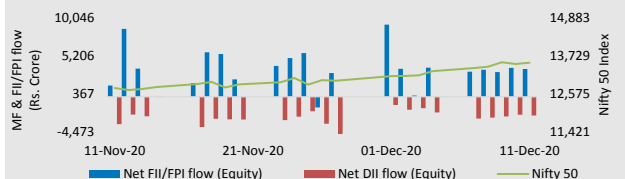


## Macro Economic Release

Indicators	Actual	Consensus	Previous
Nikkei India Services PMI (Nov 2020)	53.7	55.5	54.10
Nikkei India Manufacturing PMI (Nov 2020)	56.3	57.3	58.90
GDP Quarterly Growth (Q2FY21)	-7.5%	-8.8%	-23.9%
IIP (Oct 2020)	3.6%	1.1%	0.2%

Source: Refinitiv

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

## Indian Equity Market Performance

Broad Indices	11-Dec-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	46,099	2.26	14.07	11.75
Nifty 50	13,514	1.93	13.46	11.06
S&P BSE 100	13,643	1.91	14.16	11.50
Nifty 500	11,171	1.75	15.93	13.16
Nifty Mid cap 50	5,743	0.82	26.43	22.16
Nifty Small cap 100	6,824	1.86	22.32	16.95

Sector Indices	11-Dec-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	20,776	-1.16	18.27	12.39
S&P BSE Bankex	35,026	1.94	-1.86	-4.49
S&P BSE CD	28,143	-0.46	12.97	12.52
S&P BSE CG	17,771	1.14	7.34	4.88
S&P BSE FMCG	12,685	6.07	11.35	11.22
S&P BSE HC	21,027	0.24	58.35	56.58
S&P BSE IT	22,667	1.80	51.24	46.47
S&P BSE METAL	11,160	1.09	19.44	7.01
S&P BSE Oil & Gas	14,435	2.97	-1.86	-2.10
S&P BSE Power	2,065	-0.91	11.18	7.23
S&P BSE PSU	5,828	3.28	-12.39	-16.21
S&P BSE Realty	2,310	3.16	7.54	1.28
S&P BSE Teck	10,490	1.82	40.19	35.92

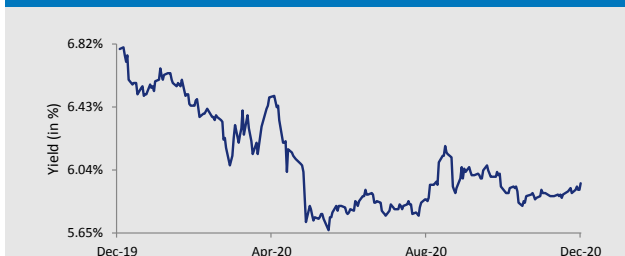
Source: BSE & NSE

## Indian Debt Market Indicators

Broad Indices	11-Dec-20	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.13%	3.06%	3.18%	3.59%	5.00%
T-Repo	3.08%	3.00%	2.93%	3.01%	4.58%
Repo	4.00%	4.00%	4.00%	4.00%	5.15%
Reverse Repo	3.35%	3.35%	3.35%	3.35%	4.90%
3 Month CP	3.35%	3.30%	3.34%	4.30%	5.40%
1 Year CP	4.05%	4.05%	4.25%	5.70%	6.65%
3 Month CD	3.09%	3.30%	3.19%	3.47%	5.09%
1 Year CD	3.76%	3.61%	3.72%	4.32%	5.90%

Source: CIL, Refinitiv \* As on Dec 04, 2020; \*\* As on Nov 27, 2020; \* As on Nov 06, 2020; \*\* As on Jun 05, 2020; \*\*\* As on Dec 06, 2019

## 10 - Year benchmark G-Sec Movement



Source: Refinitiv

## Macro economic Update

- Index of Industrial production (IIP) expanded 3.6% in Oct 2020 compared with 6.6% contraction in Oct 2019 mostly attributed to rise in manufacturing and electricity generation sectors. Manufacturing and electricity generation sectors recorded a rise of 3.5% and 11.2%, respectively. Mining sector contracted 1.5% in Oct 2020.
- According to the Centre for Monitoring Indian Economy, India's employment contracted for the second straight month in Nov 2020. In Nov 2020, the count of the employed had dropped by 0.9% compared with 0.1% in Oct 2020. This raised questions on the recent optimism around recovery in job markets in the aftermath of COVID-19 pandemic.
- According to a global rating agency, India's Gross Domestic Product (GDP) projected to fall 9.4% in FY21, better than previous forecast of 10.5% contraction after the domestic economy showed a sharper rebound in the Sep quarter. Agency said the coronavirus recession has inflicted severe economic scarring and the country needs to repair balance sheets and increase caution about long-term planning.
- In the past seven months, over Rs. 21,000 crore of dues have been paid by the Union government agencies and Central Public Sector Enterprises to micro, small and medium enterprises (MSMEs) for procurement from these firms.

