

# Weekly Market Update

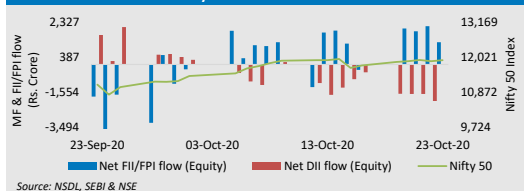
23 October, 2020

## Macro Economic Release

Indicators	Actual	Consensus	Previous
Imports (\$ billion) (Sep 2020)	30.31	NA	29.47
Exports (\$ billion) (Sep 2020)	27.58	NA	22.70
Trade Deficit (\$ billion) (Sep 2020)	2.73	3.30	6.77
WPI Inflation (Sep 2020)	1.32%	0.78%	0.16%

Source: Refinitiv

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI &amp; NSE

## Indian Equity Market Performance

Broad Indices	23-Oct-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	40,686	1.76	4.16	-1.38
Nifty 50	11,930	1.43	2.81	-1.96
S&P BSE 100	11,993	1.51	2.33	-1.98
Nifty 500	9,780	1.60	3.40	-0.93
Nifty Mid cap 50	4,757	3.12	6.66	1.20
Nifty Small cap 100	5,994	2.65	6.24	2.73

Sector Indices	23-Oct-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	18,266	1.44	1.36	-1.19
S&P BSE Bankex	27,786	4.14	-16.57	-24.23
S&P BSE CD	24,824	2.10	-8.71	-0.75
S&P BSE CG	14,146	3.85	-23.25	-16.51
S&P BSE FMCG	11,045	0.54	-8.51	-3.17
S&P BSE HC	19,637	-1.40	52.69	46.23
S&P BSE IT	21,738	-0.46	49.56	40.46
S&P BSE METAL	8,646	5.37	-4.59	-17.09
S&P BSE Oil & Gas	12,228	2.72	-19.59	-17.07
S&P BSE Power	1,692	4.73	-15.45	-12.16
S&P BSE PSU	4,660	4.51	-32.43	-33.01
S&P BSE Realty	1,854	9.34	-7.66	-18.69
S&P BSE Teck	9,936	0.55	39.29	28.75

Source: BSE &amp; NSE

## Macro economic Update

- As per media reports, the finance minister has asked officials to ensure that, by the end of Dec 2020, 14 state-owned companies would invest 75% of their capital expenditure for the year 2020. This is because the government looks to sustain the pace of capital and infrastructure projects in a bid to soften the economic blow from the pandemic. For the 14 central public sector enterprises (CPSEs) for FY21, the combined capex target is Rs 1.15 trillion.
- According to Ministry of Statistics and Programme Implementation (MoSPI), the unemployment rate in urban areas dropped to 8.4% in Jul-Sep quarter of 2019, compared to 9.7% in the same period in 2018 and 8.9% in Apr-Jun 2019. The decline in the unemployment rate was largely the result of an increase in the number of people employed in the labour force. According to the quarterly Periodic Labour Force Survey (PLFS), the labor force participation rate in urban areas increased by 0.6% point to 36.8% in Sep quarter of 2019 as against 36.1% in the year ago period and 36.2% in the Jun quarter of 2019.
- Labour and Employment Minister introduced a new series of consumer price index for industrial workers (CPI-IW), which is used by policymakers to set dearness allowance of employees. The CPI-IW for Sep 2020, under the new series, stood at 118. According to the Labour Bureau, the linking factor for the conversion of new series to the old one is 2.88. The CPI base year is being revised from 2001.

