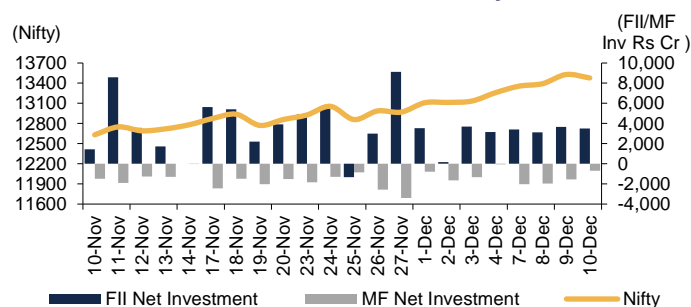


Indian equity benchmark indices' returns

Broad Indices	Dec 11	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	46,099	2.26	18.65	14.07
Nifty 50	13,514	1.93	17.88	13.46
Nifty 500	11,171	1.75	18.26	15.93
S&P BSE 100	13,643	1.91	17.93	14.16
S&P BSE Midcap	17,521	0.76	19.52	20.05
S&P BSE Smallcap	17,553	1.36	20.57	33.51

FII and mutual fund investment vs. Nifty



Sectoral Indices	Dec 11	% chg week	% chg 3 Mth	% chg Year
S&P BSE FMCG	12,685	6.07	10.95	11.35
S&P BSE Realty Index	2,310	3.16	36.32	7.54
S&P BSE Oil & Gas	14,435	2.97	8.67	-1.86
S&P BSE Bankex	35,026	1.94	37.33	-1.86
S&P BSE IT	22,667	1.80	21.24	51.24
S&P BSE CG	17,771	1.14	28.62	7.34
S&P BSE Metal	11,160	1.09	27.35	19.44
S&P BSE Healthcare	21,027	0.24	11.65	58.35
S&P BSE CD	28,143	-0.46	20.52	12.97
S&P BSE Power	2,065	-0.91	22.23	11.18
S&P BSE Auto	20,776	-1.16	15.60	18.27

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Dec 11	Previous Week	1 month ago
Call Rate	2.00%	1.50%	2.40%
10 Yr G-Sec [^]	5.95%	5.90%	5.91%

[^]5.77% 2030 paper [^]Weighted Average Yield

Currencies vs INR

Currency	Dec 11	Week ago	3 months ago	1 year ago
USD	73.65	73.79	73.54	70.84
GBP	97.76	99.51	94.32	93.15
Euro	89.32	89.79	87.07	78.55
Yen*	70.73	70.97	69.25	65.22

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices rose for the sixth consecutive week. S&P BSE Sensex and Nifty 50 rose about 2% each.
- Sentiments were boosted on tracking positive global cues including hopes of progress in the Covid-19 vaccine.
- A rally in fast moving consumer goods (FMCG), realty, oil & gas, banking and information technology counters buoyed the market.
- Shares of ITC Ltd. emerged the top gainer on the Nifty 50, rising 9.1% on week to settle at Rs 216.3 per share aided by the positive sentiment surrounding FMCG stocks.
- However, some gains were trimmed due to intermittent profit booking and concerns over fading prospects of a US stimulus deal.
- A sell-off in auto, power and consumer durables stocks also affected the market to a certain extent.
- Shares of UPL emerged the top loser on the Nifty 50, falling 4.5% on week to settle at Rs 435 per share following some whistleblower claims made about the company's promoters.

2. Debt

- Government bond prices ended lower. The yield of the 10-year benchmark 5.77% 2030 paper settled at 5.96% on December 11 compared with 5.90% on December 4. The yield of the 10-year benchmark 5.85% 2030 paper settled at 5.89% on December 11 compared with 5.82% on December 4.
- Comments from the finance minister regarding the fiscal deficit also put bonds under pressure midweek. The finance minister's remarks indicated that India would be looking to step up spending to support economic growth, and that the budget deficit target may be missed.
- Some news reports that suggested that the government was in favour of loosening the central bank's inflation target to support economic growth, gave bond prices some support.
- Expectation that open market bond purchase announcements would be made rose as the week drew to a close.
- Prices dipped in the final session as the Reserve Bank of India (RBI) announced a special open market operation involving simultaneous purchase and sale of securities, thereby dashing the market's hopes of an outright bond purchase announcement.
- The banking regulator announced that it would buy and simultaneously sell securities for a total notified Rs 10,000 crore each on December 17.

