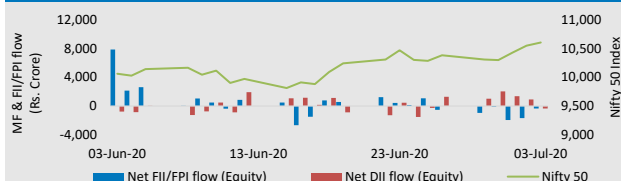


Macro Economic Release

Indicators	Actual	Consensus	Previous
Nikkei India Services PMI (Jun 2020)	33.7	22.3	12.6
Nikkei India Manufacturing PMI (Jun 2020)	47.2	37.5	30.8
Core Sector Growth (Jun 2020) (%)	-23.35	NA	-37.00
Fiscal Deficit % of BE (May 2020)	58.56	NA	35.10

Source: Refinitiv

FI and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	03-Jul-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	36,021	2.42	-9.58	-12.68
Nifty 50	10,607	2.16	-10.99	-12.83
S&P BSE 100	10,708	1.95	-11.09	-12.49
Nifty 500	8,696	1.60	-10.87	-11.91
Nifty Mid cap 50	4,209	0.89	-14.79	-10.47
Nifty Small cap 100	4,706	-0.05	-24.74	-19.35

Sector Indices	03-Jul-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	15,817	3.53	-12.80	-14.43
S&P BSE Bankex	24,795	1.35	-29.54	-32.39
S&P BSE CD	21,003	2.35	-19.40	-16.03
S&P BSE CG	13,109	-0.32	-34.60	-22.63
S&P BSE FMCG	11,429	2.55	-0.11	0.20
S&P BSE HC	16,344	-0.89	26.34	21.71
S&P BSE IT	15,481	2.35	-1.08	0.03
S&P BSE METAL	7,253	-1.85	-34.95	-30.44
S&P BSE Oil & Gas	13,013	-0.46	-11.72	-11.74
S&P BSE Power	1,607	-0.59	-25.04	-16.57
S&P BSE PSU	4,988	-1.23	-36.58	-28.28
S&P BSE Realty	1,595	-2.17	-28.63	-30.07
S&P BSE Teck	7,862	2.49	2.19	1.87

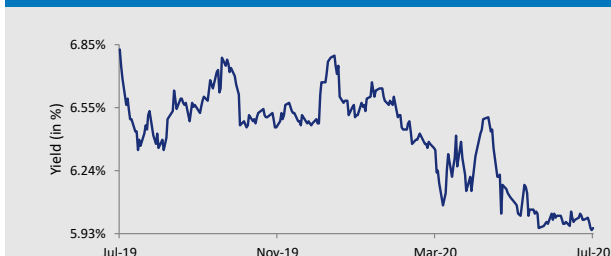
Source: BSE & NSE

Indian Debt Market Indicators

Broad Indices	03-Jul-20	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.50%	3.54%	3.76%	4.94%	5.71%
T-Repo	3.07%	2.68%	3.05%	3.35%	5.49%
Repo	4.00%	4.00%	4.00%	5.15%	5.75%
Reverse Repo	3.35%	3.35%	3.35%	4.90%	5.50%
3 Month CP	3.85%	3.85%	4.35%	5.85%	6.90%
1 Year CP	4.80%	5.00%	5.70%	6.85%	7.75%
3 Month CD	3.25%	3.22%	3.66%	5.11%	6.38%
1 Year CD	3.94%	4.10%	4.03%	6.08%	7.23%

Source: CCIL, Refinitiv * As on Jun 26, 2020; ** As on Jun 19, 2020; @ As on May 29, 2020; @@ As on Jan 03, 2020; @@@ As on Jun 28, 2019

