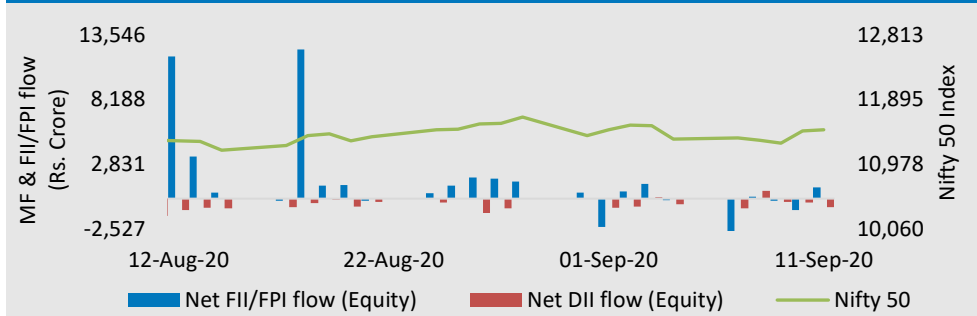


## Macro Economic Release

| 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     |
| India IIP (Jul 2020)                  | -10.40% | -11.50%   | -16.60%  |

Source: Refinitiv

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

## Indian Equity Market Performance

| Broad Indices       | 11-Sep-20 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|---------------------|-----------|----------------|----------------|----------------|
| S&P BSE Sensex      | 38,855    | 1.30           | 4.25           | -5.82          |
| Nifty 50            | 11,464    | 1.15           | 3.89           | -5.79          |
| S&P BSE 100         | 11,569    | 1.07           | 3.69           | -5.45          |
| Nifty 500           | 9,446     | 0.73           | 4.78           | -4.32          |
| Nifty Mid cap 50    | 4,645     | -1.59          | 6.41           | -1.20          |
| Nifty Small cap 100 | 5,650     | -0.51          | 1.60           | -3.16          |

| Sector Indices    | 11-Sep-20 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|-------------------|-----------|----------------|----------------|----------------|
| S&P BSE AUTO      | 17,973    | -0.43          | 7.84           | -2.77          |
| S&P BSE Bankex    | 25,505    | -2.40          | -18.29         | -30.45         |
| S&P BSE CD        | 23,352    | -0.04          | 0.38           | -6.64          |
| S&P BSE CG        | 13,817    | -1.23          | -20.23         | -18.45         |
| S&P BSE FMCG      | 11,434    | 0.44           | 4.39           | 0.24           |
| S&P BSE HC        | 18,834    | 0.53           | 44.23          | 40.24          |
| S&P BSE IT        | 18,696    | 3.12           | 17.48          | 20.81          |
| S&P BSE METAL     | 8,763     | -1.67          | -2.42          | -15.97         |
| S&P BSE Oil & Gas | 13,284    | 2.69           | -0.91          | -9.91          |
| S&P BSE Power     | 1,690     | -0.40          | -12.45         | -12.28         |
| S&P BSE PSU       | 4,943     | -2.21          | -24.55         | -28.94         |
| S&P BSE Realty    | 1,694     | -2.16          | -17.34         | -25.70         |
| S&P BSE Teck      | 8,924     | 1.53           | 14.94          | 15.64          |