3. Forex

- The rupee strengthened against the US dollar, tracking gains in local equities.
- Intermittent greenback sales by foreign banks, foreign fund inflows into the local financial market, and sporadic declines in the US dollar index aided the rupee's gains.
- Intermittent dollar demand from state-owned banks, and weakening of investor risk appetite amid lack of progress on a fiscal stimulus bill in the US, prevented further rupee appreciation.

International equity benchmark indices' returns

Indices	Dec 11	% chg week	% chg 3 Mth	% chg Year
DJIA*	29,999	-0.72	8.95	7.48
Nasdaq Composite*	12,406	-0.47	13.61	43.35
FTSE 100*	6,600	0.76	9.94	-8.54
Nikkei 225	26,653	-0.37	13.87	13.94
Straits Times	2,822	-0.64	13.32	-11.07
Hang Seng	26,506	-1.23	8.17	-0.52
Shanghai Comp	3,347	-2.83	2.66	14.46

*As of Dec 10

International debt market indicators

Indicators	Dec 11	Dec 4
US 10-Year*	0.91	0.97
UK 10-Year*	0.20	0.35
German 10-Year*	-0.61	-0.55
Japan 10-Year	0.01	0.02
3-M USD Libor*	0.22%	0.23%
6-M USD Libor*	0.24%	0.26%
1-Y USD Libor*	0.33%	0.34%

*As of Dec 10

Commodities

Commodity	Dec 11	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	50.25	1.12	25.44	-21.90
Indian gold (Rs per 10 gm)	48985.00	-0.34	-4.61	30.17
Indian Silver (Rs per Kg)	62215.00	-1.23	-4.58	43.97

*As of Dec 10

Source: Respective commodity exchanges, MCX

B. International

1. Equity

- Most global equities ended lower as US-China tensions resurfaced.
- US stocks ended lower due to uncertainty regarding further stimulus support and downbeat jobless claims data.
- US nonfarm payrolls rose by 245,000 in November followed by downwardly revised reading of 610,000 for October. The unemployment rate fell to 6.7% in November from 6.9% in October.
- US initial jobless claims rose by 137,000 to 853,000 in the week ended December 5.
- Britain's FTSE index rose nearly 1% owing to buying in energy stocks and as a weaker pound boosted exporters' stocks.
- European Central Bank (ECB) increased Pandemic Emergency Purchase Program by 500 billion euros to 1.85 trillion euros, and extended it by nine months to at least the end of March 2022; it also held interest rates on its main refinancing operations, marginal lending facility and deposit facility at 0.00%, 0.25% and -0.50%, respectively.
- Asian equities ended in the red. Japan's Nikkei index fell 0.4% due to profit booking after the recent rally and uncertainty regarding fresh US stimulus measures.
- However, losses were trimmed on economic recovery hopes and upbeat domestic machinery orders data.
- Japan's core machinery orders surged 17.1% in October, recouping the previous month's 4.4% fall.
- Hong Kong's Hang Seng index fell 1.2% on concerns over local coronavirus infections and US sanctions on Chinese companies.
- Some losses were cut short following progress over Covid-19 vaccine development.
- China's Shanghai Composite lost nearly 3% on renewed Sino-US tensions and worries that Beijing could start policy tightening soon amid a strong economic recovery and rising commodity prices.
- China posted a record trade surplus of \$75.42 bn in November compared with a surplus of \$58.44 in October.
- China's consumer price index fell 0.5% in November from a year earlier, after rising 0.5% in October. The producer price index fell 1.5% in November from a year earlier after a 2.1% drop in October.

