

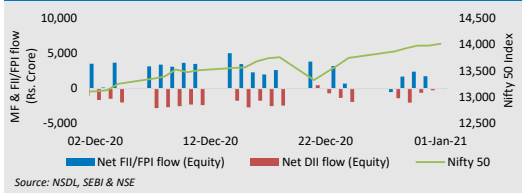
Weekly Market Update

Macro Economic Release

Indicators	Actual	Consensus	Previous
Imports (\$ billion) (Nov 2020)	33.39	NA	33.61
Exports (\$ billion) (Nov 2020)	23.52	NA	24.89
Trade Deficit (\$ billion) (Nov 2020)	9.87	NA	8.72
Infrastructure Growth (Nov 2020)	-2.6%	NA	-2.5%

Source: Refinitiv

FII and DII Investment vs Nifty 50



Indian Equity Market Performance

Broad Indices	01-Jan-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	47,869	1.91	15.89	0.25
Nifty 50	14,019	1.96	15.07	0.26
S&P BSE 100	14,150	2.01	15.49	0.35
Nifty 500	11,575	2.20	17.05	0.49
Nifty Mid cap 50	5,966	3.91	26.62	1.59
Nifty Small cap 100	7,170	3.88	22.01	1.16

Sector Indices	01-Jan-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	20,986	3.29	14.10	0.84
S&P BSE Bankex	35,799	2.50	-2.12	-0.25
S&P BSE CD	30,360	3.95	23.10	-0.11
S&P BSE CG	18,946	3.02	11.24	1.07
S&P BSE FMCG	12,696	0.84	10.76	0.69
S&P BSE HC	21,855	1.10	62.31	0.80
S&P BSE IT	24,471	1.90	57.17	0.92
S&P BSE METAL	11,607	2.76	11.56	0.06
S&P BSE Oil & Gas	14,140	1.26	-3.85	0.35
S&P BSE Power	2,076	1.27	5.89	0.68
S&P BSE PSU	5,843	2.64	-16.40	1.07
S&P BSE Realty	2,501	5.94	9.89	0.93
S&P BSE Teck	11,206	1.57	44.68	0.95

Source: BSE & NSE

Macro economic Update

- Data from Reserve Bank of India showed that India's current account surplus moderated to US\$ 15.5 billion (2.4% of GDP) in Q2 of FY21 from US\$ 19.2 billion (3.8% of GDP) in Q1 of FY21. India has a current account deficit of US\$ 7.6 billion (1.1% of GDP) in the same period of the previous year. The current account surplus moderated on account of widening of the merchandise trade deficit which increased to US\$ 14.8 billion in the quarter under review from US\$ 10.8 billion in the preceding quarter. However, India's current account surplus rose to 3.1% of GDP in H1 of FY21 as against a deficit of 1.6% in H1 of FY20 due to a sharp contraction in the trade deficit.
- India's infrastructure output contracted 2.6% in Nov 2020 as compared to a contraction of 0.9% in Oct 2020 and an expansion of 0.7% in the same period of the previous year. India's infrastructure output thus contracted for the ninth consecutive month. The natural gas sector witnessed the maximum contraction of 9.3% followed by cement sector and crude oil sector which contracted 7.1% and 4.9% respectively. The sectors which witnessed expansion over the month are coal, fertilizers and electricity sector which grew 2.9%, 1.6%, and 2.2% respectively.
- Government data showed that India's fiscal deficit for the period from Apr to Nov of 2020 came in at Rs. 10.76 lakh crore or 135.1% of the budget estimate for FY21 as compared to 114.8% in the corresponding period of the previous year.

