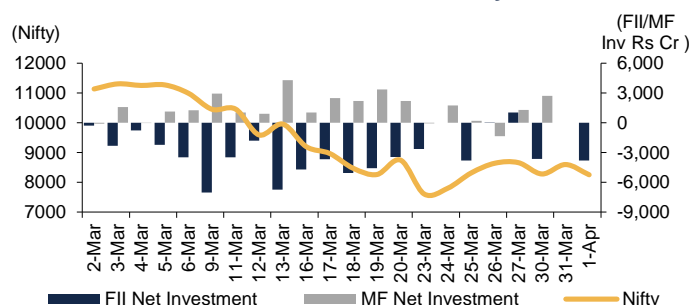


## Indian equity benchmark indices' returns

Broad Indices	Apr 3	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	27,591	-7.46	-33.46	-29.03
Nifty 50	8,084	-6.66	-33.88	-30.58
Nifty 500	6,638	-5.21	-33.23	-31.27
S&P BSE 100	8,180	-5.90	-33.51	-30.82
S&P BSE Midcap	10,219	-3.03	-32.39	-33.79
S&P BSE Smallcap	9,409	-0.93	-32.74	-37.21

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Apr 3	% chg week	% chg 3 Mon	% chg Year
S&P BSE Oil & Gas	10,007	7.15	-32.45	-32.66
S&P BSE Healthcare	12,395	6.59	-8.74	-12.90
S&P BSE FMCG	9,982	3.63	-12.67	-14.33
S&P BSE Metal	5,466	-2.46	-48.43	-52.61
S&P BSE Power	1,331	-2.54	-31.78	-34.53
S&P BSE CD	18,770	-3.62	-23.71	-20.06
S&P BSE CG	10,584	-5.50	-38.93	-42.60
S&P BSE Realty Index	1,321	-7.45	-42.29	-37.28
S&P BSE IT	11,781	-7.90	-25.33	-24.57
S&P BSE Auto	10,270	-8.50	-43.92	-46.41
S&P BSE Bankex	19,754	-13.98	-45.91	-41.64

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Apr 3	Previous Week	1 month ago
Call Rate	4.40%	4.70%	5.00%
10 Yr G-Sec*\$	6.29%	6.14%	6.35%
3-M USD Libor^	1.37%	1.45%	1.31%
6-M USD Libor^	1.20%	1.07%	1.25%
1-Y USD Libor^	1.06%	0.97%	1.25%

\*6.45% 2029 paper ^As of Apr 2 \$Weighted Average Yield

## Currencies vs INR

Currency	Apr 3	Week ago	3 months ago	1 year ago
USD	76.16	74.86	71.80	68.43
GBP	93.65	91.45	93.88	90.05
Euro	82.35	82.45	79.93	76.96
Yen*	70.21	69.01	66.44	61.51

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Indian equity indices fell sharply for the seventh consecutive week. S&P BSE Sensex and Nifty 50 fell 7.5% and 6.7%, respectively.
- Sentiments were mainly dented by worries about the rise in Covid-19 cases domestically and across the world, and the economic fallout of the same.
- Market was also weighed down by MSCI's decision to defer increasing India's weight in its global indices.
- Investors also turned jittery after Fitch Ratings slashed India's GDP growth forecast for FY21 to 4.6% compared with 5.4% estimated earlier.
- Selling pressure in shares of banking, auto and information technology (IT) firms pulled down the market further.
- Shares of IndusInd Bank emerged the top laggard on the Nifty 50, falling 24% to settle at Rs 313.2 per share after Moody's changed the outlook for the Indian banking system to negative from stable.
- However, some losses were chipped off on tracking encouraging Chinese factory activity data and buying interest in oil & gas, healthcare and fast moving consumer goods (FMCG) counters.
- Shares of GAIL emerged the top gainer on the Nifty 50, rising 16% to settle at Rs 80.9 per share, aided by sentiment for oil and gas counters.