## Domestic Equity Market Update

- Indian equity markets extended the rally with Sensex and Nifty touching fresh record highs and settling above 46,000 and 13,500 mark respectively.
- Investor sentiments were buoyed by growing foreign institutional fund inflow in the domestic bourses. Pick up of foreign portfolio investment in domestic equities through Mauritius, after moderating for past six years, also boosted market sentiments.
- Investors also cheered news of progress in coronavirus vaccines. According to media reports, Serum Institute of India and another Hyderabad-based bio-tech company applied to the Drugs Controller General of India for emergency use authorisation of its COVID-19 vaccine, Covaxin.
- Market participants also showed renewed interest in PSUs across different sectors on hopes of divestment and dividend expectations from cash-rich PSU companies.
- Nonetheless, bouts of profit booking across sectors and stocks restricted gains. Buying interest was also affected by weak global cues amid recent surge in coronavirus cases in U.S.
- On the BSE sectoral front, majority of the sectors settled for the week in the green. S&P BSE FMCG was the top gainer, up 6.07%, followed by S&P BSE Realty and S&P BSE Oil & Gas, which went up 3.16% and 2.97%.
- FMCG sector witnessed strong buying interest as the industry is seeing a steep growth in some segments as households are spending more on consumer-packaged goods, health, hygiene, and nutritional products.
- Meanwhile, S&P BSE Auto was the major loser, down 1.16%, followed by S&P BSE Power and S&P BSE Consumer Durables, which slipped 0.91% and 0.46%, respectively.

## Domestic Debt Market Update

Broad Indices	11-Dec-20	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	4.93%	4.90%	5.02%	5.76%	6.84%
3 Year AAA Corporate Bond	5.46%	5.31%	5.35%	6.40%	7.45%
5 Year AAA Corporate Bond	6.36%	6.37%	6.46%	6.82%	7.77%
1 Year G-Sec	3.72%	3.69%	3.43%	3.77%	5.57%
3 Year G-Sec	4.49%	4.43%	4.55%	4.56%	6.35%
5 Year G-Sec	5.14%	5.06%	5.18%	5.42%	6.54%
10 Year G-Sec	5.96%	5.90%	5.90%	5.78%	6.76%
Forex Reserve (\$ in billion)	579.35*	574.82**	568.49*	501.70***	453.42***

## Domestic Debt Market Update

- Bond yields rose as the Reserve Bank of India (RBI) failed to announce any open market operation (OMO) for this week. Yields rose further even as the delayed announcement of a special OMO next week failed to enthruse market participants.
- However, losses were limited following media reports that in order to support development, government is considering recommending a loosening of the RBI's inflation target.
- Yield on the 10-year benchmark paper (5.77% GS 2030) rose 6 bps to close at 5.96% from the previous week's close of 5.90% after moving in a range of 5.90% to 5.96%.
- RBI announced special OMO simultaneous purchase (4 to 9 year maturities) and sale (4 & 5 months maturity) of government securities or an aggregate amount of Rs. 10,000 crore each on Dec 17, 2020.
- RBI conducted the auction of state development loans by 13 state governments for a notified amount of Rs. 11,670 crore of which the accepted amount stood at Rs. 10,420 crore. Gujarat has not accepted any amount in the auction. Telangana has accepted an additional amount of Rs. 250 crore. The cut-off yield stood in the range of 5.93% to 6.69%.

