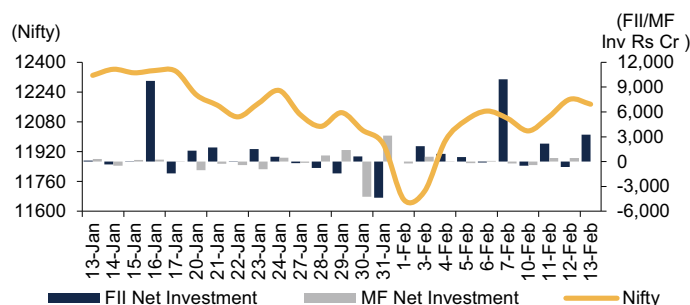


Indian equity benchmark indices' returns

Broad Indices	Feb 14	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	41,258	0.28	2.41	15.00
Nifty 50	12,113	0.12	2.03	12.72
Nifty 500	9,961	-0.40	3.22	12.31
S&P BSE 100	12,215	-0.25	2.16	11.86
S&P BSE Midcap	15,662	-1.53	6.69	11.02
S&P BSE Smallcap	14,683	-1.06	10.03	9.87

FII and mutual fund investment vs. Nifty



Sectoral Indices	Feb 14	% chg week	% chg 3 Mon	% chg Year
S&P BSE IT	16,333	1.29	6.60	5.98
S&P BSE Healthcare	14,415	0.93	11.55	4.88
S&P BSE FMCG	11,532	-0.46	-3.10	1.08
S&P BSE CD	26,962	-0.47	6.68	27.46
S&P BSE Bankex	35,360	-0.89	1.52	17.17
S&P BSE Oil & Gas	14,083	-1.58	-7.17	9.28
S&P BSE CG	16,782	-1.86	-6.12	2.68
S&P BSE Auto	17,589	-2.70	-4.14	-4.86
S&P BSE Realty Index	2,358	-3.10	10.78	35.24
S&P BSE Power	1,852	-3.53	-3.71	6.00
S&P BSE Metal	9,639	-3.64	3.34	-5.98

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Feb 14	Previous Week	1 month ago
Call Rate	4.95%	5.25%	5.15%
10 Yr G-Sec*	6.37%	6.44%	6.67%
3-M USD Libor^	1.69%	1.73%	1.84%
6-M USD Libor^	1.71%	1.74%	1.86%
1-Y USD Libor^	1.80%	1.83%	1.96%

*6.45% 2029 paper ^As of Feb 13

Currencies vs INR

Currency	Feb14	Week ago	3 months ago	1 year ago
USD	71.36	71.40	71.96	71.13
GBP	93.04	92.36	92.45	91.31
Euro	77.40	78.23	79.11	80.23
Yen*	64.99	65.03	66.23	64.33

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices continued to rise for the second consecutive week. S&P BSE Sensex and Nifty 50 rose 0.3% and 0.1%, respectively.
- Sentiments were boosted, in line with global equities, amid easing concerns over Chinese coronavirus and following the US Federal Reserve chief's optimistic view on the economy.
- Gains in shares of some market heavyweights supported the market further.
- Buying in information technology (IT) and healthcare firms also buoyed the benchmarks. S&P BSE IT (topmost sectoral gainer) and S&P BSE Healthcare jumped about 1.3% and 1%, respectively.
- Shares of Bharti Airtel emerged among the top gainers on the Nifty 50, up 4.74% on week to settle at Rs 565 per share, following the Supreme Court's hearing of the modified pleas filed by the company along with other telecom firms.
- However, some gains were cut short after the Supreme Court asked telecom players to clear their dues to the government by March 17.
- Selling pressure in metal, power, realty and auto firms also dented the market to a certain extent. S&P BSE Metal (biggest sectoral decliner), S&P BSE Power, S&P BSE Realty and S&P BSE Auto lost 3.6%, 3.5%, 3.1% and 2.7%, respectively.
- Shares of IndusInd bank emerged the biggest laggard on the Nifty 50, declining 9.45% on week to end at Rs 1176 per share due to rising concerns over bad loans.

2. Debt

- Government bond prices ended higher. Yield on the 10-year benchmark 6.45% 2029 paper settled at 6.37% on February 14, as against 6.44% on February 7.
- Sentiment for gilts remained buoyant at the start of the week because of the central bank's revised liquidity management framework announced in the policy review.
- Prices fell later midweek weighed by an uptick in crude oil prices and on expectation of an uptick in consumer inflation figures for January.
- Supply pressure from the state-development bond auction also dented the sentiment.
- In the state-development bond auction, states raised a total notified Rs 16,137 crore via sales of dated securities.
- Anticipation that the policy stance will remain accommodative given the latest industrial production figures and the Centre's focus on growth-oriented measures, helped bond prices recover towards the end of the week.

3. Forex

- The rupee gave up mid-week gains to end marginally higher against the dollar, weighed by demand for the greenback from state-owned banks and tracking intermittent decline in local equities.
- Sporadic gains in the Chinese yuan, tracking developments surrounding the Chinese coronavirus, aided the rupee.

