

Weekly Market Update

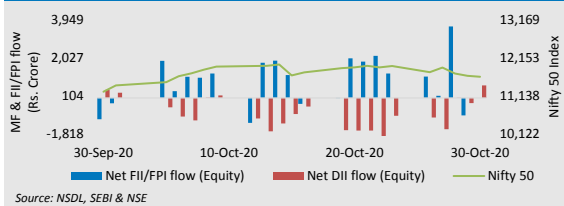
30 October, 2020

Macro Economic Release

Indicators	Actual	Consensus	Previous
Fiscal Deficit FYTD (\$ billion) (Sep 20)	91.40	NA	87.03
Infrastructure Growth (Sep 2020)	-0.8%	NA	-7.3%
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



Indian Equity Market Performance

Broad Indices	30-Oct-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	39,614	-2.63	-1.28	-3.97
Nifty 50	11,642	-2.41	-1.98	-4.32
S&P BSE 100	11,721	-2.27	-2.32	-4.21
Nifty 500	9,582	-2.03	-1.11	-2.95
Nifty Mid cap 50	4,666	-1.92	0.57	-0.75
Nifty Small cap 100	5,819	-2.92	1.29	-0.27

Sector Indices	30-Oct-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	17,517	-4.10	-7.54	-5.24
S&P BSE Bankex	27,389	-1.43	-19.27	-25.31
S&P BSE CD	24,076	-3.01	-10.48	-3.74
S&P BSE CG	14,167	0.15	-24.73	-16.39
S&P BSE FMCG	10,923	-1.10	-10.81	-4.24
S&P BSE HC	19,258	-1.93	45.57	43.40
S&P BSE IT	21,059	-3.12	36.82	36.08
S&P BSE METAL	8,208	-5.07	-11.80	-21.30
S&P BSE Oil & Gas	12,126	-0.84	-22.93	-17.76
S&P BSE Power	1,729	2.21	-12.95	-10.22
S&P BSE PSU	4,558	-2.17	-36.61	-34.47
S&P BSE Realty	1,804	-2.71	-12.55	-20.89
S&P BSE Tech	9,664	-2.74	29.51	25.22

Source: BSE & NSE

Macro economic Update

- Government data showed that India's infrastructure output contracted 0.8% in Sep 2020 as compared to a contraction of 7.3% in Aug 2020 and a contraction of 5.1% in the same period of the previous year. The natural gas sector witnessed the maximum contraction of 10.6% followed by refinery products sector and crude oil sector which contracted 9.5% and 6.0% respectively.
- Government data showed that India's fiscal deficit during the period from Apr to Sep of 2020 stood at Rs. 9.14 lakh crore. India's fiscal deficit target thus exceeded the full year target of Rs. 7.96 lakh crore by almost 15%. India's fiscal deficit widened as government's revenue remained subdued on account of COVID-19 pandemic. Total receipts for the government stood at Rs. 5.65 lakh crore or 25.2% of the budget estimate as compared to 40.2% of the budget estimate in the corresponding period of the previous year.
- According to World Bank, remittances to India may come down by 9% to \$76 billion which it attributed to the ongoing COVID-19 pandemic and global economic recession. World Bank further added that some of the factors which may lead to a decline in remittances are weak economic growth, increasing unemployment, lower global crude oil prices and weakening of the currencies of remittance-source countries against the greenback.

Domestic Equity Market Update

- Indian equity markets settled for the week in the red as the surge in the COVID-19 cases at an alarming pace in U.S. and Europe raised concerns that economies may resort to lockdowns and travel restrictions. Fresh curbs by Germany and France added to the woes further. Uncertainty around the U.S. Presidential election due on Nov 3, 2020 kept investors on tenterhooks.
- Back home, investors adopted cautious stance as the first phase of polling for the Bihar Assembly Election began this week. Markets also witnessed volatility owing to expiry of the Oct series of F&O contracts.
- Investors also reacted to data showing India's infrastructure output remained in contraction, albeit at a slower rate in Sep 2020. Additionally, India's fiscal deficit during the period from Apr to Sep of 2020 exceeded the full year target of Rs. 7.96 lakh crore by almost 15%.
- Meanwhile, the downturn was restricted by hopes of higher foreign fund inflow after MSCI said it will implement the new regime on foreign ownership limits in the MSCI Global Indexes containing Indian securities in the Nov 2020 Semi Annual Index Review.
- On the BSE sectoral front, barring S&P BSE Power and S&P BSE Capital Goods, all the major indices closed in the red. S&P BSE Metal was the major loser, down 5.07%, followed by S&P BSE Auto and S&P BSE IT, which slipped 4.10% and 3.12%, respectively.