## Domestic Equity Market Update

- Indian equity markets witnessed modest gains during the week. Positive cues were generated from upbeat quarterly earning number reported by one of the major private sector lenders. The news raised hopes of similar quarterly earnings from other banks. Investor sentiment was also lifted by hopes of a U.S. stimulus package before the Presidential election and expectations of a COVID-19 vaccine by year-end.
- Market participants also cheered reports of decline in COVID-19 infections in India after a peak in mid-Sep. The declines in daily COVID-19 cases and the resultant deaths has given some comfort that there could be further relaxations to the economy. Robust earning numbers reported by one of the FMCG majors contributed to the buying interest.
- However, gains were largely erased as investors booked profits post the recent rally. Although, the Q2FY21 corporate earnings result are largely positive, nonetheless a lot is factored in. However, optimism continued as earnings trajectory stays in line with the estimate. Investors remained cautious as U.S. fiscal stimulus talks are getting delayed further and focus is drifting to the U.S. election outcome.
- On the BSE sectoral front, majority of the indices closed in the green. S&P BSE Realty was the top gainer, up 9.34%, followed by S&P BSE Metal and S&P BSE Power, which rose 5.37% and 4.73%, respectively. Realty sector went up, led by one of the major real estate deals, wherein a Bengaluru based privately-held realty firm sold 12.5 million sq ft of commercial assets to a fund managed by an offshore alternative asset management company for USD 2 billion. Meanwhile, S&P BSE Healthcare and S&P BSE IT were the only losers, down 1.40% and 0.46%, respectively.

## Indian Debt Market Indicators

Broad Indices	23-Oct-20	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.22%	3.36%	3.42%	4.15%	5.06%
T-Repo	3.08%	3.05%	3.23%	3.19%	4.91%
Repo	4.00%	4.00%	4.00%	4.40%	5.15%
Reverse Repo	3.35%	3.35%	3.35%	3.75%	4.90%
3 Month CP	3.38%	3.40%	3.60%	5.00%	5.80%
1 Year CP	4.30%	4.35%	4.50%	6.60%	6.90%
3 Month CD	3.22%	3.25%	3.45%	4.93%	5.23%
1 Year CD	3.73%	3.77%	3.97%	5.02%	5.88%

Source: CCL, Refinitiv \* As on Oct 16, 2020; \*\* As on Oct 09, 2020; † As on Sep 18, 2020; †† As on Apr 17, 2020; ††† As on Oct 18, 2019

Broad Indices	23-Oct-20	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	5.04%	5.33%	5.04%	5.68%	6.71%
3 Year AAA Corporate Bond	5.44%	5.57%	5.80%	6.39%	7.21%
5 Year AAA Corporate Bond	6.49%	6.62%	6.61%	6.85%	7.51%
1 Year G-Sec	3.44%	3.53%	3.65%	4.06%	5.52%
3 Year G-Sec	4.63%	4.79%	4.96%	4.68%	5.91%
5 Year G-Sec	5.13%	5.27%	5.35%	5.10%	6.33%
10 Year G-Sec	5.84%	5.94%	5.99%	6.06%	6.68%
Forex Reserve (\$ in billion)	555.12 <sup>**</sup>	551.51 <sup>**</sup>	545.04 <sup>†</sup>	479.57 <sup>††</sup>	440.75 <sup>†††</sup>

## 10 - Year benchmark G-Sec Movement



Source: Refinitiv

## Domestic Debt Market Update

- Bond yields plunged as the Reserve Bank of India provided continuous support by purchasing government securities through open market operations which eased concerns over excessive supply of sovereign debt in the market.
- Yield on the 10-year benchmark paper (5.77% GS 2030) plummeted 10 bps to close at 5.84% from the previous week's close of 5.94% after trading in a range of 5.84% to 5.95%. This was the biggest weekly fall in bond yields in as many as 7 weeks.
- RBI on Oct 23, 2020 conducted the auction of four government securities namely 5.09% GS 2022, 5.22% GS 2025, 5.77% GS 2030, and 6.80% GS 2060 for a notified amount of Rs. 31,000 crore for which the full amount was accepted. The cut of price (cut off yield) for 5.09% GS 2022, 5.22% GS 2025, 5.77% GS 2030, and 6.80% GS 2060 subsequently stood at Rs. 101.69 (3.89%), Rs. 100.10 (5.19%), Rs. 99.03 (5.90%) and Rs. 100.26 (6.78%), respectively.
- Data from RBI showed that India's foreign exchange reserves rose for the third straight week to hit a fresh record high of \$555.12 billion as of the week ended Oct 16, from \$551.51 billion in the prior week.

