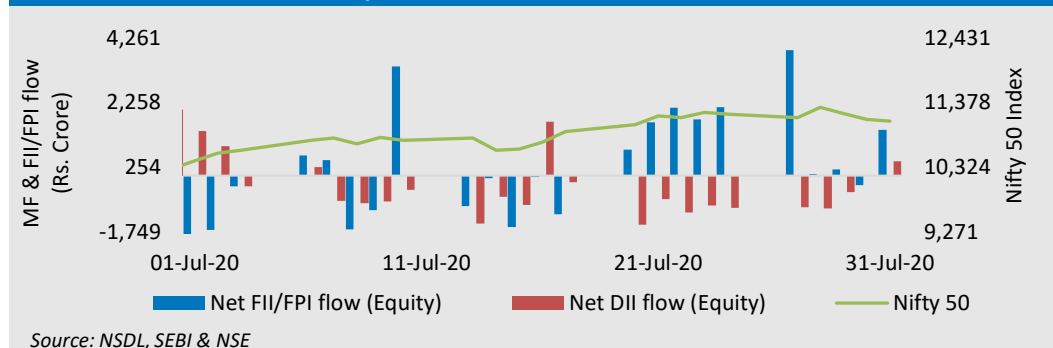


Macro Economic Release

Indicators	Actual	Consensus	Previous
Fiscal Deficit % of BE (Jun 2020)	83.18	NA	58.56
Fiscal Deficit FYTD (Rs. billion) (Jun 2020)	6,623.63	NA	4,663.43
Infrastructre Growth (Jun 2020)	-15.00	NA	-22.00
Imports (\$ billion) (Jun 2020)	21.11	NA	22.20

Source: Refinitiv

FII and DII Investment vs Nifty 50



Indian Equity Market Performance

Broad Indices	31-Jul-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	37,607	-1.37	0.34	-8.84
Nifty 50	11,073	-1.08	-0.40	-9.00
S&P BSE 100	11,159	-0.65	-0.46	-8.80
Nifty 500	9,036	-0.55	-0.10	-8.48
Nifty Mid cap 50	4,249	-0.87	-2.44	-9.62
Nifty Small cap 100	5,011	0.42	-9.25	-14.12

Sector Indices	31-Jul-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	16,490	0.90	6.58	-10.79
S&P BSE Bankex	24,599	-4.22	-24.75	-32.92
S&P BSE CD	21,479	-1.67	-3.86	-14.12
S&P BSE CG	12,735	-0.61	-27.46	-24.84
S&P BSE FMCG	11,445	-0.28	3.46	0.35
S&P BSE HC	18,285	7.04	43.92	36.16
S&P BSE IT	18,251	5.02	16.00	17.93
S&P BSE METAL	7,826	3.41	-19.20	-24.96
S&P BSE Oil & Gas	13,174	-3.70	-0.47	-10.65
S&P BSE Power	1,539	-1.10	-21.73	-20.11
S&P BSE PSU	4,919	-2.88	-29.41	-29.28
S&P BSE Realty	1,576	0.73	-23.77	-30.91
S&P BSE Teck	8,840	3.75	15.00	14.55

