

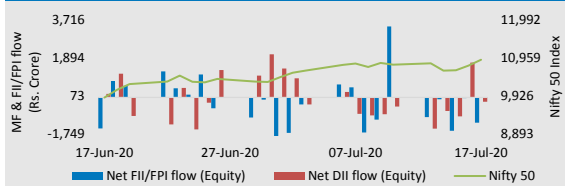
Weekly Market Update

Macro Economic Release

Indicators	Actual	Consensus	Previous
Imports (\$ billion) (Jun 2020)	21.11	NA	22.20
Exports (\$ billion) (Jun 2020)	21.91	NA	19.05
Trade Deficit (\$ billion) (Jun 2020)	-0.80	4.50	3.15
WPI Inflation (Jun 2020)	-1.81%	-2.40%	-3.21%

Source: Refinitiv

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	17-Jul-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	37,020	1.16	-5.60	-10.26
Nifty 50	10,902	1.24	-6.72	-10.41
S&P BSE 100	10,979	1.24	-7.07	-10.28
Nifty 500	8,895	0.92	-6.79	-9.90
Nifty Mid cap 50	4,248	-0.42	-10.22	-9.63
Nifty Small cap 100	4,852	-0.38	-19.47	-16.84

Sector Indices	17-Jul-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	16,162	1.20	-6.38	-12.57
S&P BSE Bankex	24,874	-1.87	-28.12	-32.17
S&P BSE CD	21,082	2.48	-9.30	-15.71
S&P BSE CG	12,917	-0.88	-30.31	-23.76
S&P BSE FMCG	11,617	2.08	2.90	1.85
S&P BSE HC	17,124	3.34	30.20	27.51
S&P BSE IT	17,046	8.19	8.51	10.15
S&P BSE METAL	7,629	1.32	-28.30	-26.85
S&P BSE Oil & Gas	13,290	3.81	-6.55	-9.86
S&P BSE Power	1,518	-3.24	-25.19	-21.19
S&P BSE PSU	4,959	-0.35	-34.28	-28.71
S&P BSE Realty	1,548	-4.46	-29.85	-32.14
S&P BSE Teck	8,421	6.11	9.16	9.11

Source: BSE & NSE

Macro economic Update

- India's Wholesale Price Index (WPI) dropped 1.81% YoY in Jun 2020, slower than 3.21% in May 2020. Slower fall in wholesale prices was due to fuel and power index that plunged 13.60% in Jun 2020 compared with a 19.83% fall in the prior month. Also food articles inflation accelerated to 2.04% in Jun 2020 from 1.13% in May 2020.
- India's consumer price index based inflation rose 6.09% YoY in June, majorly due to higher prices of food items. Consumer Food price index rose 7.87% while fuel and light index went up 2.69% in Jun 2020. The inflation figures are based on data collected from limited markets in view of the restrictions imposed on account of coronavirus pandemic.
- India's Index of industrial production (IIP) contracted 34.7% YoY in May 2020, slower than record fall of 57.6% in Apr 2020. Manufacturing sector contracted 39.3% in May 2020, compared with a massive fall of 67.1% in the prior month. USE based classification showed, consumer durables and consumer non-durables witnessed fall of 68.5% and 11.7%, respectively in the reported period.
- The Ministry of Commerce and Industry data showed, India witnessed its first trade surplus in over 18 years in Jun 2020. Trade surplus stood at \$790 million in reported period compared with \$15.28 billion deficit in Jun 2019.