#### 2. Debt

- Government bond prices ended weaker, Yield of the 10 year benchmark 6.45% 2029 paper settled at 6.31% on April 3 as against 6.14% on March 27.
- Bonds began the week on a dim note as prices were under pressure due to financial year end profit sales.
- Prices recouped some losses midweek as the government opened up foreign investment without any cap for some securities that included the benchmark 10 year note, with effect from April 1.
- Bonds fell sharply in the final session as the Centre frontloaded the financial year's borrowing and ruled out a direct placement of debt with the central bank.
- The Centre notified that it would borrow a total Rs 4,88,000 crore via issuance of dated securities over the April to September 2020.
- The Centre also announced that state governments would borrow a total notified Rs 1.27 lakh crore via sale of dated securities over the April – June quarter.

#### 3. Forex

- The rupee weakened against the US dollar on mounting concerns over the impact of the Covid-19 pandemic on the domestic economy.
- The local unit was put under pressure by intermittent dollar bids by foreign banks.
- Weakness in local equities and sporadic strength in the US dollar index also dented sentiment.
- Some losses were recouped following the release of better than expected Chinese manufacturing data.

## International equity benchmark indices' returns

Indices	Apr 3	% chg week	% chg 3 mon	% chg Year
DJIA*	21,413	-1.03	-25.82	-18.33
Nasdaq Composite*	7,487	-0.20	-17.65	-5.17
FTSE 100*	5,480	-0.55	-27.93	-26.13
Nikkei 225	17,820	-8.09	-24.68	-17.93
Straits Times	2,389	-5.52	-26.23	-27.84
Hang Seng	23,236	-1.06	-18.33	-22.51
Shanghai Comp	2,764	-0.30	-10.37	-14.06

\*As of Apr 2

## International debt market indicators

Indicators	Apr 3	Mar 27
US 10-Year*	0.63	0.75
UK 10-Year*	0.33	0.35
German 10-Year*	0.43	-0.48
Japan 10-Year	NA	0.01

\*As of Apr 2

## Commodities

Commodity	Apr 3	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)*	29.94	20.10	-56.36	-56.80
Gold (\$ per troy ounce)*	1616.80	-0.03	4.39	25.29
Silver (\$ per ounce)*	14.18	-0.98	-22.16	-6.53
Indian gold (Rs per 10 gm)	43240.00	5.49	8.24	37.99
Indian Silver (Rs per Kg)	39872.00	8.14	-15.72	7.09

\*As of Apr 2

Source: Respective commodity exchanges, LBMA, MCX

## B. International

### 1. Equity

- Worries about spreading of Covid-19 pandemic affected global equities.
- US stocks fell moderately after the US President warned of an enormous jump in Covid-19 related deaths.
- Most losses were recouped following a rally in shares of healthcare and oil firms.
- US ISM manufacturing index dipped to 49.1 in March after edging down to 50.1 in February.
- US initial claims for state unemployment benefits surged 3.34 mn to a seasonally adjusted 6.65 mn for the week ended March 28 - double the previous all-time high of 3.31 mn set in the prior week.
- Britain's FTSE fell 0.6% in response to weak domestic factory data and after lenders suspended dividend payments.
- UK IHS Markit/CIPS Purchasing Managers' Index (PMI) fell to 47.8 in March, down from 51.7 in February.
- UK economic growth expanded 1.1% annually in Q4 2019 compared to 1.3% growth in Q3 2019.
- UK GfK consumer confidence fell to -7 in March from -9 in February.
- Asian equities retreated in the week. Japan's Nikkei index plunged 8% on persistent worries surrounding economic impact of coronavirus crisis.
- Some losses were cut owing to a weaker yen.
- Hong Kong's Hang Seng index lost 1% on worries about the spreading Covid-19 crisis globally, and fall in shares of information technology, financials and realty firms.
- Further decline was restricted buoyed by gains in energy stocks and upbeat Chinese economic data.
- China's Shanghai Composite fell slightly as earlier losses on concerns about the impact of Covid-19 crisis on global economy were cut short by positive domestic manufacturing activity data.
- China's official manufacturing PMI rose to 52 in March from 35.7 in February while non-manufacturing PMI jumped to 52.3 in March from 29.6 in February.
- China Caixin manufacturing PMI rose to 50.1 in March from 40.3 in February.

