

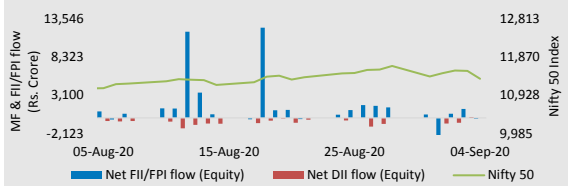
Weekly Market Update

Macro Economic Release

Indicators	Actual	Consensus	Previous
India Qtrly GDP (Q1FY21) (in %)	-23.9%	-18.3%	3.1%
IHS Markit India Mfg. PMI (Aug 2020)	52.0	48.2	46.0
IHS Markit India Serv. PMI (Aug 2020)	41.8	39.2	34.2
Fiscal Deficit % of BE (Jul 2020)	103.14	NA	83.18

Source: Refinitiv

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	04-Sep-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	38,357	-2.81	4.45	-7.02
Nifty 50	11,334	-2.69	4.51	-6.86
S&P BSE 100	11,446	-2.77	4.52	-6.46
Nifty 500	9,378	-2.73	6.17	-5.01
Nifty Mid cap 50	4,720	-2.27	12.46	0.40
Nifty Small cap 100	5,679	-3.21	6.07	-2.67

Sector Indices	04-Sep-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	18,051	-1.32	18.45	-2.35
S&P BSE Bankex	26,134	-6.30	-14.36	-28.74
S&P BSE CD	23,360	-0.52	3.96	-6.60
S&P BSE CG	13,989	-2.01	-16.14	-17.44
S&P BSE FMCG	11,383	-1.76	4.54	-0.20
S&P BSE HC	18,734	-2.83	46.67	39.50
S&P BSE IT	18,129	-0.28	11.82	17.15
S&P BSE METAL	8,912	-2.61	6.20	-14.54
S&P BSE Oil & Gas	12,935	-3.11	-0.16	-12.27
S&P BSE Power	1,697	-2.25	-8.53	-11.92
S&P BSE PSU	5,055	-5.44	-19.51	-27.33
S&P BSE Realty	1,732	-6.14	-13.34	-24.06
S&P BSE Teck	8,790	0.15	11.77	13.89

Source: BSE & NSE

Macro economic Update

- 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.
- 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. India's fiscal deficit widened due to lower tax collections and front loading expenditure by the government on account of COVID-19 pandemic.
- 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.
- Results of a private survey showed that the headline seasonally adjusted IHS Markit India Manufacturing Purchasing Managers' Index (PMI) rose from 46.0 in Jul 2020 to 52.0 in Aug 2020. The expansion comes on account of improvement in operating conditions across the domestic manufacturing sector.

Domestic Equity Market Update

- Indian equity markets settled in the red for the week amid escalation in geo-political tensions between India and China. According to reports, provocative military movements were made by Chinese troops in Eastern Ladakh which were blocked by Indian soldiers.
- Speculations over first quarter GDP of the current fiscal dominated market sentiments, which was released post market hours on Aug 31. The sharp fall in the first-quarter GDP is higher than expected, given that majority of the economy was on a standstill in the first two months of the first quarter.
- Private survey showed domestic services sector activity remained in contraction for the sixth successive month in Aug. However, investors found some solace as the same rose significantly compared to the preceding month.
- The fall was cushioned by IHS Markit India manufacturing PMI for Aug which signalled growth and rebound in production volumes for the first time in five months. Among the positive global cues, encouraging manufacturing PMI data from U.S., China and euro zone, coupled with expectation that the U.S. policymakers would agree on additional stimulus kept up the buoyancy in the markets.
- On the BSE sectoral front, barring S&P BSE Teck, all the sectors closed in the red. S&P BSE Bankex was the major loser, down 6.30%, followed by S&P BSE Realty and S&P BSE Oil & Gas, which slipped 6.14% and 3.11%, respectively. Majority of the sectors went down as investors preferred to cash in the recent gains in the markets.

Indian Debt Market Indicators

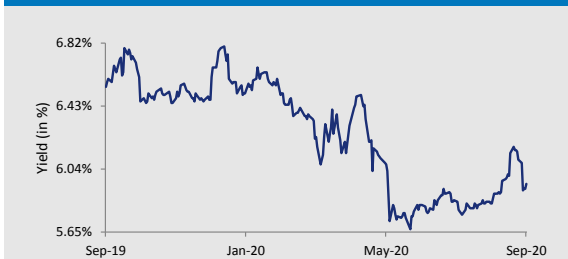
Broad Indices	04-Sep-20	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.43%	3.43%	3.39%	4.96%	5.35%
T-Repo	3.02%	3.02%	3.18%	4.81%	5.22%
Repo	4.00%	4.00%	4.00%	5.15%	5.40%
Reverse Repo	3.35%	3.35%	3.35%	4.90%	5.15%
3 Month CP	3.45%	3.45%	3.65%	5.75%	5.85%
1 Year CP	4.35%	4.40%	4.45%	6.40%	6.95%
3 Month CD	3.33%	3.35%	3.33%	5.52%	5.63%
1 Year CD	3.80%	3.86%	3.76%	5.63%	6.49%

Source: CGIL, Refinitiv * As on Aug 28, 2020; ** As on Aug 21, 2020; @ As on Jul 31, 2020; @@ As on Feb 28, 2020;