Domestic Equity Market Update

- Indian equity markets went up amid a host of domestic and global cues. Strong buying in the stocks of one of the industry behemoths following investment in the conglomerate's digital arm by a U.S.- based multinational company boosted market sentiments.
- Positive global updates on a potential COVID-19 vaccine too boosted market sentiment. Better than expected earning numbers reported by one of the leading IT stocks for the June quarter of FY 21 too contributed to the upside.
- Nonetheless, gains were capped by declines in the banking and financial sectors as a global rating agency warned of challenging economic and credit environment stemming from COVID-19 for Indian banks.
- Meanwhile, the release of macro-economic numbers kept investors contemplating about the overall health of the economy. The headline CPI inflation for June 2020 has exceeded the upper end of the MPC's target range, posing a dilemma in terms of the appropriate policy response as the economy gradually recover from the supply and demand shock created by the pandemic.
- On a separate note, the pace of contraction of India's factory output slowed in May, falling 34.7% from year from 57.6% contraction (revised) in Apr. The government did not provide a number for the change in output for May 2020 but said the number of units responding has improved as compared to the earlier months of lockdown.
- On the BSE sectoral front, majority of the sectors closed in the green. S&P BSE IT is the top gainer, up 8.19%, followed by S&P BSE Teck and S&P BSE Oil & Gas, which rose 6.11% and 3.81%, respectively. IT and tech stocks rose as the earning numbers from IT majors mirrored the resilience flexibility and adaptability of their business models to accommodate the requirement of the clients at a time when the COVID-19 pandemic disrupted operations across the globe.

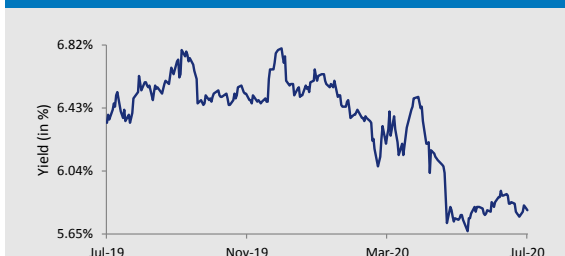
Indian Debt Market Indicators

Broad Indices	17-Jul-20	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.49%	3.50%	3.55%	5.02%	5.56%
T-Repo	3.17%	3.13%	2.90%	4.98%	5.51%
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	3.65%	3.80%	4.20%	5.80%	6.38%
1 Year CP	4.45%	4.65%	5.40%	6.80%	7.60%
3 Month CD	3.28%	3.24%	3.37%	5.62%	6.52%
1 Year CD	3.76%	3.90%	4.18%	6.12%	6.79%

Source: CCIL, Refinitiv * As on Jul 10, 2020; ** As on Jul 03, 2020; ® As on Jun 12, 2020; ®® As on Jan 17, 2020; ®®® As on Jul 12, 2019

Broad Indices	17-Jul-20	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	5.26%	5.23%	5.73%	6.61%	7.62%
3 Year AAA Corporate Bond	5.75%	5.64%	6.33%	7.20%	7.60%
5 Year AAA Corporate Bond	6.31%	6.26%	6.78%	7.45%	7.70%
1 Year G-Sec	3.58%	3.63%	3.77%	5.48%	5.95%
3 Year G-Sec	4.32%	4.28%	4.54%	6.27%	6.30%
5 Year G-Sec	4.88%	4.84%	5.45%	6.39%	6.38%
10 Year G-Sec	5.81%	5.76%	5.84%	6.62%	6.35%
Forex Reserve (\$ in billion)	516.36 [®]	513.25 ^{**}	507.64 [®]	462.16 ^{®®}	428.80 ^{®®®}

10 - Year benchmark G-Sec Movement



Source: Refinitiv

Domestic Debt Market Update

- Bond yields fell for the third consecutive week as aggressive demand at the weekly debt auction boosted investor's appetite. Hopes of support from the Reserve Bank of India to absorb excess supply also boosted domestic debt market.
- However, gains were capped as overall market sentiment remained subdued due to lack of domestic triggers. The rise in headline inflation above the Reserve Bank of India's tolerance level of 6% has also weakened the possibility of further relaxation in monetary policy in the near term which also dampened sentiments.
- Yield on the 10-year benchmark paper (5.79% GS 2030) fell 4 bps to close at 5.80% compared to previous close of 5.76% after moving in a range of 5.77% to 5.85%.
- RBI conducted the auction of state development loans for ten state governments for a notified amount of Rs. 11,250 crore for which the amount accepted stood at Rs. 13,750 crore. Haryana and Tamil Nadu has accepted an additional amount of Rs. 500 crore each. Maharashtra has accepted an additional amount of Rs. 1,000 crore. Rajasthan has accepted an additional amount of Rs. 500 crore in 35-year security. The cut off yield ranged from 4.39% to 6.55%.

