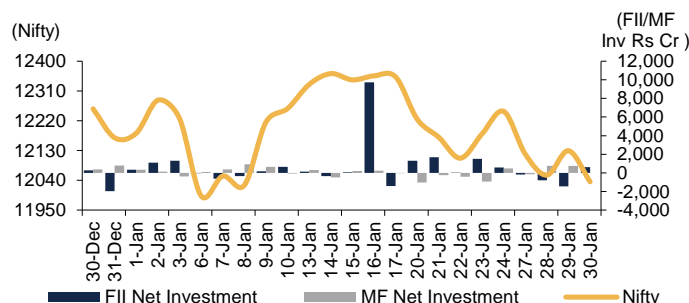


Indian equity benchmark indices' returns

Broad Indices	Jan 31	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	40,723	-2.14	1.48	12.32
Nifty 50	11,962	-2.34	0.71	10.44
Nifty 500	9,861	-2.20	1.77	9.52
S&P BSE 100	12,083	-2.42	0.70	9.30
S&P BSE Midcap	15,462	-2.28	4.02	6.19
S&P BSE Smallcap	14,668	-1.20	8.19	5.33

FII and mutual fund investment vs. Nifty



Sectoral Indices	Jan 31	% chg week	% chg 3 Mon	% chg Year
S&P BSE Realty Index	2,526	0.39	22.45	42.39
S&P BSE CD	26,147	-0.78	-2.78	23.01
S&P BSE Bankex	35,289	-1.06	4.02	14.83
S&P BSE Healthcare	13,957	-1.08	5.50	0.55
S&P BSE CG	17,462	-1.49	-7.23	0.87
S&P BSE Auto	18,161	-2.18	-4.14	-1.80
S&P BSE IT	15,871	-2.23	3.11	3.98
S&P BSE FMCG	11,642	-2.51	-4.94	0.22
S&P BSE Power	1,899	-3.96	-4.40	0.98
S&P BSE Oil & Gas	13,924	-4.61	-11.51	2.29
S&P BSE Metal	9,494	-8.40	2.03	-13.36

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Jan 31	Previous Week	1 month ago
Call Rate	4.90%	4.90%	4.90%
10 Yr G-Sec*	6.60%	6.58%	6.56%
3-M USD Libor^	1.76%	1.80%	1.91%
6-M USD Libor^	1.76%	1.81%	1.91%
1-Y USD Libor^	1.82%	1.88%	2.00%

*6.45% 2029 paper ^As of Jan 30

Currencies vs INR

Currency	Jan 31	Week ago	3 months ago	1 year ago
USD	71.35	71.32	70.93	71.09
GBP	93.58	93.35	91.91	93.35
Euro	78.74	78.71	79.17	81.65
Yen*	65.52	65.06	65.59	65.44

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equities ended in the red for the second consecutive week. S&P BSE Sensex and Nifty 50 lost about 2% each.
- Sentiments were affected, in line with global equities, on fears over economic impact of coronavirus outbreak in China. As a result, metal stocks were dented the most with S&P BSE Metal plunging 8.4%.
- Shares of Vedanta emerged the biggest laggard on the Nifty 50 for the week, declining 11.55% to settle at Rs 137.9 per share amid demand concerns from China due to the coronavirus outbreak.
- Selling pressure in oil & gas, power and fast moving consumer goods (FMCG) counters brought in more losses into the market. S&P BSE Oil & Gas, S&P BSE Power and S&P BSE FMCG fell 4.6%, 4% and 2.5%, respectively.
- Market fell further on volatility ahead of the expiry of January series derivative contracts.
- However, some losses were recovered due to gains in few index heavyweights.
- Buying interest in realty firms also supported the market to a certain extent. S&P BSE Realty was the only sectoral gainer - up 0.4%.
- Shares of Bajaj Finance emerged the top gainer on the Nifty 50, rising 4.09% on week to settle at Rs 4365.90 per share after the company reported better-than-expected December earnings numbers.

2. Debt

- The interbank call money rate settled at 4.90% on January 31, unchanged compared to January 24
- Government bond prices gave up midweek gains to end lower. The yield of the 10 year benchmark 6.45% 2029 paper settled at 6.60% on January 31 as against 6.58% on January 24
- Prices received support owing to cooling crude oil prices and declining US benchmark treasury yields
- Persistent fears of additional borrowing and fiscal slippage ahead of the Union Budget announcement dented sentiment
- Supply pressure from the state development bond auction and weekly gilt sale also erased some price gains

3. Forex

- The rupee ended a volatile week lower
- The local unit received support from intermittent dollar sales by exporters
- Sentiment was also aided by a decline in crude oil prices
- Remarks about the domestic economic output in the Economic Survey helped the local unit. India's GDP is pegged at 5% for the current fiscal. Growth for the next fiscal is expected to be in the range of 6-6.5%
- Weakness in the Chinese yuan and a hit in investor risk appetite due to fears pertaining to the spread of the coronavirus pulled the rupee down

International equity benchmark indices' returns

Indices	Jan 31	% chg week	% chg 3 mon	% chg Year
DJIA*	28,859	-0.45	6.15	15.44
Nasdaq Composite*	9,299	-0.17	11.98	27.70
FTSE 100*	7,382	-2.69	0.70	5.93
Nikkei 225	23,205	-2.61	0.59	11.71
Straits Times	3,154	-2.66	-2.36	-1.14
Hang Seng	26,313	-5.86	-2.21	-5.83
Shanghai Comp	Closed	NA	NA	NA