10 - Year benchmark G-Sec Movement



Source: Refinitiv

Macro economic Update

- The India Manufacturing Purchasing Managers' Index surged to 47.2 in Jun 2020 compared with 30.8 in May 2020 as economic activity resumed after country eased restrictions on coronavirus lockdowns. Reading below 50 indicates contraction in business activity. Both output and new orders contracted at a slower pace.
- India's current account balance became surplus in the Mar quarter of 2020 for the first time in more than a decade. Current account surplus stood at US\$ 0.6 billion (0.1% of GDP) in Mar quarter of 2020 compared with a deficit of US\$ 4.6 billion (0.7% of GDP) in the corresponding period last year and US\$ 2.6 billion (0.4% of GDP) in the previous quarter. The surplus was primarily on account of a lower trade deficit and a sharp rise in net invisible receipts as compared with the corresponding period of last year.
- The IHS Markit Services Business Activity Index rose to 33.7 in Jun 2020 from 12.6 in May 2020. Despite improvement in index, services activity contracted for the fourth consecutive month due to poor domestic demand and low export orders. New orders fell at a sharp pace in Jun 2020.
- Core output, which constitutes 8 sectors of the economy contracted 23.4% in May 2020, slower than 37% in Apr 2020. Steel and cement output fell sharply by 48.4% and 22.2%, respectively.

Domestic Equity Market Update

- Indian equity markets edged higher after witnessing initial weakness during the week. Bourses were, dragged by reports of growing coronavirus cases at domestic and global levels, which stoked fears of renewed restrictions. Investors remained worried that the rapid increase in coronavirus infection cases in several parts of India, shall result in the nation stopping short of reopening schools, colleges and coaching institutions. Market participants continued to take weak cues from the downward projection of Indian economy in the current fiscal by one of the global credit rating agencies.
- Markets managed to turnaround later after private survey results showed contraction of domestic manufacturing activity at a slower pace in Jun. Investor sentiments were further buoyed after government approved a scheme aimed at improving the liquidity position of NBFCs/HFCs through a special purpose vehicle (SPV) to avoid any potential systemic risks to the financial sector.
- Positive developments in a coronavirus vaccine trial also improved risk sentiment. Stock specific movement contributed to the gains after the investment arm of a U.S. chipmaker decided to pay around \$255 million to buy a 0.39% stake in the digital unit of one of the domestic market behemoths.
- On the BSE sectoral front, the indices witnessed a mixed trend. S&P BSE Auto was the major gainer, up 3.53%, followed by S&P BSE FMCG and S&P BSE Teck, which went up 2.55% and 2.49%, respectively. Auto sector rose on hopes of normal monsoon and anticipation of pent up demand from bookings from pre lockdown period. FMCG and teck sector witnessed buying interest amid hopes that a vaccine for the COVID-19 pandemic may soon be discovered and that normalcy will soon return as economies open up gradually.
- Meanwhile, S&P BSE Realty was the major loser, down 2.17%, followed by S&P BSE Metal, S&P BSE PSU and S&P BSE Healthcare which slipped 1.85%, 1.23% and 0.89%, respectively.

Broad Indices	03-Jul-20	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	5.42%	5.44%	5.81%	6.68%	7.87%
3 Year AAA Corporate Bond	5.97%	6.08%	6.47%	7.33%	7.92%
5 Year AAA Corporate Bond	6.51%	6.67%	6.86%	7.54%	7.99%
1 Year G-Sec	3.70%	3.69%	3.61%	5.53%	6.09%
3 Year G-Sec	4.35%	4.44%	4.58%	6.27%	6.54%
5 Year G-Sec	5.07%	5.36%	5.48%	6.34%	6.74%
10 Year G-Sec	5.85%	5.91%	6.03%	6.51%	6.83%
Forex Reserve (\$ in billion)	506.84*	505.57**	493.48@	461.16@@	427.68@@@

Domestic Debt Market Update

- Bond yields fell on value-buying from investors ahead of the quarter-end and amid special open market operation conducted by the Reserve Bank of India during the week. Yields fell further as states planned to sell a lower-than-expected amount of notes in Jul-Sep 2020. Investors also hoped of supportive measures from the central bank to ease excess debt supply concern.
- Yield on the new 10-year benchmark paper (5.79% GS 2030) fell 6 bps to close at 5.85% from the previous week's close of 5.91%.
- Data from RBI showed that India's foreign exchange reserves increased to \$506.84 billion as of the week ended Jun 26, 2020 from \$505.57 billion at the end of the previous week.
- RBI on Jul 1, 2020 conducted auction of 91-, 182- and 364-Days Treasury Bills for notified amount of Rs. 12,000 crore, Rs. 13,000 crore and Rs. 10,000 crore, respectively. The cut-off prices stood at Rs. 99.22 (YTM: 3.14%), Rs. 98.33 (YTM: 3.40%) and Rs. 96.67 (YTM: 3.45%), respectively.