## Global Commodity Update

Commodities	23-Oct-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	39.63	-1.76	-29.07	-35.22
Brent Crude Oil (\$/barrel)	41.60	-2.78	-31.88	-36.99
Gold (\$/ounce)	1,900.79	0.10	27.41	25.30
Silver (\$/ounce)	24.58	1.70	40.02	37.86

Source: Refinitiv

## Currencies Update

Currency	23-Oct-20	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	73.83	73.44	73.57	75.89	70.72
GBP	96.27	94.82	93.60	93.74	91.34
Euro	87.55	86.05	85.78	81.78	78.70
100 Yen	70.50	69.64	69.80	70.52	65.05

Source: Refinitiv

## Global Equity Market Performance

Country/Region	Indices	23-Oct-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1,936.27	-0.55	16.80	8.52
U.K.	FTSE	5,860	-1.00	-19.29	-22.30
France	CAC 40	4,910	-0.53	-13.16	-17.87
Germany	DAX	12,646	-2.04	-1.19	-4.55
Japan	Nikkei 225	23,517	0.45	3.94	-0.59
China	Shanghai Composite	3,278	-1.75	11.44	7.47
Hong Kong	Hang Seng	24,919	2.18	-6.20	-11.60
Singapore	Straits Times	2,537	0.17	-19.30	-21.27
Russia	RTS Index	1,164	2.76	-16.40	-24.85
Brazil	Sao Paulo Se Bovespa	101,260	3.00	-5.84	-12.44

Source: Refinitiv

## Global Bond Yield Update

Indicators	23-Oct-20	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	0.84	0.74	0.68	0.61	1.76
U.K. 10 Year Bond yield (%)	0.28	0.19	0.22	0.29	0.69
German 10 Year Bond yield (%)	-0.57	-0.62	-0.50	-0.43	-0.40
Japan 10 Year Bond yield (%)	0.04	0.02	0.00	-0.01	-0.15

Source: Refinitiv

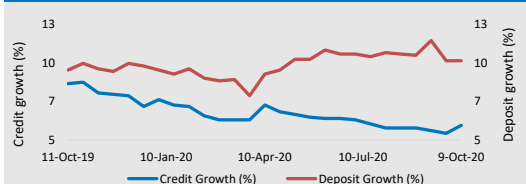
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
China Urban investment (ytd/lyy Sep 2020)	19-Oct	0.01	0.01	0.00
U.S. Housing Starts Number Sep 2020	20-Oct	1.42 M	1.46 M	1.39 M
U.K. CPI Y/Y Sep 2020	21-Oct	0.50%	0.50%	0.20%
U.S. Initial Jobless Claims W 17 Oct	22-Oct	787.00 K	763.00 K	842.00 K