## Global Commodity Update

Commodities	11-Dec-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	46.40	0.80	-21.09	-24.16
Brent Crude Oil (\$/barrel)	49.93	2.04	-21.87	-24.37
Gold (\$/ounce)	1,839.03	0.08	24.70	21.23
Silver (\$/ounce)	23.91	-1.05	41.89	34.11

Source: Refinitiv

## Currencies Update

Currency	11-Dec-20	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	73.74	73.76	74.44	75.97	70.70
GBP	97.50	99.11	98.42	95.72	93.28
Euro	89.30	89.39	87.67	85.82	78.68
100 Yen	70.87	70.80	70.60	71.09	65.12

Source: Refinitiv

## Global Equity Market Performance

Country/Region	Indices	11-Dec-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	2,066.10	-0.77	19.05	15.80
U.K.	FTSE	6,547	-0.05	-9.28	-13.20
France	CAC 40	5,508	-1.81	-6.03	-7.87
Germany	DAX	13,114	-1.39	-0.25	-1.02
Japan	Nikkei 225	26,653	-0.37	13.94	12.66
China	Shanghai Composite	3,347	-2.83	14.46	9.74
Hong Kong	Hang Seng	26,506	-1.23	-0.52	-5.97
Singapore	Straits Times	2,822	-0.64	-11.07	-12.45
Russia	RTS Index	1,413	4.09	-3.44	-8.78
Brazil	Sao Paulo Se Bovespa	115,128	1.21	3.75	-0.45

Source: Refinitiv

## Global Bond Yield Update

Indicators	11-Dec-20	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	0.89	0.97	0.97	0.65	1.79
U.K. 10 Year Bond yield (%)	0.17	0.35	0.41	0.20	0.78
German 10 Year Bond yield (%)	-0.64	-0.54	-0.50	-0.42	-0.32
Japan 10 Year Bond yield (%)	0.02	0.03	0.04	0.00	-0.01

Source: Refinitiv

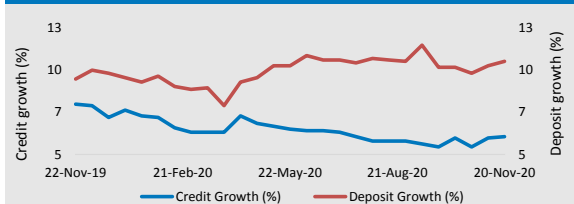
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.K. Halifax House Prices MM Nov 2020	7-Dec	1.20%	--	0.30%
Euro Zone GDP Revised QQ Q3 2020	8-Dec	12.50%	12.60%	-11.70%
China PPI YY Nov 2020	9-Dec	-1.50%	-1.80%	-2.10%
U.S. CPI MM, SA Nov 2020	10-Dec	0.20%	0.10%	0.00%

Source: FX Street; Refinitiv

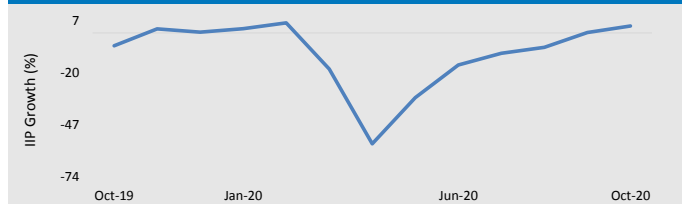
## Macro Economic Performance of India

### Credit growth vs Deposit growth



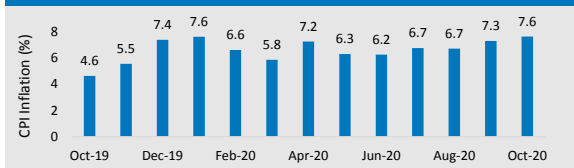
Source: Refinitiv

### IIP Growth (%)



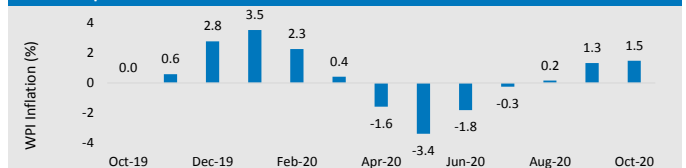
Source: Refinitiv

### Retail inflation movement



Source: Refinitiv

### Wholesale price inflation movement



Source: Refinitiv

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Regd. Office Address: Bajaj Allianz House, Airport Road, Yerawada, Pune - 411006, Reg.No.: 116. | CIN : U66010PN2001PLC015959 | Mail us : [customercare@bajajallianz.co.in](mailto:customercare@bajajallianz.co.in) | Call on : Toll free no. 1800 209 7272 | Fax No: 02066026789 |