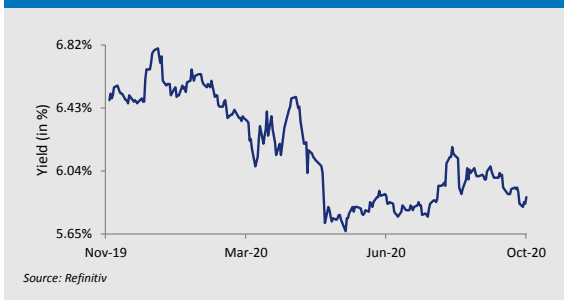
Indian Debt Market Indicators

Broad Indices	30-Oct-20	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.25%	3.22%	3.43%	4.19%	5.10%
T-Repo	3.07%	3.08%	3.21%	3.75%	4.82%
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 ^[1]	3.35%	3.38%	3.55%	5.45%	5.60%
1 Year Cp ^[1]	4.30%	4.30%	4.50%	6.90%	6.80%
3 Month CD ^[1]	3.20%	3.22%	3.39%	4.60%	5.48%
1 Year CD ^[1]	3.72%	3.73%	3.94%	4.79%	5.90%

Source: CCIL, Refinitiv * As on Oct 23, 2020; ** As on Oct 16, 2020; @ As on Sep 25, 2020; @@@ As on Apr 24, 2020; @@@@ As on Oct 25, 2019

Broad Indices	30-Oct-20	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	4.99%	5.04%	5.61%	5.74%	6.75%
3 Year AAA Corporate Bond	5.43%	5.44%	5.85%	6.59%	7.22%
5 Year AAA Corporate Bond	6.47%	6.49%	6.71%	6.90%	7.49%
1 Year G-Sec ^[1]	3.47%	3.44%	3.71%	3.93%	5.50%
3 Year G-Sec ^[1]	4.63%	4.63%	4.94%	4.73%	5.94%
5 Year G-Sec ^[1]	5.17%	5.13%	5.39%	5.15%	6.31%
10 Year G-Sec ^[1]	5.88%	5.84%	6.02%	6.11%	6.66%
Forex Reserve (\$ in billion)	560.53*	555.12**	542.02@	479.46@@	442.58@@@

10 - Year benchmark G-Sec Movement



Domestic Debt Market Update

- Bond yields increased on profit booking and as market participants remained cautious ahead of the Reserve Bank of India's (RBI) open market purchase, along with weekly debt auction, which were conducted on Friday. Yields rose further as sentiment continues to be supported on dovish comments from the Reserve Bank of India (RBI).
- Yield on the 10-year benchmark paper (5.77% GS 2030) increased 4 bps to close at 5.88% from the previous week's close of 5.84% after trading in a range of 5.79% to 5.89%.
- RBI conducted the auction of New GS 2023, GoI FRB 2033, New GS 2035, New GS 2050 for a notified amount of Rs. 6000 crore, Rs. 3000 crore, Rs. 9000 crore and Rs. 5000 crore, respectively which was fully accepted. The cut-off rate stood at 4.48%, 4.9528%, 6.22% and 6.67%, respectively.
- RBI conducted the auction of open market operations (OMO) purchase of 7.72% GS 2025, 8.28% GS 2027, 6.79% GS 2029 and 7.95% GS 2032 for an aggregate amount of Rs. 20,000 crore, which was fully accepted. The cut-off rate stood at 4.48%, 4.9528%, 6.22% and 6.67%, respectively.