International equity benchmark indices' returns

Indices	Feb 14	% chg week	% chg 3 mon	% chg Year
DJIA*	29,423	1.10	5.90	15.66
Nasdaq Composite*	9,712	2.01	14.50	30.77
FTSE 100*	7,452	-0.20	1.37	3.54
Nikkei 225	23,688	-0.59	2.36	12.05
Straits Times	3,220	1.22	-0.36	-1.01
Hang Seng	27,816	1.50	5.67	-2.17
Shanghai Comp	2,917	1.43	0.25	7.25

*As of Feb 13

International debt market indicators

Indicators	Feb 14	Feb 7
US 10-Year*	1.62	1.58
UK 10-Year*	0.65	0.57
German 10-Year*	-0.39	-0.39
Japan 10-Year	-0.03	-0.04

*As of Feb 13

Commodities

Commodity	Feb 14	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)*	56.34	3.43	-9.54	-12.75
Gold (\$ per troy ounce)*	1575.05	0.15	7.39	20.10
Silver (\$ per ounce)*	17.64	-0.73	3.55	13.22
Indian gold (Rs per 10 gm)	40676.00	0.30	6.43	24.16
Indian Silver (Rs per Kg)	45928.00	-0.60	2.45	16.52

*As of Feb 13

Source: Respective commodity exchanges, LBMA, MCX

B. International

1. Equity

- Receding worries about the coronavirus outbreak buoyed most global equities.
- US stocks continued to rise for the second consecutive week owing to rally in the technology firms and reports of reducing number of new coronavirus cases in China.
- Market was also supported by the gains in the shares of the Amazon and positive comments of US Fed Chief Jerome Powell in his testimony to the House Financial Services Committee.
- Further gains were, however, capped owing to weakness in the blue-chip stocks, mixed earning reports of some major companies and renewed coronavirus fears.
- US non-farm payrolls jumped by 225,000 jobs in January following a revised increase of 147,000 jobs in December; the unemployment rate inched up to 3.6% in January from 3.5% in December.
- US consumer price index inched up by 0.1% in January after rising by 0.25% in December.
- Britain's FTSE ended lower due to decline in exporters' shares on the back of stronger pound, UK Finance Minister Sajid Javid's resignation ahead of the Budget and persistent worries regarding coronavirus.
- Further fall was however prevented on hopes of higher-spending budget next month under new Finance minister Rishi Sunak and rally in the oil stocks.
- Asian equities posted mixed performance. Japan's Nikkei index fell 0.6% on lingering worries over the economic implications of the coronavirus.
- A dip in exporters' shares amid a stronger yen affected the market further.
- Hong Kong's Hang Seng index rose 1.5% as reports of fall in new coronavirus cases eased global growth worries.
- China's Shanghai Composite advanced 1.4% as investor nerves were calmed due to measures taken by the government to contain the coronavirus outbreak and limit its economic impact.
- China's consumer price index rose 5.4% in January from a year earlier, the highest reading since October 2011, compared with previous month's 4.5%.
- China's producer price index rose 0.1% year-on-year in January, compared with a 0.5% decline in December.

2. Commodity

- Crude oil prices rose in the week on easing demand concerns amid reports of reducing cases of coronavirus infection in China.
- Indian gold prices rose marginally tracking global cues amid increased demand from jewelers.
- Indian silver prices ended higher this week due to increased buying from industrial units and coin traders.

C. News summary

1. Domestic

- India's retail inflation based on Consumer Price Index (CPI) spiked to 7.59% for the month of January from 7.35% in December, due to costlier food products like vegetables, pulses and protein-rich items.
- India's industrial production contracted by 0.3% in December as against 2.5% growth in same month a year ago, weighed by a decline in the manufacturing sector.
- India's wholesale price inflation (WPI) accelerated to 3.1% in January compared to 2.59% in December led by increased prices of fuel and power, and manufactured products.
- Standard and Poor's retains India's sovereign ratings at 'BBB-' with stable outlook, saying the country's GDP is likely to gradually recover towards longer-term trend rates over the next two to three years.
- The Cabinet gave an in-principle approval to infuse Rs 2500 cr capital into Oriental Insurance Company, National Insurance Company Limited and United India Insurance Company Limited.
- The Cabinet approved changes in the 'Direct Tax Vivad se Vishwas Bill, 2020' with a view to increase its scope to cover litigations pending in various debt recovery tribunals (DRTs).
- RBI allowed banks to restructure commercial real estate advances and delay repayments for a period of up to two years.
- SEBI shortlisted eight companies, including Infosys, Wipro and IBM India, to implement a "data analytics project" through which the regulator wants to track possible market manipulations such as insider trading and front running.
- SEBI forms an online system for detecting misuse of clients' securities by brokers.

2. International

- US non-farm payrolls jumped by 225,000 jobs in January following a revised increase of 147,000 jobs in December; the unemployment rate inched up to 3.6% in January from 3.5% in December.
- US budget deficit came in at \$32.6 bn in January, compared with a surplus of \$9 bn in the same month a year earlier.
- US consumer credit rose by \$22.1 bn from the prior month in December, compared with a downwardly revised \$11.8 bn gain in November.
- China's consumer price index rose 5.4% in January from a year earlier, the highest reading since October 2011, compared with previous month's 4.5%. The producer price index rose 0.1% year-on-year in January, compared with a 0.5% decline in December.

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D. Week ahead

Day	Events
Monday, February 17, 2020	<ul style="list-style-type: none"> US NAHB Housing Market Index, February 2020 UK ILO Unemployment Rate (3 Months), December 2019
Tuesday, February 18, 2020	<ul style="list-style-type: none"> US Producer Price Index, January 2020 UK Consumer Price Index, January 2020 UK Producer Price Index, January 2020
Wednesday, February 19, 2020	<ul style="list-style-type: none"> US Philadelphia Fed Manufacturing Survey, February 2020 European Central Bank Monetary Policy Meeting Minutes Eurozone Consumer Confidence, February 2020 UK Retail Sales, January 2020 People's Bank of China (PBoC) Interest Rate Decision
Thursday, February 20, 2020	<ul style="list-style-type: none"> US Existing Home Sales, January 2020 Eurozone Consumer Price Index, January 2020
Friday, February 21, 2020	<ul style="list-style-type: none"> US NAHB Housing Market Index, February 2020 UK ILO Unemployment Rate (3 Months), December 2019



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