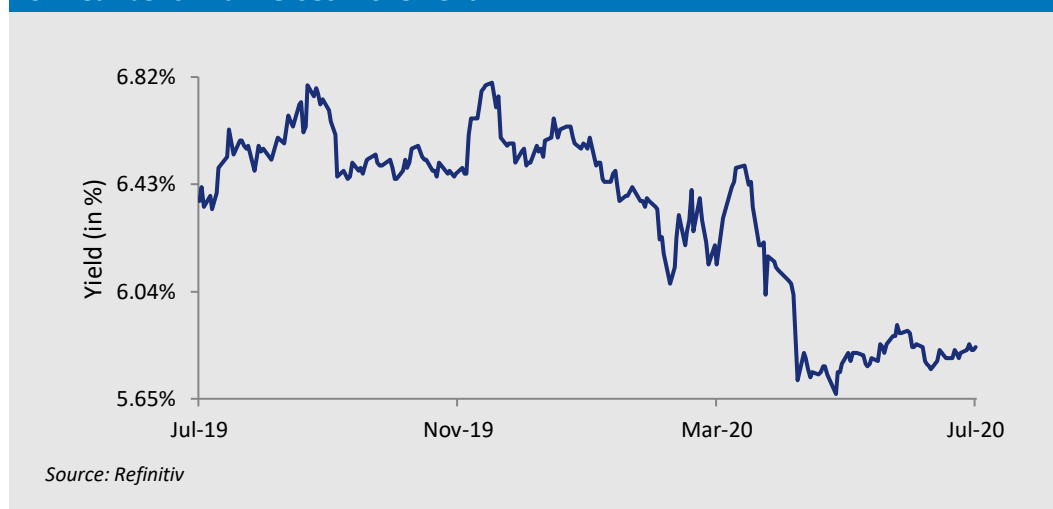
Source: BSE & NSE

Indian Debt Market Indicators

Broad Indices	31-Jul-20	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.48%	3.42%	3.65%	4.97%	5.61%
T-Repo	3.16%	3.18%	3.07%	4.92%	5.59%
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%	3.65%	3.75%	5.75%	6.25%
1 Year CP	4.45%	4.45%	4.80%	6.70%	7.60%
3 Month CD	3.33%	3.30%	3.23%	5.50%	6.21%
1 Year CD	3.75%	3.85%	4.05%	5.95%	6.86%

Source: CCIL, Refinitiv * As on Jul 24, 2020; ** As on Jul 17, 2020; @ As on Jun 26, 2020; @@ As on Jan 31, 2020; @@@ As on Jul 26, 2019

10 - Year benchmark G-Sec Movement



Macro economic Update

- Government data showed, India's fiscal deficit stood at Rs 6.62 lakh crore or 83.2% of the budgeted target for the FY21 in the first three months till Jun 2020. During the same period, net tax receipts were Rs. 1,34,822 crore and total expenditure was at Rs. 8.16 lakh crore. Apr-Jun 2020 total expenditure and total receipts were 26.8% and 6.8% of FY21 estimates.
- Core output, which constitutes 8 sectors of the economy contracted 15.0% in Jun 2020, slower than a revised contraction of 22% from previously reported fall of 23.4% in May 2020. Out of 8 core sectors, 7 continued to contract in Jun 2020. Steel and coal output fell sharply by 33.8% and 15.5%, respectively. Only fertilizers witnessed a growth of 4.2% during the month under review. Infrastructure output contracted 24.6% YoY in the first three months of FY21 compared to 3.4% expansion for the same period a year earlier.
- Data from Reserve Bank of India (RBI) showed that India's foreign exchange reserves rose for the fifth consecutive week to hit a fresh record high of \$522.63 billion as of the week ended Jul 24, against \$517.64 billion in the previous week.
- According to the finance ministry, the government declared it had released Rs. 1.65 lakh crore of Goods and Services Tax (GST) compensation in FY20 while Rs. 95,444 crore was the cess collections. Maharashtra received the highest compensation at Rs. 19,233 crore followed by Karnataka at Rs. 18,628 crore.

Domestic Equity Market Update

- Indian equity markets edged lower amid profit-booking and rise in coronavirus cases. Investor sentiments weighed down after the RBI in the bi-annual Financial Stability Report stated that gross NPA ratio of banks may increase from 8.5% in Mar 2020 to 12.5% by March 2021 under the baseline scenario, but it could worsen to as much as 14.7% under a very severely stressed scenario.
- Some amount of volatility was also seen as market participants rushed to settle their positions ahead of the expiration of monthly derivative contracts for Jul scheduled on Jul 30. Disappointing U.S. GDP data too, dented investor sentiment.
- Meanwhile, market participants awaited the outcome of the Prime Minister's meeting with banking and non-banking lenders on the credit flow and steps to revive the economy. A mixed set of corporate earning numbers across all the sectors also impacted buying interest.
- On the BSE sectoral front, the sectors witnessed a mixed trend. S&P BSE Healthcare was the top gainer, up 7.04%, followed by S&P BSE IT and S&P BSE Teck which rose 5.02% and 3.75%, respectively.
- Healthcare sector rose on the back of encouraging corporate earning numbers by one of the industry heavyweights coupled with hopes of drastic change in health infrastructure and administration after Indian Medical Association (IMA) demanded the setting up of an Indian Medical Service (IMS), on the lines of IAS, IPS and IFS.
- Meanwhile, S&P BSE Bankex was the major loser, down 4.22% followed by S&P BSE Oil & Gas and S&P BSE PSU, which slipped 3.70% and 2.88%, respectively.