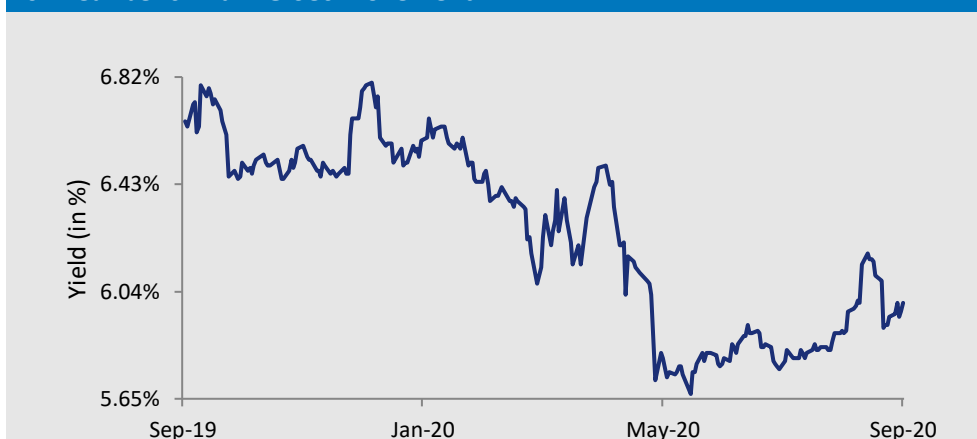
Source: BSE & NSE

## Indian Debt Market Indicators

| Broad Indices | 11-Sep-20 | Week Ago | Month Ago | 6 Months Ago | Year Ago |
|---------------|-----------|----------|-----------|--------------|----------|
| Call Rate     | 3.41%     | 3.43%    | 3.47%     | 4.95%        | 5.32%    |
| T-Repo        | 3.20%     | 3.02%    | 3.20%     | 4.88%        | 5.17%    |
| 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    | 3.50%     | 3.45%    | 3.70%     | 5.55%        | 5.80%    |
| 1 Year CP     | 4.40%     | 4.35%    | 4.50%     | 6.20%        | 6.95%    |
| 3 Month CD    | 3.44%     | 3.33%    | 3.37%     | 5.15%        | 5.66%    |
| 1 Year CD     | 3.88%     | 3.80%    | 3.76%     | 5.94%        | 6.46%    |

Source: CCIL, Refinitiv \* As on Sep 04, 2020; \*\* As on Aug 28, 2020; @ As on Aug 07, 2020; @@ As on Mar 06, 2020; @@@ As on Sep 06, 2019

## 10 - Year benchmark G-Sec Movement



Source: Refinitiv

## Macro economic Update

- India's Index of Industrial production (IIP) fell sharply by 10.4% YoY in Jul 2020 but slower than 16.5% decline in Jun 2020. Output contracted for the fifth straight month. Manufacturing that accounts for 78% of the IIP, output contracted 11% in Jul 2020, better than 15.9% fall. Mining and electricity generation output fell 13% and 2.5%, respectively.
- India's domestic crude oil production and consumption contracted 6.1% and 21.4% YoY, respectively till July of FY21. Crude oil import also fell 23.7% YoY to 419 million barrels of crude during the similar period. Natural gas production and consumption fell 14.2% and 11.1%, respectively. Meanwhile, natural gas imports in the form of LNG dropped 7.7%.
- The Reserve Bank of India circular issued new guidelines for the appointment of chief compliance officer (CCO) in banks. The guidelines to ensure uniform approach with regard to compliance and risk management culture across the banking industry. The CCO should be appointed for a minimum fixed period of three years in the rank of a general manager or not below two levels of the rank of CEO.
- Public sector banks have sanctioned over 90% loans under the PM Street Vendor's AatmaNirbhar Nidhi scheme launched on Jun 1 to help registered street vendors restart their business post the Covid-19 lockdown as it helps them to get collateral-free loan of up to Rs 10,000 for a period of one year.

## Domestic Equity Market Update

- Indian equity markets managed to settle for the week with modest gains. For major part of the week, investors remained wary about the developments on Indo-China Line of Actual Control (LAC) issue. Markets were hit following fresh instance of confrontation between India and China on their border in the western Himalayas. This led to further escalation of military tension between the nuclear armed nation.
- Situation worsened after media reports stated that one of the major bio-pharma company based in U.K. has voluntarily paused a randomized clinical trial of its coronavirus vaccine after a volunteer developed an unexplained illness. Meanwhile, growing cases of COVID-19 cases kept investors on tenterhooks.
- However, investors saw silver lining after India and China agreed on a five-point plan for resolving the prolonged border face-off in eastern Ladakh that included abiding by all existing agreements and protocol on management of the frontier, maintaining peace and tranquillity and avoiding any action that could escalate matters.
- Stock specific positive movement also contributed to the gains after one of the market heavy-weights reported that its retail arm has secured Rs. 7,500 crore investment from one of the U.S.-based private equity firm.
- On the BSE sectoral front, the indices witnessed a mixed trend. S&P BSE IT was the top gainer, up 3.12%, followed by S&P BSE Oil & Gas and S&P BSE Teck, which rose 2.69% and 1.53%, respectively. Meanwhile, S&P BSE Bankex was the major loser, down 2.40%, followed by S&P BSE Realty and S&P BSE Metal which slipped 2.16% and 1.67%, respectively.

## Domestic Debt Market Update

- Bond yields rose amid concerns over excessive supply of sovereign debt in the market. Renewed tensions at the border between India and China also contributed to the downside. Worries over additional borrowing by the government in the second half of the fiscal also weighed on the market sentiment.
- Yield on the 10-year benchmark paper (5.77% GS 2030) rose 11 bps to close at 6.04% compared to the previous week's close of 5.93% after moving in a range of 5.94% to 6.11%.
- Data from RBI showed that reserve money increased at an annualized rate of 15.4% in the week to Sep 4, 2020, compared with an increase of 13.5% a year earlier. The currency in circulation rose 22.6% during the week compared with an increase of 13.0% a year earlier.
- Data from RBI showed that India's foreign exchange reserves rose for the third straight week and hit a record high of \$542.01 billion as of the week ended Sep 4, 2020.
- Data from RBI showed that money supply increased at an annualized rate of 12.6% in the fortnight ending Aug 28, 2020, compared with an increase of 9.8% a year earlier. The currency with the public increased 24.0% during the same fortnight compared with an increase of 12.8% a year earlier.