[1] Data as on 29 Oct, 2020

Global Commodity Update

Commodities	30-Oct-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	35.61	-10.14	-35.08	-41.79
Brent Crude Oil (\$/barrel)	37.45	-9.98	-38.15	-43.27
Gold (\$/ounce)	1,877.95	-1.20	25.60	23.79
Silver (\$/ounce)	23.63	-3.86	32.31	32.53

Source: Refinitiv

Global Equity Market Performance

Country/Region	Indices	30-Oct-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1,825.67	-5.71	8.49	2.32
U.K.	FTSE	5,577	-4.83	-23.92	-26.05
France	CAC 40	4,594	-6.42	-20.32	-23.15
Germany	DAX	11,556	-8.61	-10.49	-12.77
Japan	Nikkei 225	22,977	-2.29	0.59	-2.87
China	Shanghai Composite	3,225	-1.63	9.70	5.72
Hong Kong	Hang Seng	24,107	-3.26	-9.60	-14.48
Singapore	Straits Times	2,424	-4.48	-24.44	-24.79
Russia	RTS Index	1,067	-8.37	-25.51	-31.14
Brazil	Sao Paulo Se Bovespa	93,952	-7.22	-13.33	-18.76

Source: Refinitiv

Currencies Update

Currency	30-Oct-20	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	74.55	73.83	73.56	75.08	70.95
GBP	96.48	96.27	95.03	94.54	91.53
Euro	86.83	87.55	86.20	82.25	79.10
100 Yen	71.23	70.50	69.76	70.03	65.18

Source: Refinitiv

Global Bond Yield Update

Indicators	30-Oct-20	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	0.84	0.84	0.68	0.63	1.80
U.K. 10 Year Bond yield (%)	0.25	0.28	0.23	0.23	0.69
German 10 Year Bond yield (%)	-0.63	-0.57	-0.52	-0.59	-0.36
Japan 10 Year Bond yield (%)	0.04	0.04	0.01	-0.04	-0.12

Source: Refinitiv

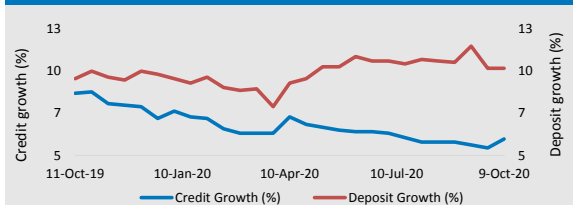
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. New Home Sales-Units Sep 2020	26-Oct	0.96 M	1.03 M	0.99 M
U.S. Durable Goods Sep 2020	27-Oct	1.90%	0.50%	0.40%
Germany Import Prices MM Sep 2020	28-Oct	0.30%	-0.30%	0.10%
U.S. Initial Jobless Claims W 24 Oct	29-Oct	751.00 K	775.00 K	791.00 K

Source: FX Street, Refinitiv

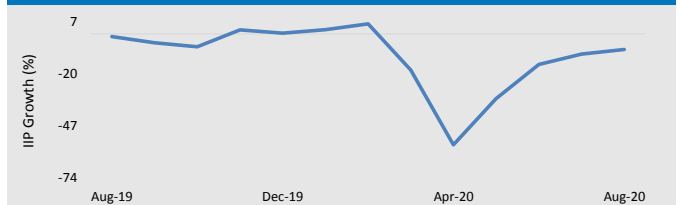
Macro Economic Performance of India

Credit growth vs Deposit growth



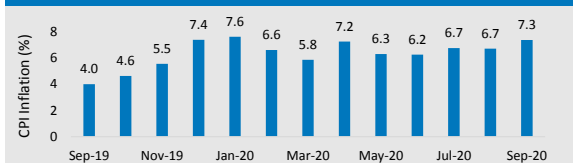
Source: Refinitiv

IIP Growth (%)



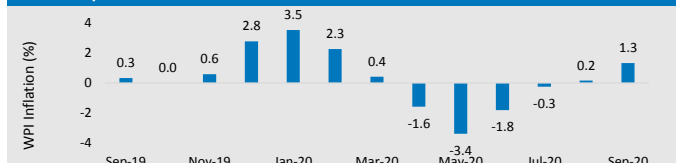
Source: Refinitiv

Retail inflation movement



Source: Refinitiv

Wholesale price inflation movement



Source: Refinitiv

[1] Data as on 29 Oct, 2020

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