Global Commodity Update

Commodities	17-Jul-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	40.18	-0.25	-28.94	-34.32
Brent Crude Oil (\$/barrel)	43.10	-0.16	-32.19	-34.72
Gold (\$/ounce)	1,808.90	0.59	26.80	19.24
Silver (\$/ounce)	19.31	3.43	20.91	8.30

Source: Refinitiv

Currencies Update

Currency	17-Jul-20	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	74.88	75.19	76.28	71.08	68.83
GBP	94.09	94.89	95.76	92.46	85.56
Euro	85.56	84.95	85.76	78.81	77.25
100 Yen	69.97	70.32	71.28	64.51	63.76

Source: Refinitiv

Global Equity Market Performance

Country/Region	Indices	17-Jul-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1,789.00	1.19	8.19	0.27
U.K.	FTSE	6,290	3.20	-16.52	-16.60
France	CAC 40	5,069	1.99	-9.02	-15.20
Germany	DAX	12,920	2.26	4.69	-2.49
Japan	Nikkei 225	22,696	1.82	5.72	-4.06
China	Shanghai Composite	3,214	-5.00	9.63	5.38
Hong Kong	Hang Seng	25,089	-2.48	-12.25	-11.00
Singapore	Straits Times	2,618	-1.29	-22.18	-18.75
Russia	RTS Index	1,216	-2.37	-10.68	-21.48
Brazil	Sao Paulo Se Bovespa	102,888	2.86	-0.93	-11.03

Source: Refinitiv

Global Bond Yield Update

Indicators	17-Jul-20	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	0.63	0.63	0.73	1.84	2.06
U.K. 10 Year Bond yield (%)	0.16	0.16	0.19	0.63	0.76
German 10 Year Bond yield (%)	-0.45	-0.47	-0.43	-0.21	-0.29
Japan 10 Year Bond yield (%)	0.01	0.02	0.01	0.01	-0.12

Source: Refinitiv

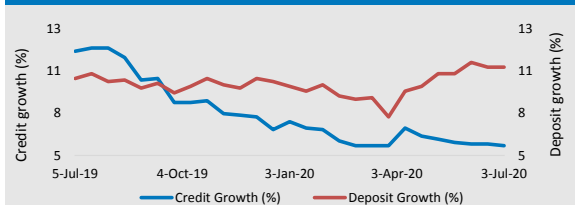
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.K. Gross Domestic Product (MoM) (May)	14-Jul	1.80%	5.00%	-20.30%
U.S. Consumer Price Index (YoY) (Jun)	14-Jul	0.6%	0.6%	0.1%
Bank of Japan Interest Rate Decision	15-Jul	-0.10%	-0.10%	-0.10%
China Gross Domestic Product (YoY)(Q2)	16-Jul	3.20%	2.10%	-6.80%

Source: FX Street, Refinitiv

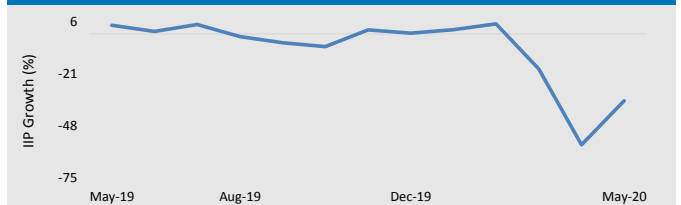
Macro Economic Performance of India

Credit growth vs Deposit growth



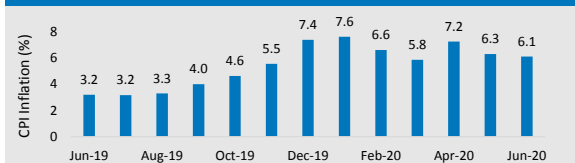
Source: Refinitiv

IIP Growth (%)



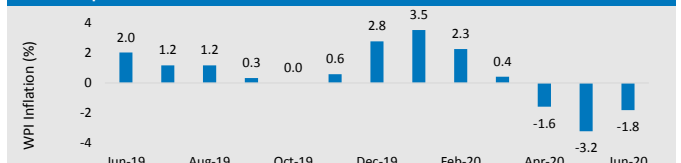
Source: Refinitiv

Retail inflation movement



Source: Refinitiv

Wholesale price inflation movement



Source: Refinitiv

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