## Global Commodity Update

| Commodities                 | 11-Sep-20 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|-----------------------------|-----------|----------------|----------------|----------------|
| NYMEX Crude Oil (\$/barrel) | 37.25     | -5.46          | -33.39         | -39.11         |
| Brent Crude Oil (\$/barrel) | 39.72     | -6.21          | -34.90         | -39.84         |
| Gold (\$/ounce)             | 1,941.50  | 0.47           | 29.67          | 27.98          |
| Silver (\$/ounce)           | 26.74     | -0.52          | 47.90          | 49.97          |

Source: Refinitiv

## Global Equity Market Performance

| Country/Region | Indices              | 11-Sep-20 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|----------------|----------------------|-----------|----------------|----------------|----------------|
| U.S.           | Russell 1000         | 1,852.12  | -2.55          | 11.66          | 3.81           |
| U.K.           | FTSE                 | 6,032     | 4.02           | -17.80         | -20.02         |
| France         | CAC 40               | 5,034     | 1.39           | -10.39         | -15.79         |
| Germany        | DAX                  | 13,203    | 2.80           | 6.83           | -0.35          |
| Japan          | Nikkei 225           | 23,406    | 0.87           | 8.37           | -1.06          |
| China          | Shanghai Composite   | 3,260     | -2.83          | 8.36           | 6.89           |
| Hong Kong      | Hang Seng            | 24,503    | -0.78          | -9.78          | -13.08         |
| Singapore      | Straits Times        | 2,490     | -0.78          | -22.29         | -22.74         |
| Russia         | RTS Index            | 1,223     | 0.25           | -9.72          | -21.04         |
| Brazil         | Sao Paulo Se Bovespa | 98,363    | -2.84          | -4.91          | -14.94         |

Source: Refinitiv

## Currencies Update

| Currency    | 11-Sep-20 | Week Ago | Month ago | 6 Months Ago | Year Ago |
|-------------|-----------|----------|-----------|--------------|----------|
| U.S. Dollar | 73.43     | 73.29    | 74.61     | 73.68        | 71.55    |
| GBP         | 93.94     | 97.34    | 97.35     | 94.46        | 88.19    |
| Euro        | 86.98     | 86.75    | 87.59     | 83.02        | 78.77    |
| 100 Yen     | 69.15     | 68.97    | 70.06     | 70.46        | 66.35    |

Source: Refinitiv

## Global Bond Yield Update

| Indicators                    | 11-Sep-20 | Week ago | Month ago | 6 Months Ago | Year ago |
|-------------------------------|-----------|----------|-----------|--------------|----------|
| U.S. 10 Year Bond yield (%)   | 0.67      | 0.72     | 0.66      | 0.82         | 1.73     |
| U.K. 10 Year Bond yield (%)   | 0.18      | 0.27     | 0.20      | 0.30         | 0.64     |
| German 10 Year Bond yield (%) | -0.48     | -0.48    | -0.47     | -0.75        | -0.57    |
| Japan 10 Year Bond yield (%)  | 0.02      | 0.03     | 0.03      | -0.07        | -0.20    |