### 2. Commodity

- Crude oil prices rebounded sharply in the week after President Donald Trump tweeted about expectations that Saudi Arabia and Russia will sign production cut agreement.
- Indian gold prices remained unchanged this week on the back of lockdown announced by the central government to contain the spread of coronavirus.
- Indian silver prices remained flat this week after central and state governments extended lockdown period in the country.

- News summary

## 1. Domestic

- India's fiscal deficit for the April 2019 to February 2020 period touched 135.2% of the revised target of 3.8% of GDP.
- India IHS Markit manufacturing purchasing managers' index (PMI) fell to 51.8 in March, from 54.5 in February.
- India's eight infrastructure sectors grew at an 11-month high of 5.5% in February compared to 1.4% growth in January.
- Goods and Services Tax (GST) collections for March came in at Rs 97597 cr, lower than Rs 1.05 lakh cr collected in February.
- Government collected Rs 9.98 lakh cr as direct taxes during fiscal 2020, a record shortfall of Rs 1.75 lakh cr compared with the revised estimates.
- S&P Global Ratings cut its forecast on India's economic growth to 3.5% for the coming fiscal year from 5.2%.
- Prime Minister announced the creation of the Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM-CARES) Fund and allows 100% tax deduction for donations made to fund. Also decided to accept contributions from abroad to the PM-CARES fund and said contributions by companies to the fund will qualify as their mandatory corporate social responsibility (CSR) spending.
- RBI increased short-term borrowing limits of states and union territories by 30%.
- RBI permitted banks and lending institutions to have 3-month moratorium on term loans.
- RBI hiked the limit for investment by foreign portfolio investors' (FPI) in corporate bonds to 15% of outstanding stock for fiscal 2021.

## 2. International

- The UN said the global economy could shrink by up to 1% in 2020 due to the coronavirus pandemic, a reversal from the previous forecast of 2.5% growth.
- US Federal Reserve opened a temporary repurchase agreement facility for foreign central banks to support the smooth functioning of financial markets.
- US consumer confidence index slumped to 120.0 in March from an upwardly revised 132.6 in February.
- US pending home sales index surged up by 2.4% to 111.5 in February after spiking by 5.3% to an upwardly revised 108.9 in January.
- Eurozone economic confidence index fell sharply to 94.5 in March from 103.4 in February.
- Eurozone consumer prices advanced 0.7% year-on-year in March, decelerating from 1.2% annual growth in February.

## C. Week ahead

Day	Events
Monday, April 6, 2020	<ul style="list-style-type: none"> <li>• Eurozone Sentix Investor Confidence, April 2020</li> <li>• UK Construction PMI, March 2020</li> <li>• India Nikkei Services PMI, March 2020</li> </ul>
Tuesday, April 7, 2020	<ul style="list-style-type: none"> <li>• US Consumer Credit, February 2020</li> <li>• Japan Core Machinery orders, February 2020</li> <li>• Japan Leading &amp; Coincident Index, February 2020</li> </ul>
Wednesday, April 8, 2020	<ul style="list-style-type: none"> <li>• US Federal Reserve Meeting Minutes</li> <li>• US Crude Oil Inventories, Week April 3 2020</li> <li>• UK RICS Housing Price Balance, March 2020</li> <li>• Japan Eco Watchers Survey: Outlook, March 2020</li> </ul>
Thursday, April 9, 2020	<ul style="list-style-type: none"> <li>• US Producer Price Index, March 2020</li> <li>• US Michigan Consumer Sentiment Index, April 2020</li> <li>• European Central Bank Policy Meeting Minutes</li> <li>• UK GDP Estimate, February 2020</li> <li>• UK Industrial Output, February 2020</li> </ul>
Friday, April 10, 2020	<ul style="list-style-type: none"> <li>• US Consumer Prices, March 2020</li> <li>• US Treasury Budget, March 2020</li> <li>• India Trade Deficit, March 2020</li> </ul>

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