Source: Refinitiv

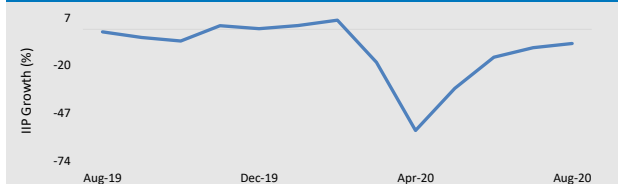
## Macro Economic Performance of India

### Credit growth vs Deposit growth



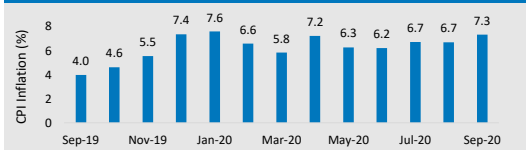
Source: Refinitiv

### IIP Growth (%)



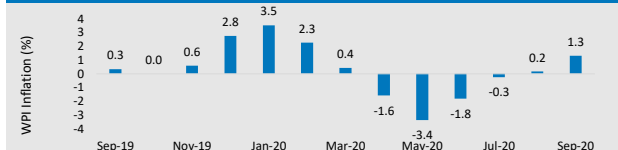
Source: Refinitiv

### Retail Inflation movement



Source: Refinitiv

### Wholesale price inflation movement



Source: Refinitiv

**ICRA Analytics Disclaimer:** All information contained herein is obtained by ICRA Analytics Ltd from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. ICRA Analytics Ltd adopts all necessary measures so that the information it uses is of sufficient quality and from sources ICRA Analytics Ltd considers to be reliable including, when appropriate, independent third-party sources. However, ICRA Analytics Ltd is not an auditor and cannot in every instance independently verify or validate information received in preparing this document.

All information contained herein must be construed solely as statements of opinion, and ICRA Analytics Ltd or its affiliates or group companies and its respective and any of its officers, directors, personnel and employees, disclaim liability to any loss, damage of any nature, including but not limited to direct, indirect, punitive, special, exemplary, consequential, as also any loss of profit in any way arising from the use of this document or its contents in any manner or for any contingency within or beyond the control of, ICRA Analytics Ltd or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information. Opinions expressed in the document are not the opinions of our holding company, ICRA Limited (ICRA), and should not be construed as any indication of credit rating or grading of ICRA for any instruments that have been issued or are to be issued by any entity. The recipient alone shall be fully responsible and/or are liable for any decision taken on the basis of this document and/or the information contained herein.

**Bajaj Allianz Life Insurance Co. Ltd. Disclaimer:** The information and data analysis ("Information") contained in this document is facilitated and arranged by ICRA Analytics Ltd and Bajaj Allianz Life Insurance Co. Ltd. ("BALIC") has subscribed to it for general information purposes only and does neither purport to be comprehensive or complete nor does it constitute financial, tax, legal or other professional advice on any aspect including life insurance, financial issues related to life insurance. The contents of this document do not in any way constitute investment advice and should not be construed as an offer to sell, a solicitation to buy, or an endorsement or recommendation of any company or security or fund. BALIC disclaims all responsibilities for investment decisions based on the content of this document or the dissemination or distribution of this report/communication/analysis to a third party. BALIC make no express or implied warranties or representations on the comments, opinions, reports, views given in this document and BALIC disclaims all warranties, whether express, implied, or statutory, including but not limited to warranties as to accuracy, reliability, usefulness, completeness, merchantability, or fitness of information for any particular purpose, non-infringement and any damages ensuing thereby. In no event shall BALIC (including its group company, affiliates, promoters) or its founders, directors, officers, agents, employees or content providers be liable for any direct, indirect, special, incidental, exemplary, punitive or consequential damages, whether or not advised of the possibility of such damages including without limitation, those pertaining to lost profits to any BALIC subscriber, participant, customer, or other person or entity for furnishing of information or arising from the contents/use of this Document. This Document is protected by intellectual property rights. Any material that it contains, including, but not limited to, texts, data, graphics, pictures, logos, icons, news, or html code is protected under intellectual property law and remains the BALIC's or third party's property. Unauthorized use of the materials appearing on this document may violate copyright, trademark and other applicable laws, and could result in criminal or civil penalties.

The Logo of Bajaj Allianz Life Insurance Co. Ltd. is provided on the basis of license given by Bajaj Finserv Ltd. to use its "Bajaj" Logo and Allianz SE to use its "Allianz" logo. Past performance is not indicative of future performance.

Regd. Office Address: Bajaj Allianz House, Airport Road, Yerawada, Pune - 411006, Reg.No.: 1161. CIN : U66010PN2001PLC015959 | Mail us : customercare@bajajallianz.co.in | Call on : Toll free no. 1800 297 7272 | Fax No: 02066026789 |