Domestic Equity Market Update

- Indian equity rallied during the week with Nifty 50 surpassing the 14,000 mark and Sensex nearing 48,000-mark. Upbeat global cues helped domestic equity market indices touch fresh closing highs.
- Investors around the world cheered after U.S. President signed a \$2.3 trillion spending package. Further, market participants continued to celebrate post Brexit trade deal between Britain and European Union.
- Optimism over additional U.S. fiscal aid and massive vaccination efforts spurred hopes of a strong global economic recovery in 2021. Meanwhile, Britain approved a COVID-19 vaccine developed by AstraZeneca and Oxford University for emergency supply in the U.K.
- Bourses extended rally on the first trading session of 2021 as combined effect of foreign fund inflows and real earnings growth buoyed market sentiments.
- Optimism over economic growth amid encouraging developments on COVID-19 vaccine front, and expectations that the government will announce additional stimulus measures also kept investor sentiments positive.
- On the BSE sectoral front, all the major indices closed in the green. S&P BSE Realty was the top gainer, up 5.94%, followed by S&P BSE Consumer Durables and S&P BSE Auto which rose 3.95% and 3.29%, respectively.
- Realty sector rose amid growing expectation over rise in demand in both residential and commercial real estate going ahead.

Indian Debt Market Indicators

Broad Indices	01-Jan-21	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.20%	3.23%	3.09%	3.55%	5.12%
T-Repo	2.66%	3.17%	2.93%	2.90%	4.60%
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	3.55%	3.30%	3.18%	3.90%	5.85%
1 Year CP	4.25%	4.15%	4.00%	4.80%	6.85%
3 Month CD	2.99%	3.10%	3.28%	3.24%	5.10%
1 Year CD	3.77%	3.79%	3.60%	3.96%	6.12%

Source: CCL, Refinitiv *As on Dec 25, 2020; **As on Dec 18, 2020; ***As on Nov 27, 2020; ****As on Jun 26, 2020;

Broad Indices	01-Jan-21	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	4.71%	4.97%	4.95%	5.41%	6.72%
3 Year AAA Corporate Bond	5.40%	5.45%	5.39%	5.96%	7.40%
5 Year AAA Corporate Bond	6.30%	6.37%	6.45%	6.50%	7.63%
1 Year G-Sec	3.71%	3.83%	3.77%	3.67%	5.55%
3 Year G-Sec	4.40%	4.44%	4.45%	4.37%	6.31%
5 Year G-Sec	5.10%	5.13%	5.11%	5.05%	6.43%
10 Year G-Sec	5.90%	5.93%	5.93%	5.84%	6.50%
Forex Reserve (\$ in billion)	580.84 ^{**}	581.13 ^{**}	574.82 [@]	506.84 ^{@@}	457.47 ^{@@@}

***As on Dec 27, 2019

10 - Year benchmark G-Sec Movement



Domestic Debt Market Update

- Bond yields decline on expectations of additional open market operations (OMO) by the Reserve Bank of India (RBI).
- Yield on the 10-year benchmark paper (5.77% GS 2030) fell 3 bps to 5.90% from the previous close of 5.93% after trading in the range of 5.89% to 5.94%.
- RBI conducted the auction of special OMO of simultaneous purchase and sale of government of India securities for a notified amount of Rs. 10,000 crore each, which were fully accepted. RBI bought 8, 10 & 14 year maturities and sold securities maturing within one year.
- RBI conducted the auction of four government securities- 4.48% GS 2023, GOI FRB 2033, 6.22% GS 2035 and 6.67% GS 2050 for an aggregate amount of Rs. 22,000 crore, which was fully accepted. The cut off stood at Rs. 100.84/4.1601%, Rs. 100.36/4.5249%, Rs. 99.45/6.2783 and Rs. 101.72/6.5380, respectively.
- According to the sectoral deployment of bank credit for Nov 2020, non-food bank credit grew 6.0% in Nov 2020, slower than 7.2% in Nov 2019. Reversing the downtrend, credit growth to agriculture and allied activities accelerated to 8.5% in Nov 2020 from 6.5% in Nov 2019.

