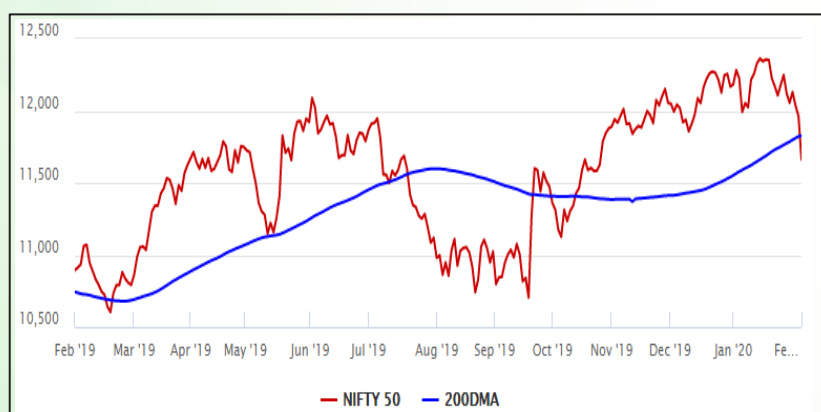


## Equity Market

- ❖ Sensex nosedives 988 points to close at 39,735 on the Budget day
- ❖ Budget announcement fails to live up to the expectation of the market, insurance sector impacted most
- ❖ Nifty P/E at 25.75, Nifty Midcap 100 P/E at 25.54

### S&P CNX Nifty - 200 DMA



### Nifty Equity Benchmark Indices

Index	Current Value	%chg	52 wkhigh	52 wklow
Nifty 50	11661.9	-2.66	12430.5	10585.6
Nifty Mid cap 100	17515.2	-2.75	18495.9	14975.8
Nifty Small cap 100	6043.0	-2.92	6822.5	5114.6
Bank	29809.6	-3.32	32613.1	26560.6
Auto	7857.6	-2.83	9059.4	6727.6
FMCG	30218.7	-1.81	32644.9	28099.2
Pharma	8016.2	-1.50	9578.4	7047.1
Realty	304.1	-8.16	332.4	220.6

## Factors driving the market

- ❖ Budget introduces major revamp of the personal income tax
- ❖ Government sets a high divestment target of Rs 2.1 lakh crore for FY21
- ❖ DDT will now be taxable at the hands of recipient, LTCG tax to remain

### Nifty Top Gainers/Losers

Index	Value	52 wkhigh	52 wklow
<b>Top Gainers</b>	-	-	-
TCS	2167.5	2296.2	1881.3
HUL	2074.0	2190.0	1650.0
Nestle India	15619.9	15899.9	10031.7
<b>Top Losers</b>	-	-	-
ITC	219.3	310.0	215.5
Tata Motors	165.4	239.4	106.0
HDFC	2262.0	2499.9	1820.0

### Equity FPI Inflows

Date	Rs Crore		
	Gross Purchases	Gross Sales	Net Investments
31-Jan-20	6401.3	5775.4	625.9
30-Jan-20	4985.7	6427.9	(1442.3)
29-Jan-20	4964.8	5750.7	(785.9)
Total Jan-2020	116261.5	104139.0	12122.6
Total Dec-2019	110961.4	103623.0	7338.4
Total 2019	1437559.6	1336438.9	101120.8