Global Commodity Update

Commodities	03-Jul-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	40.24	5.70	-29.86	-34.23
Brent Crude Oil (\$/barrel)	42.78	5.19	-32.98	-35.20
Gold (\$/ounce)	1,774.79	0.24	25.11	16.99
Silver (\$/ounce)	18.04	1.63	17.91	1.18

Source: Refinitiv

Currencies Update

Currency	03-Jul-20	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar ^[1]	74.63	75.61	75.31	71.76	68.79
GBP	93.17	93.25	94.69	93.91	86.48
Euro	83.95	84.81	84.59	80.09	77.57
100 Yen	69.41	70.51	69.15	66.38	63.79

Source: Refinitiv

Global Equity Market Performance

Country/Region	Indices	03-Jul-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S. ^[1]	Russell 1000	1,735.01	4.06	4.60	-2.76
U.K.	FTSE	6,157	-0.03	-19.08	-18.36
France	CAC 40	5,007	1.99	-10.89	-16.24
Germany	DAX	12,528	3.63	-0.70	-5.44
Japan	Nikkei 225	22,306	-0.91	3.09	-5.71
China	Shanghai Composite	3,153	5.82	4.56	3.37
Hong Kong	Hang Seng	25,373	3.35	-12.07	-9.99
Singapore	Straits Times	2,653	1.86	-21.23	-17.68
Russia	RTS Index	1,235	-0.93	-11.87	-20.26
Brazil	Sao Paulo Se Bovespa	96,765	3.12	-5.17	-16.33

Source: Refinitiv

Global Bond Yield Update

Indicators	03-Jul-20	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	0.67	0.64	0.76	1.79	1.96
U.K. 10 Year Bond yield (%)	0.19	0.17	0.27	0.74	0.69
German 10 Year Bond yield (%)	-0.43	-0.48	-0.35	-0.28	-0.38
Japan 10 Year Bond yield (%)	0.04	0.01	0.01	-0.02	-0.16

Source: Refinitiv

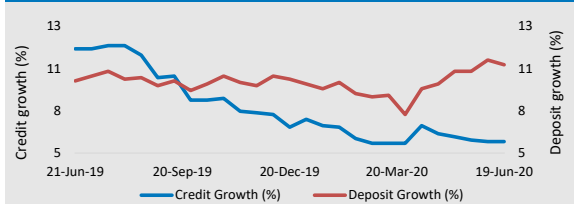
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Germany CPI Prelim YY Jun 2020	29-Jun	0.90%	0.60%	0.60%
U.S. Markit Mfg PMI Final Jun 2020	1-Jul	49.80	49.60	49.60
U.S. Initial Jobless Claims W 27 Jun	2-Jul	1,427 K	1,378 K	1,482 K
Euro Zone Markit Serv Final PMI Jun 2020	3-Jul	48.30	47.30	47.30

Source: Refinitiv

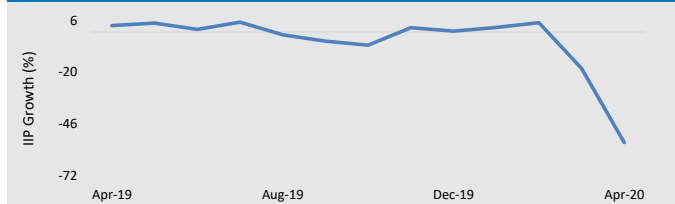
Macro Economic Performance of India

Credit growth vs Deposit growth



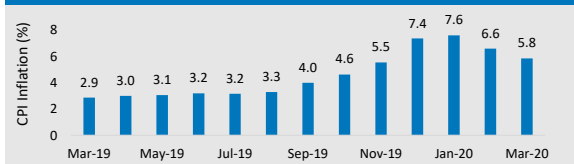
Source: Refinitiv

IIP Growth (%)



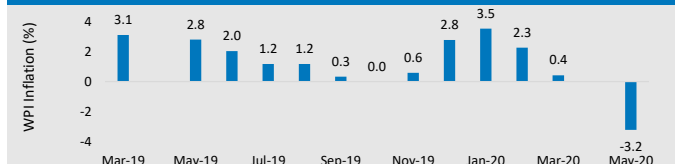
Source: Refinitiv

Retail inflation movement



Source: Refinitiv

Wholesale price inflation movement



Source: Refinitiv

[1] Data as on 02 Jul, 2020

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