility worth Rs. 10,000 crore to State Bank of India. A group of lenders who work together to provide credit to a broad borrower will be providing a syndicated loan.

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FII Derivative Trade Statistics		31-Aug		
(Rs Cr)	Buy	Sell	Open Int.	
Index Futures	5301.44	4950.75	11352.32	
Index Options	177134.31	175739.88	53511.24	
Stock Futures	15754.84	16562.08	88649.23	
Stock Options	4921.24	4673.35	3217.60	
Total	203111.83	201926.06	156730.39	

Derivative Statistics- Nifty Options			
	31-Aug	Prev_Day	Change
Put Call Ratio (OI)	1.17	1.64	-0.47
Put Call Ratio(Vol)	1.12	0.89	0.23

Debt Watch				
	31-Aug	Wk. Ago	Mth. Ago	Year Ago
Call Rate	3.45%	3.43%	3.48%	5.38%
T-Repo	3.02%	3.08%	3.16%	5.25%
Repo	4.00%	4.00%	4.00%	5.40%
Reverse Repo	3.35%	3.35%	3.35%	5.15%
91 Day T-Bill	3.25%	3.12%	3.27%	5.35%
364 Day T-Bill	3.56%	3.45%	3.46%	5.70%
10 Year Gilt	6.08%	6.18%	5.84%	6.56%
G-Sec Vol. (Rs.Cr)	36058	31638	33111	29394
FBIL MIBOR ^[1]	3.74%	3.75%	3.86%	5.45%
3 Month CP Rate	3.50%	3.40%	3.65%	5.90%
5 Year Corp Bond	6.90%	6.87%	6.33%	7.54%
1 Month CD Rate	3.17%	3.16%	3.22%	5.26%
3 Month CD Rate	3.34%	3.25%	3.33%	5.49%
1 Year CD Rate	3.84%	3.75%	3.75%	6.50%

Currency Market			
Currency	31-Aug	Prev_Day	Change
USD/INR	73.60	73.35	0.24
GBP/INR	98.13	97.28	0.84
EURO/INR	87.57	87.07	0.51
JPY/INR	0.70	0.69	0.01

Commodity Prices				
Commodity	31-Aug	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	42.56	42.39	40.05	55.02
Brent Crude(\$/bl) ^[1]	45.84	44.92	43.74	61.13
Gold(\$/oz)	1970	1932	1975	1520
Gold(Rs./10 gm)	51246	52024	53615	38405

Source: Refinitiv

[1] Data as on 28 Aug, 2020

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Derivatives Market

- Nifty Sep 2020 Futures stood at 11,401.95, a premium of 14.45 points above the spot closing of 11,387.50. The turnover on NSE's Futures and Options segment rose to Rs. 23,48,238.21 crore on August 31, 2020, compared with Rs. 14,02,335.91 crore on August 28, 2020.
- The Put-Call ratio stood at 1.12 compared with the previous session's close of 0.75.
- The Nifty Put-Call ratio stood at 1.17 compared with the previous session's close of 1.64.
- Open interest on Nifty Futures stood at 11.78 million, compared with the previous session's close of 12.72 million.

Indian Debt Market

- Bond yields fell on bets that the Reserve Bank of India could not allow yields to rise higher. Investors were also awaiting gross domestic product data due later after market hours for additional interest rate indications.
- Yield on the present 10-year benchmark paper (5.79% GS 2030) fell 2 bps to close at 6.08% compared to the previous day's closing of 6.10% after trading in a range of 6.07% to 6.11%.
- Yield on the upcoming new 10-year benchmark paper (5.77% GS 2030) fell 2 bps to close at 6.12% compared to the previous days close of 6.14% after moving in a range of 6.11% to 6.15%.
- Banks borrowed Rs. 300 crore under the central bank's marginal standing facility on Aug 28, 2020 compared to that of no borrowing on Aug 27, 2020.

Currency Market Update

- The Indian rupee weakened amid the reported border conflict between India and China. The rupee fell to 73.61 per dollar from the previous close of 73.39. Meanwhile, rupee rose 1.6% in Aug 2020, which is the fastest rise in 17 months.
- Euro rose for the second consecutive session against the U.S dollar after a U.S. Federal Reserve policy shift on inflation.

Commodity Market Update

- Gold prices rose as the greenback remained under pressure after the U.S. Federal Reserve indicated a prolonged low interest rate strategy.
- Crude oil prices rose as hopes of global stimulus measures boosted the demand outlook of the commodity.

International News

- According to revised data released by the University of Michigan, U.S. consumer sentiment index improved to upwardly revise of 74.1 from the preliminary reading of 72.8 in Aug 2020 and 72.5 in Jul 2020. Consumer expectations index went up to 68.5 in Aug 2020 from 65.9 in Jul 2020.
- Data from the Ministry of Land, Infrastructure, Transport and Tourism showed, Japan's housing starts contracted 11.4% YoY in Jul 2020, slower than 12.8% decline in Jun 2020. Annualized housing starts rose to 828,000 in Jul 2020 from 790,000 in the prior month.
- Personal income in the U.S. went up 0.4% in Jul 2020 compared with a 1.0% decline in Jun 2020. Surprise rise in personal income was more than accounted for by compensation of employees.

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