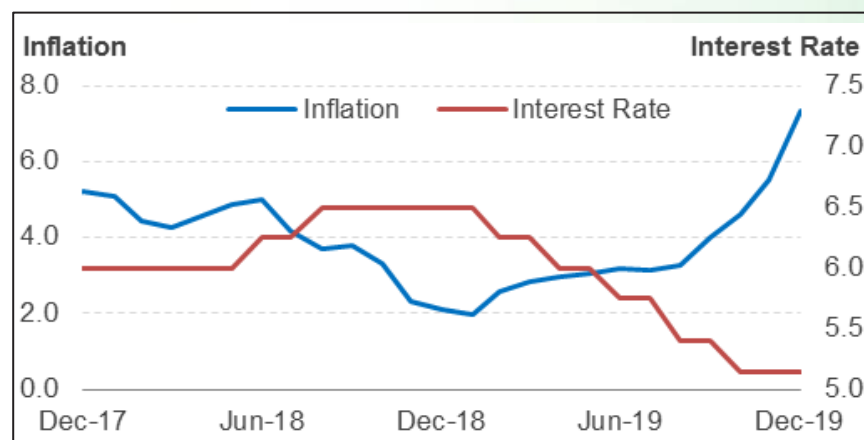
## Debt Market

- ❖ Fiscal deficit crosses 132% of the budget estimate till December 2019, bond yields expected to rise
- ❖ Fiscal deficit target for FY2020-21 hiked to 3.8% of the GDP
- ❖ Government proposes increasing FPI limit on corporate bond to 15% of outstanding stock
- ❖ Economic survey highlights moderating inflation since 2014

## 10-year G-sec yield



## Inflation vs. Interest rate



## Debt FPI Inflows

Debt Watch	Percent
Call rate	4.91
Repo rate	5.15
10 Yr Gsec par yield	6.82
<b>CP rate Dec-19</b>	
1-mth CP rate	5.46
3-mth CP rate	5.61
6-mth CP rate	6.11
1 Yr CP rate	6.95
<b>CD rate Jan 28, 2020</b>	
1-mth CD rate	5.15
3-mth CD rate	5.75
6-mth CD rate	5.76
1 Yr CD rate	5.90

Auctions / Money Market Operation		
Date	Description	Amount(Cr)
Jan-31	G-sec auction	--
Jan-31	Total repo	5,074
Jan-31	Total reverse repo	2,14,791
Jan-31	Marginal standing facility	1,785
Jan-31	GOI surplus cash balance with RBI	--

Date	Rs Crore		
	Gross Purchases	Gross Sales	Net Investments
31-Jan-20	1698.0	1389.3	308.7
30-Jan-20	1988.5	1695.0	293.5
29-Jan-20	496.9	1720.6	(1223.6)
Total Jan-2020	25926.9	37574.9	(11648.0)
Total Dec-2019	33541.7	38157.9	-4616.3
Total 2019	392458.9	366578.5	25880.4

## Debt Fund Benchmark Indices

Market Indices	1 M (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)
Crisil Composite Bond Fund Index	0.74	11.33	6.92	8.32
Crisil Short Term Bond Fund Index	0.97	9.92	7.45	8.13
Crisil ST Debt Hybrid 75+25 Index	0.54	10.35	8.77	8.30
Crisil Liquid Fund Index	0.47	6.68	7.01	7.31

## Macro

- ❖ Budget estimates nominal GDP growth of 10.1% for FY21
- ❖ Simplified returns for GST from April 2020
- ❖ Government committed to the goal of doubling farmers' income by 2022
- ❖ Subordinate debt proposed for MSMEs for working capital requirement

	Q2 FY2020(%)	Q1 FY2020(%)	Q2 FY2019(%)
GDP growth	4.5	5.01	7.00

Commodity Prices				
	Current	Week ago	Month ago	Year ago
Brent crude(\$/bbl)	58.54	64.63	68.91	59.71
Gold (RS/10 gms)	40,694	40,002	39,076	33,209

	Dec-2019 (%)	Nov-2019 (%)	Year ago (%) (Dec-2018)
CPI	7.35	5.54	2.11
WPI	2.59	0.58	3.46
Core Sector Output	1.30	-1.50	2.10

## Global market trends

- ❖ The UK has officially left the European Union
- ❖ USA and UK to begin trade talks soon
- ❖ Global market turn volatile as corona virus fear spreads
- ❖ Chinese market will reopen after Lunar New Year break
- ❖ Gold gains as demand for safe haven rises, oil prices sink