Broad Indices	04-Sep-20	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	5.06%	5.02%	5.07%	6.28%	7.37%
3 Year AAA Corporate Bond	5.79%	5.96%	5.90%	6.60%	7.29%
5 Year AAA Corporate Bond	6.59%	6.93%	6.45%	6.83%	7.37%
1 Year G-Sec	3.52%	3.75%	3.64%	5.03%	5.73%
3 Year G-Sec	4.80%	5.05%	4.73%	5.43%	6.04%
5 Year G-Sec	5.24%	5.53%	5.00%	5.63%	6.26%
10 Year G-Sec	5.93%	6.14%	5.83%	6.23%	6.55%
Forex Reserve (\$ in billion)	541.43*	537.55**	534.57@@	481.54@@@	428.60@@@

*** As on Aug 30, 2019

10 - Year benchmark G-Sec Movement



Source: Refinitiv

Domestic Debt Market Update

- Bond yields plunged after the Reserve Bank of India (RBI) announced a slew of measures aimed at reviving investor appetite. RBI announced to conduct more special open market operations for Rs. 20,000 crore in Sep 2020 and raised banks' held-to-maturity limit to 22% of net demand and time liabilities for bond purchases between Sep 1, 2020 and Mar 31, 2021. Securities held under held-to-maturity need not be marked to market, protecting banks from adverse yield movements.
- RBI will also conduct term repo operations for an aggregate amount of Rs. 100,000 crore at floating rates in Sep 2020 to ease pressures on the market on account of advance tax outflows. However, gains were restricted during the last day of the week as primary auction cut-offs suggested yields might not fall sharply amid RBI's bond-supporting measures.
- Yield on the 10-year benchmark paper (5.77% GS 2030) fell 21 bps to close at 5.93% compared to the previous closing of 6.14% after moving in a range of 5.88% to 6.16%.

Global Commodity Update

Commodities	04-Sep-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	39.40	-8.16	-29.59	-35.60
Brent Crude Oil (\$/barrel)	42.35	-6.06	-29.92	-35.85
Gold (\$/ounce)	1,932.45	-1.63	24.49	27.39
Silver (\$/ounce)	26.88	-2.22	37.35	50.76

Source: Refinitiv

Currencies Update

Currency	04-Sep-20	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	73.29	73.11	75.06	73.53	71.97
GBP	97.34	97.60	98.10	94.63	88.16
Euro	86.75	87.03	88.58	81.87	79.41
100 Yen	68.97	69.39	70.99	68.37	67.63

Source: Refinitiv

Global Equity Market Performance

Country/Region	Indices	04-Sep-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1,900.61	-2.42	17.01	6.52
U.K.	FTSE	5,799	-2.76	-20.68	-23.11
France	CAC 40	4,965	-0.76	-10.25	-16.95
Germany	DAX	12,843	-1.46	6.80	-3.07
Japan	Nikkei 225	23,205	1.41	12.38	-1.91
China	Shanghai Composite	3,355	-1.42	13.46	10.01
Hong Kong	Hang Seng	24,695	-2.86	-6.89	-12.40
Singapore	Straits Times	2,510	-1.18	-19.83	-22.13
Russia	RTS Index	1,220	-3.60	-8.32	-21.23
Brazil	Sao Paulo Se Bovespa	101,242	-0.88	0.04	-12.45

Source: Refinitiv

Global Bond Yield Update

Indicators	04-Sep-20	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	0.72	0.73	0.51	0.99	1.46
U.K. 10 Year Bond yield (%)	0.27	0.31	0.08	0.37	0.49
German 10 Year Bond yield (%)	-0.48	-0.41	-0.55	-0.63	-0.68
Japan 10 Year Bond yield (%)	0.03	0.06	0.01	-0.14	-0.28

Source: Refinitiv

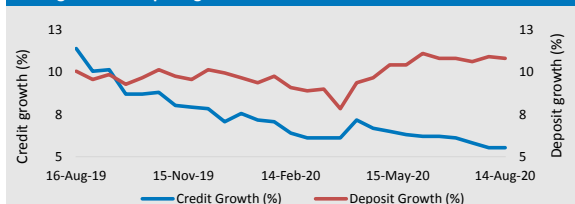
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. ISM Manufacturing PMI Aug 2020	1-Sep	56.00	54.50	54.20
U.S. ADP Employment Change (Aug)	2-Sep	428K	950K	212K
China Caixin Composite PMI (Aug)	3-Sep	55.10	--	54.50
U.S. Non-Farm Payrolls Aug 2020	4-Sep	1371.00 K	1400.00 K	1734.00 K

Source: FX Street; Refinitiv

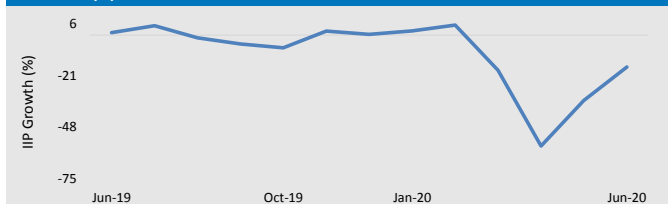
Macro Economic Performance of India

Credit growth vs Deposit growth



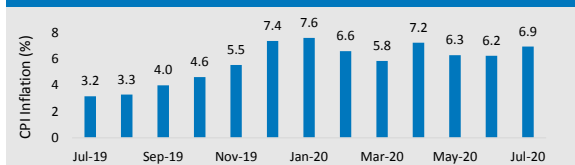
Source: Refinitiv

IIP Growth (%)



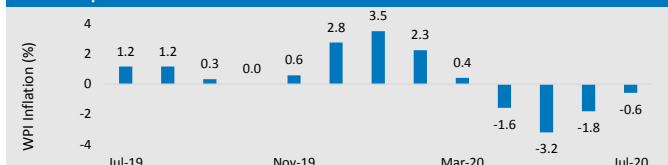
Source: Refinitiv

Retail inflation movement



Source: Refinitiv

Wholesale price inflation movement



Source: Refinitiv

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