2. Commodity

- Crude oil prices rose in the week owing to demand recovery hopes as various countries start to roll out Covid-19 vaccine, and concerns over lower supply following an attack on an Iraqi oilfield.
- Indian gold prices declined in this week tracking weak global cues amid lack of update on stimulus measures.
- Indian silver prices fell this week due to lack of demand from coin-makers.

News summary

1. Domestic

- The Asian Development Bank (ADB) upgraded its forecast for the Indian economy, projecting 8% contraction in current fiscal as compared to 9% de-growth estimated earlier, on the back of faster than expected recovery.
- India industrial production rose 3.6% in October, mainly due to better performance of manufacturing and electricity generation sectors; the IIP had expanded by a revised 0.49% in September, contracted by 10.55% in July 2020, and declined by 6.6% in October 2019.
- Finance Ministry released Rs 6000 cr as weekly instalment to 23 states and three union territories with legislature to meet the goods and services tax (GST) shortfall.
- Finance Ministry notified the updated Viability Gap Funding (VGF) scheme which gives a push to the social infrastructure sector in India along with extending the existing scheme to continue support to core sector infrastructure.
- The Cabinet approved the earlier announced special EPF scheme, Atmanirbhar Bharat Rozgar Yojana at an expenditure of Rs 1584 cr for the current fiscal and Rs 22810 cr during the entire period of 2020-2023.
- SEBI extended till December 24 the deadline for submission of public comments on review of the minimum public offer requirement for large issuers.
- SEBI introduced additional payment mechanism, including ASBA, for making subscription and payment of balance money for calls in respect of partly paid securities issued by listed entities.

2. International

- The White House unveiled a \$916 bn stimulus proposal to break logjam over new aid for the US economy.
- US nonfarm payrolls rose by 245,000 in November followed by downwardly revised reading of 610,000 for October. The unemployment rate fell to 6.7% in November from 6.9% in October.
- Eurozone GDP declined 4.3% year-on-year in Q3 2020 after contracting by 14.7% in the previous quarter.
- European Central Bank (ECB) increased Pandemic Emergency Purchase Program by 500 bn euros to 1.85 trillion euros, and extends it by nine months to at least the end of March 2022; held interest rates on its main refinancing operations, marginal lending facility and deposit facility at 0.00%, 0.25% and -0.50%, respectively.
- UK's gross domestic product (GDP) rose 0.4% in October after expanding 1.1% in September.

Disclaimer - Produced by SBM Bank India Limited based on information available at the time of publishing. We believe that the information in this report is correct and any opinion, conclusions or recommendations are reasonably held or made as at the time of its compilation, but no warranty is made as to accuracy, reliability or completeness. SBM Bank India Limited does not accept liability to any person for loss or damage arising from the use of this report. The report has been prepared without taking into account of the objectives, financial situation or needs of any particular individual or financial institution or corporate. For this reason any individual or financial institution or corporate should before action on the information in this report, consider the appropriateness of the information having regard to the individual's objectives, financial situation and needs and if necessary seek appropriate professional advice.

Week ahead

Day	Events
Monday, December 14, 2020	<ul style="list-style-type: none"> Japan Tertiary Industry Activity Index, October 2020 India Consumer Inflation, November 2020 India Wholesale Inflation, November 2020
Tuesday, December 15, 2020	<ul style="list-style-type: none"> US Industrial Production / Capacity Utilization, November 2020 US Import / Export Prices, November 2020 China Industrial Production, November 2020 China Retail Sales, November 2020
Wednesday, December 16, 2020	<ul style="list-style-type: none"> US Federal Reserve Interest Rate Decision US Retail Sales, November 2020 UK Manufacturing, Services & Composite PMI, December 2020 UK Consumer Prices, November 2020
Thursday, December 17, 2020	<ul style="list-style-type: none"> US Housing Starts / Building Permits, November 2020 Eurozone Consumer Prices, November 2020 Bank of England Interest Rate Decision
Friday, December 18, 2020	<ul style="list-style-type: none"> UK Retail Sales, November 2020 Bank of Japan Interest Rate Decision



ATTRACTIVE INTEREST RATES ON OUR TERM DEPOSITS

Know More