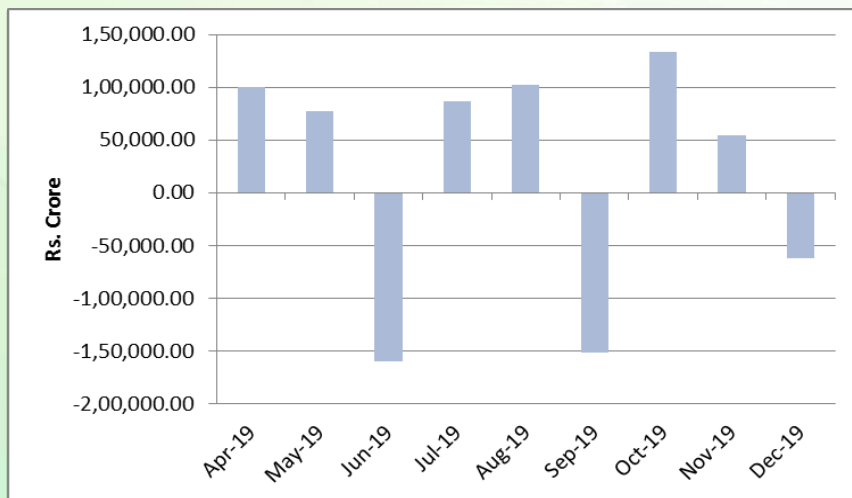
INR vs Global currency		
	Current	Prev close
USD	71.50	71.45
GBP	94.41	93.59
Euro	79.32	78.80
Yen	0.66	0.66
Yuan	10.31	10.30

Global equity benchmark indices returns(%)				
Benchmark	1 Day	1 Week	1 Month	1 Year
FTSE 100	-1.30	-3.95	-3.40	4.55
Hang Seng	-0.52	-5.86	-6.66	-5.83
Nikkei 225	0.99	-2.61	-1.91	11.71
S&P 500	-1.77	-2.12	-0.16	19.28
Shanghai Composite	--	--	-2.41	15.17

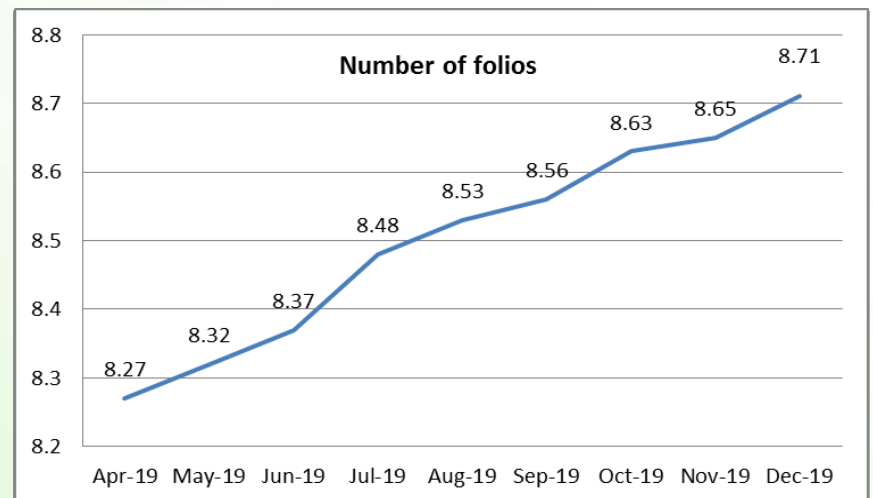
## Mutual Fund Roundup

- ❖ Equity mutual fund inflow revive in December 2019 to Rs 4,499 crore
- ❖ MF net inflows during December 2019 stood at -61,809 crore
- ❖ SIPs witness steady rise
- ❖ Sachin Tendulkar, MS Dhoni to promote 'Mutual fund sahi hai' campaign

### Mutual fund inflows



### Mutual fund folio growth



(Data source: NSE, NSDL, FIMMDA, investing.com, macro trends.net, fx-rate.net, ACEMF, AMFI, RBI, equitymaster.com)

(News source: Economic Times, Business Standard)