[1] Data as on 31 Dec, 2020; [2] Data as on 30 Dec, 2020

Global Commodity Update

Commodities	01-Jan-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel) ^[1]	48.40	0.33	-20.98	-20.89
Brent Crude Oil (\$/barrel) ^[2]	51.72	0.82	-21.66	-21.66
Gold (\$/ounce)	1,898.10	1.19	25.13	25.01
Silver (\$/ounce)	26.36	1.97	47.84	47.83

Source: Refinitiv

Currencies Update

Currency	01-Jan-21	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	73.12	73.56	73.48	75.48	71.22
GBP	99.96	99.65	98.58	94.12	94.40
Euro	88.75	89.77	88.69	84.92	79.84
100 Yen	70.85	71.06	70.42	70.22	65.52

Source: Refinitiv

Global Equity Market Performance

Country/Region	Indices	31-Dec-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	2,120.87	1.05	18.87	18.87
U.K.	FTSE	6,461	-0.64	-14.34	-14.34
France	CAC 40	5,551	0.53	-7.14	-7.14
Germany ^[2]	DAX	13,719	0.97	3.55	3.55
Japan ^[2]	Nikkei 225	27,444	2.95	16.01	16.01
China	Shanghai Composite	3,473	2.25	13.87	13.87
Hong Kong	Hang Seng	27,231	3.20	-3.40	-3.40
Singapore	Straits Times	2,844	0.06	-11.76	-11.76
Russia ^[2]	RTS Index	1,387	0.66	-10.42	-10.42
Brazil ^[2]	Sao Paulo Se Bovespa	119,017	1.03	2.92	2.92

Source: Refinitiv

Global Bond Yield Update

Indicators	31-Dec-20	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	0.91	0.93	0.93	0.68	1.91
U.K. 10 Year Bond yield (%)	0.20	0.26	0.35	0.21	0.82
German 10 Year Bond yield (%)	-0.57	-0.55	-0.52	-0.40	-0.19
Japan 10 Year Bond yield (%)	0.02	0.01	0.02	0.05	-0.02

Source: Refinitiv

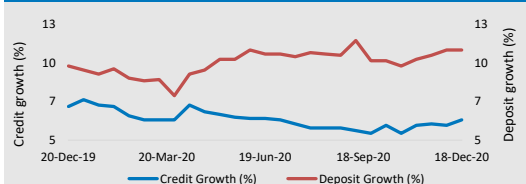
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. Dallas Fed Mfg Bus Idx Dec 2020	28-Dec	9.70	-	12.00
U.S. CaseShiller 20 YY Oct 2020	29-Dec	0.08	0.07	0.07
U.K. Nationwide house price mm Dec 2020	30-Dec	0.80%	0.40%	0.90%
U.S. Initial Jobless Claims W 26 Dec	31-Dec	787.00 K	833.00 K	806.00 K

Source: Refinitiv

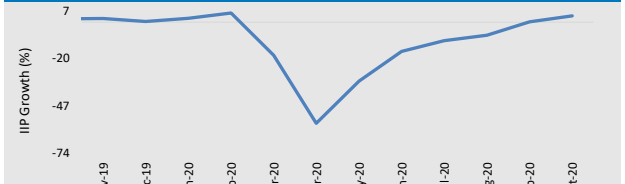
Macro Economic Performance of India

Credit growth vs Deposit growth



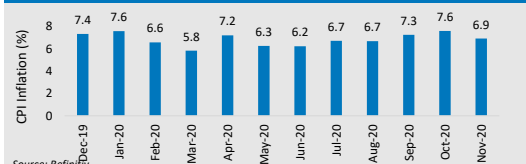
Source: Refinitiv

IIP Growth (%)



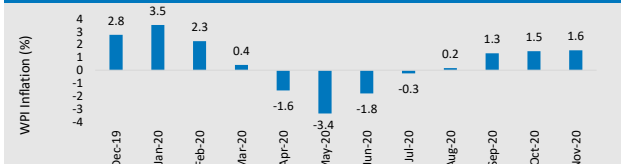
Source: Refinitiv

Retail inflation movement



Source: Refinitiv

Wholesale price inflation movement



Source: Refinitiv

[1] Data as on 31 Dec, 2020; [2] Data as on 30 Dec, 2020

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