Broad Indices	31-Jul-20	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	5.17%	5.20%	5.45%	6.59%	7.69%
3 Year AAA Corporate Bond	5.74%	5.79%	6.09%	7.03%	7.69%
5 Year AAA Corporate Bond	6.33%	6.43%	6.62%	7.36%	7.70%
1 Year G-Sec	3.66%	3.63%	3.73%	5.44%	5.90%
3 Year G-Sec	4.40%	4.68%	4.40%	6.21%	6.21%
5 Year G-Sec	4.99%	4.94%	5.28%	6.40%	6.30%
10 Year G-Sec	5.84%	5.82%	5.89%	6.60%	6.37%
Forex Reserve (\$ in billion)	522.63*	517.64**	506.84@	471.30@@	429.65@@@

Domestic Debt Market Update

- Bond yields rose during the week under as hopes of a rate cut by the Monetary Policy Committee in its upcoming monetary policy review on Aug 6, 2020 faded as the retail inflation had breached the central bank's tolerance level in Jun 2020. Lack of any supportive measures from the RBI to absorb the excess supply of sovereign debt also weighed on the market sentiment. However, further losses were restricted after the government announced the auction of a new 10-year benchmark paper.
- Yield on the 10-year benchmark paper (5.79% GS 2030) rose 2 bps to close at 5.84% compared to previous close of 5.82% after moving in a range of 5.81% to 5.89%.
- RBI announced the auction of three government securities namely 5.22% GS 2025, 6.19% GS 2034 and 7.16% GS 2050 for a notified amount of Rs. 30,000 crore. The auction would be carried out on Aug 7, 2020.
- RBI announced the auction of 91 day, 182 day and 364 day Treasury Bills for a notified amount of Rs. 35,000 crore. The auction would be carried out on Aug 5, 2020.

[1] Data as on 30 Jul, 2020

Global Commodity Update

Commodities	31-Jul-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	40.34	-2.23	-30.21	-34.06
Brent Crude Oil (\$/barrel)	43.30	0.00	-33.53	-34.41
Gold (\$/ounce)	1,974.69	3.88	39.70	30.17
Silver (\$/ounce)	24.37	7.17	49.92	36.68

Source: Refinitiv

Currencies Update

Currency	31-Jul-20	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	74.92	74.75	75.54	71.54	68.86
GBP	98.01	95.61	93.66	94.43	83.71
Euro	88.23	87.11	84.84	79.36	76.26
100 Yen	70.76	70.41	69.98	65.99	63.31

Source: Refinitiv

Global Equity Market Performance

Country/Region	Indices	31-Jul-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1,815.99	1.80	9.90	1.78
U.K.	FTSE	5,898	-3.69	-22.26	-21.81
France	CAC 40	4,784	-3.49	-13.32	-19.98
Germany	DAX	12,313	-4.09	1.02	-7.06
Japan	Nikkei 225	21,710	-4.58	0.88	-8.23
China	Shanghai Composite	3,310	3.54	12.87	8.52
Hong Kong	Hang Seng	24,595	-0.45	-11.46	-12.75
Singapore ^[1]	Straits Times	2,530	-1.93	-23.36	-21.50
Russia	RTS Index	1,234	-1.71	-9.24	-20.30
Brazil	Sao Paulo Se Bovespa	102,912	0.52	1.08	-11.01

Source: Refinitiv

Global Bond Yield Update

Indicators	31-Jul-20	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	0.54	0.59	0.65	1.52	2.02
U.K. 10 Year Bond yield (%)	0.11	0.15	0.17	0.53	0.61
German 10 Year Bond yield (%)	-0.53	-0.44	-0.46	-0.44	-0.44
Japan 10 Year Bond yield (%)	0.01	0.02	0.04	-0.06	-0.16

Source: Refinitiv

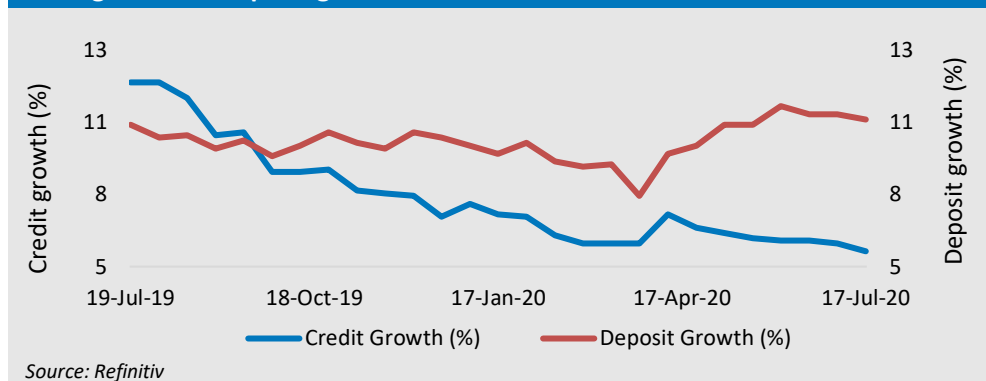
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. Durable Goods Jun 2020	27-Jul	7.3%	7.0%	15.1%
U.S. CaseShiller 20 YY May 2020	28-Jul	3.7%	4.0%	3.9%
U.S. Federal Reserve Interest Rate Decision	29-Jul	0.25%	0.25%	0.25%
U.S. Initial Jobless Claims W 25 Jul	30-Jul	1,434K	1,450K	1,422K