*As of Jan 30

International debt market indicators

Indicators	Jan 31	Jan 24
US 10-Year*	1.56	1.68
UK 10-Year*	0.54	0.56
German 10-Year*	-0.41	-0.34
Japan 10-Year	-0.07	-0.02

*As of Jan 30

Commodities

Commodity	Jan 31	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)*	58.29	-3.95	-3.22	-5.82
Gold (\$ per troy ounce)*	1578.25	0.89	4.45	19.27
Silver (\$ per ounce)*	17.73	-0.59	-1.83	10.26
Indian gold (Rs per 10 gm)	40694	1.73	5.29	23.08
Indian Silver (Rs per Kg)	46383	0.58	-0.78	15.40

*As of Jan 30

Source: Respective commodity exchanges, LBMA, MCX

B. International

1. Equity

- Rising concerns over economic impact of the coronavirus outbreak in China on the world economy battered global equities.
- US stocks retreated on worries about potential impact of the coronavirus outbreak from China on the global economy.
- Some losses were reduced due to a rally in information technology and financial stocks, and better-than-expected earnings reports from major companies such as Microsoft and Coca Cola.
- The US Federal Reserve left its policy interest rate unchanged in a range of 1.5-1.75% and said the economy is growing at a moderate pace.
- US real gross domestic product (GDP) climbed by 2.1% in the fourth quarter, unchanged from the third quarter.
- US consumer confidence index climbed to 131.6 in January from an upwardly revised 128.2 in December.
- Britain's FTSE lost 2.7% as the coronavirus spread in China raised global economic worries.
- Losses in shares of oil companies and Diageo dented the market further.
- However, investors found some relief as intermittent weakness in pound buoyed exporters' shares.
- Asian equities ended in the red. Japan's Nikkei index lost 2.6% weighed down by some subdued corporate earnings and worries about the spread of the coronavirus.
- Some losses were cut short on sporadic bargain buying.
- Japan's industrial output rose 1.3% month-on-month in December, following a 1.0% decline in November.
- Japan's retail sales fell 2.6% in December from a year earlier.
- Hong Kong's Hang Seng index plummeted nearly 6% on persistent fears about global economic impact of coronavirus outbreak in China.
- A pullback in shares of healthcare and energy firms affected the market further.

2. Commodity

- Crude oil prices declined this week due to demand worries amid concerns regarding impact of China virus on global economic growth.
- Indian gold prices extended gains in this week on the back of the positive global cues and increased demand from local jeweler for ongoing wedding season.
- Indian silver prices ended marginally down this week due to weak demand from industrial units and coin traders.

C. News summary

1. Domestic

- India's fiscal deficit as of December stood at Rs 9.32 lakh crore, which is 132.4% of the Budgeted Estimate of Rs 7.04 lakh crore for 2019-20; the corresponding figure in the same month of the previous fiscal was 112.4%
- Government revised downwards the economic growth rate for 2018-19 to 6.1% from 6.8% estimated earlier; growth rate for 2017-18 has also been revised to 7%
- India's core sector growth recovered to 1.3% in December 2019; the growth was, however, lower than 2.1% recorded in December 2018
- International Monetary Fund (IMF) Chief said India's economic slowdown appears to be temporary; expects the momentum to improve going ahead.
- Finance ministry directed banks to set up a committee to monitor progress of pending disciplinary and internal vigilance cases against employees.
- Government took various decisions, including doing away with personal responsibilities of MD and CEO of public sector banks (PSBs) for compliance in dealing with large value frauds committed by bank officials.
- Government announced sale of 100% stake in Air India as it issued the preliminary bid document for the strategic disinvestment, and has set March 17 as the deadline for submitting expression of interest.
- A SEBI-appointed panel proposed changes to strengthen the monitoring and enforcement of norms pertaining to related party transactions.
- SEBI rationalised margin framework for the commodity derivatives segment, wherein clearing corporations will have to categorise commodities as per their realised volatility.

2. International

- The US Federal Reserve left its policy interest rate unchanged in a range of 1.5-1.75% and said the economy is growing at a moderate pace.
- US real gross domestic product (GDP) climbed by 2.1% in the fourth quarter, unchanged from the third quarter.
- US manufacturing PMI was 51.7 in January compared to 52.4 in December, while US services PMI was 53.2 in January compared to 52.8 in December. The composite PMI was 53.1 in January compared to 52.7 in December.
- China's official manufacturing Purchasing Managers' Index (PMI) came in at 50.0 for January, compared with 50.2 in December, while non-manufacturing PMI rose to 54.1 in January from 53.5 in December.

D. Week ahead

Day	Events
Monday, February 3, 2020	<ul style="list-style-type: none"> US ISM Manufacturing Index, January 2020 India's Nikkei Manufacturing PMI, January 2020
Tuesday, February 4, 2020	<ul style="list-style-type: none"> US Factory Orders, December 2019 Eurozone Producer Price Index, December 2019 UK Markit/CIPS Construction PMI, January 2020 China's Caixin Composite & Services PMI, January 2020 Japan's Jibun Bank Composite & Services PMI, January 2020
Wednesday, February 5, 2020	<ul style="list-style-type: none"> US ADP Employment Report, January 2020 US ISM Non-Manufacturing Index, January 2020 Eurozone Retail Sales, December 2019 India's Nikkei Services PMI, January 2020
Thursday, February 6, 2020	<ul style="list-style-type: none"> US Non-farm Productivity, Q4 2019 RBI's Sixth Bi-monthly Monetary Policy Statement for 2019-20
Friday, February 7, 2020	<ul style="list-style-type: none"> US Non-farm Payrolls & Unemployment Rate, January 2020 China's Trade Balance, January 2020

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