Source: Refinitiv

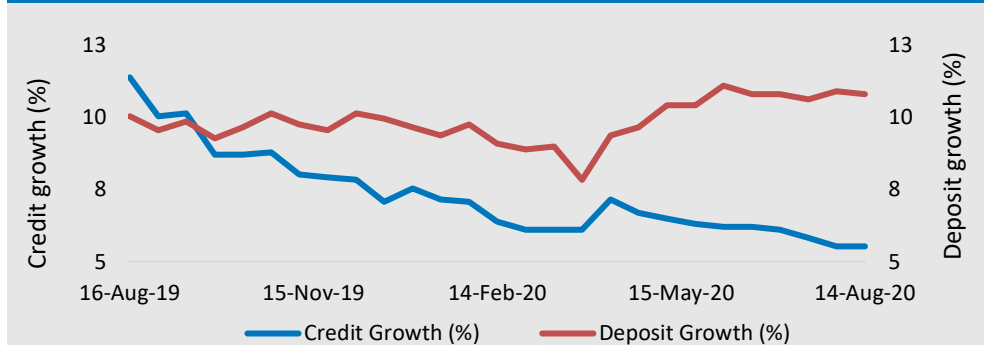
## Global Economic Calendar

| Economic Events                           | Release date | Actual  | Consensus | Previous |
|---|--------------|---------|-----------|----------|
| Japan Gross Domestic Product (QoQ)(Q2)    | 7-Sep        | -7.90%  | -8.10%    | -7.80%   |
| Eurozone Gross Domestic Product (QoQ)(Q2) | 8-Sep        | -11.80% | -12.10%   | -12.10%  |
| China Consumer Price Index (YoY)(Aug)     | 9-Sep        | 2.40%   | 2.40%     | 2.70%    |
| U.S. Consumer Price Index (MoM)(Aug)      | 11-Sep       | 0.40%   | 0.30%     | 0.60%    |

Source: FX Street; Refinitiv

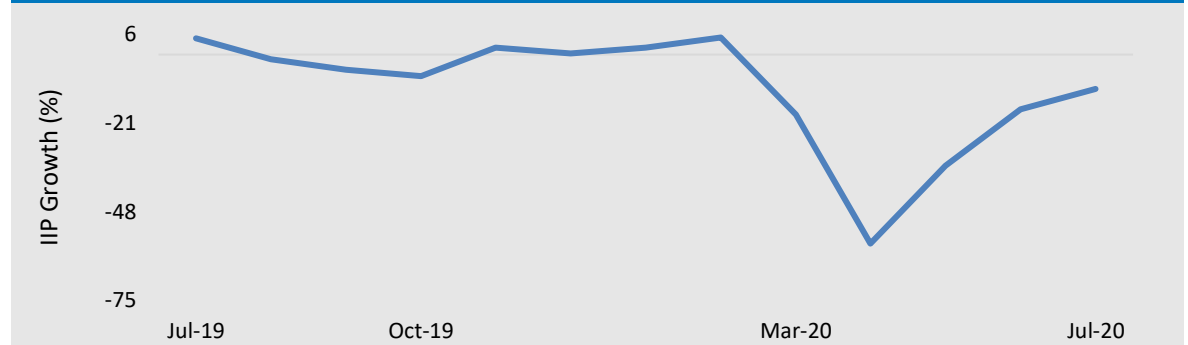
## Macro Economic Performance of India

### Credit growth vs Deposit growth



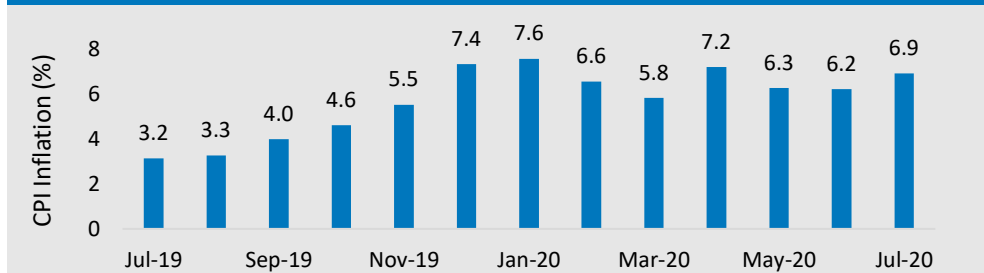
Source: Refinitiv

### IIP Growth (%)



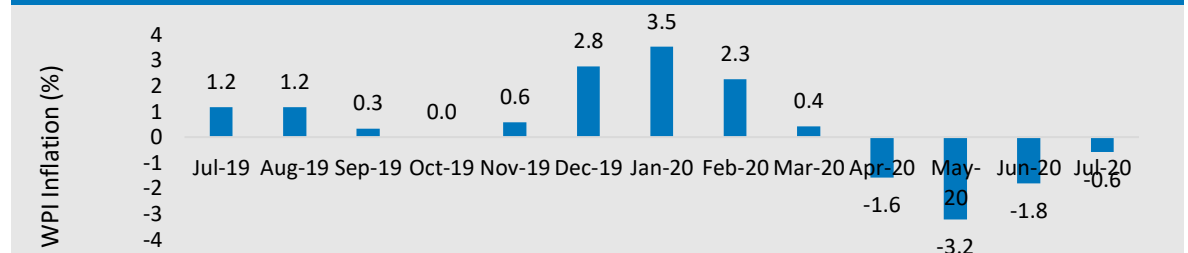
Source: Refinitiv

### Retail inflation movement



Source: Refinitiv

### Wholesale price inflation movement



Source: Refinitiv

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