Source: FX Street; Refinitiv

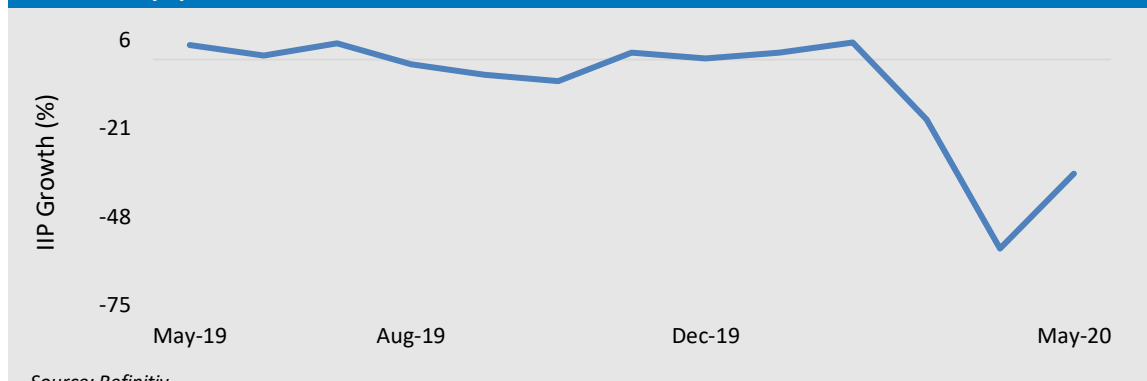
Macro Economic Performance of India

Credit growth vs Deposit growth



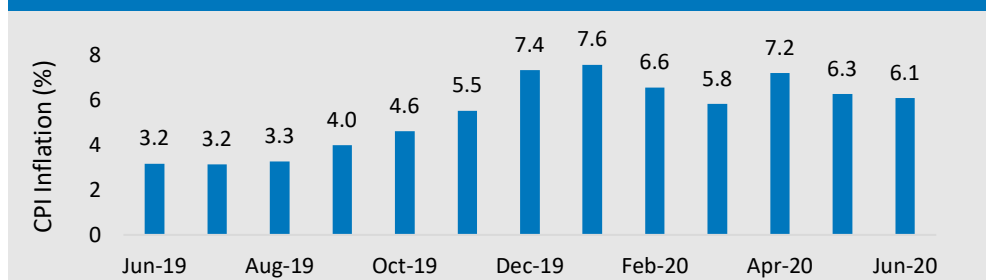
Source: Refinitiv

IIP Growth (%)



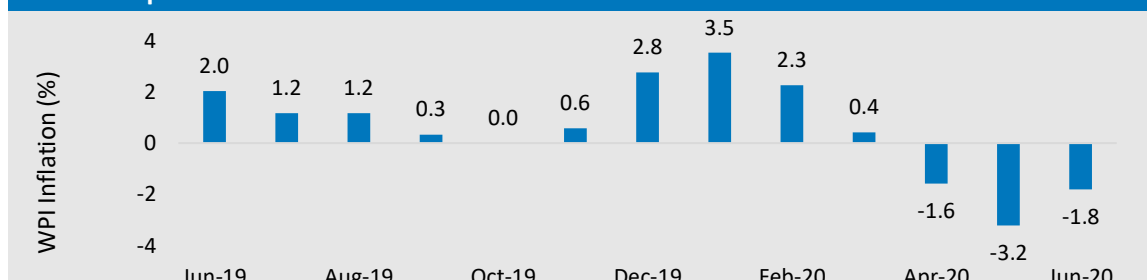
Source: Refinitiv

Retail inflation movement



Source: Refinitiv

Wholesale price inflation movement



Source: Refinitiv

[1] Data as on 30 Jul, 2020

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