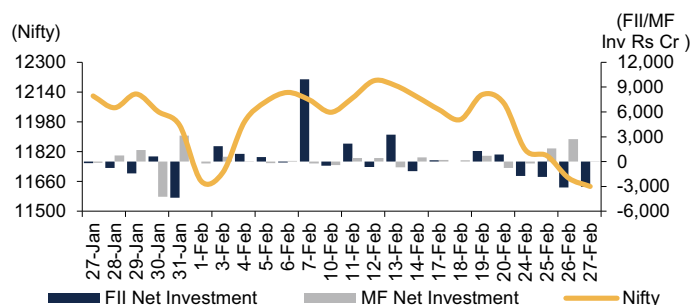


## Indian equity benchmark indices' returns

Broad Indices	Feb 28	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	38,297	-6.98	-6.89	6.77
Nifty 50	11,202	-7.28	-7.81	3.79
Nifty 500	9,236	-7.26	-6.42	3.13
S&P BSE 100	11,293	-7.40	-7.76	2.77
S&P BSE Midcap	14,600	-6.97	-3.06	1.97
S&P BSE Smallcap	13,709	-7.04	1.57	0.14

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Feb 28	% chg week	% chg 3 Mon	% chg Year
S&P BSE FMCG	10,964	-4.63	-7.28	-3.43
S&P BSE CD	26,151	-4.97	4.85	22.14
S&P BSE Bankex	33,416	-5.92	-8.29	11.29
S&P BSE Power	1,717	-6.78	-10.45	-6.12
S&P BSE Healthcare	13,480	-7.26	-1.43	-2.04
S&P BSE CG	15,398	-7.55	-12.26	-9.89
S&P BSE IT	14,987	-8.31	0.01	-1.75
S&P BSE Realty Index	2,124	-8.47	-1.09	18.26
S&P BSE Oil & Gas	12,620	-9.13	-17.54	-8.56
S&P BSE Auto	15,569	-10.35	-14.98	-17.21
S&P BSE Metal	8,241	-14.47	-16.83	-23.46

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Feb 28	Previous Week	1 month ago
Call Rate	4.50%	5.15%	4.95%
10 Yr G-Sec*\$	6.37%	6.41%	6.58%
3-M USD Libor^	1.58%	1.68%	1.77%
6-M USD Libor^	1.53%	1.67%	1.77%
1-Y USD Libor^	1.54%	1.73%	1.83%

\*6.45% 2029 paper ^As of Feb 27 \$Weighted Average Yield

## Currencies vs INR

Currency	Feb 28	Week ago	3 months ago	1 year ago
USD	72.17	71.64	71.61	70.74
GBP	92.96	92.16	92.57	94.22
Euro	79.49	77.31	78.77	80.78
Yen*	66.38	63.87	65.44	63.92

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Indian equity indices fell sharply in line with the global markets due to persistent worries about the spread of coronavirus worldwide. Benchmarks S&P BSE Sensex and Nifty 50 plunged 7% each.
- Market fell sharply amid reports of the rise in the new cases of coronavirus outside China raising fears about outbreak turning into a pandemic and impacting the global economic growth.
- Investors also remained cautious ahead of the release of domestic growth numbers.
- Metal stocks took beating on mounting worries that demand from China will drop amid coronavirus outbreak. S&P BSE Metal index declined 14%.
- Vedanta emerged the top laggard on the Nifty 50, falling 19.92% on week to settle at Rs 114 per share, in line with other metal counters, hit by demand concerns from China.
- Heavy sell-off was seen in the auto and oil and gas counters. S&P BSE Auto index and S&P BSE Oil & Gas plummeted 10% and 9%, respectively.

#### 2. Debt

- Government bond prices ended off highs. The yield of the 10 year benchmark 6.45% 2029 paper settled at 6.37% on February 28 as against 6.42% on February 20.
- Bonds were supported in the first half of the week by declining crude oil prices and US benchmark treasury yields.
- Prices were also boosted after the central bank announced that long-term repo auctions of three-year tenors would be conducted on March 2 and March 9 for a notified sum of Rs 50,000 crore.
- Prices ticked up ahead of the release of domestic GDP data for the December quarter.
- Some gains were erased towards the end of the week on profit sales.
- The rupee's sharp weakness also dented sentiment.
- In the long-term repo operation of one-year maturity conducted on February 24, the central bank infused a notified Rs 25,000 crore into the banking system.
- Further, states raised a total notified Rs 22,632 crore via auction of dated securities.

#### 3. Forex

- The rupee weakened against the US dollar to settle at a six month low, weighed by aggressive dollar purchases by some banks towards the end of the month.
- Persistent concerns about the spread of the coronavirus dampened risk appetite and weighed on the local unit.
- Cooling crude oil prices provided a measure of support and prevented the rupee from depreciating further.

## International equity benchmark indices' returns

Indices	Feb 28	% chg week	% chg 3 mon	% chg Year
DJIA*	25,767	-11.13	-8.51	-0.58
Nasdaq Composite*	8,566	-10.55	-1.59	13.73
FTSE 100*	6,796	-8.21	-8.52	-3.93
Nikkei 225	21,143	-9.59	-9.68	-1.13
Straits Times	3,011	-5.34	-5.92	-6.28
Hang Seng	26,130	-4.32	-2.84	-8.74
Shanghai Comp	2,880	-5.24	-0.32	-2.06

\*As of Feb 27

## International debt market indicators

Indicators	Feb 28	Feb 21
US 10-Year*	1.30	1.47
UK 10-Year*	0.49	0.57
German 10-Year*	-0.55	-0.43
Japan 10-Year	-0.15	-0.06

\*As of Feb 27

## Commodities

Commodity	Feb 28	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)*	52.18	-10.80	-18.30	-20.98
Gold (\$ per troy ounce)*	1652	0.53	13.57	25.23
Silver (\$ per ounce)*	18.05	-2.75	6.52	14.13
Indian gold (Rs per 10 gm)	42352	1.83	12.13	27.15
Indian Silver (Rs per Kg)	45509	-4.29	2.84	13.84

\*As of Feb 27

Source: Respective commodity exchanges, LBMA, MCX

## B. International

### 1. Equity

- Mounting concerns about the impact of the fast spreading coronavirus on the world economy rattled global equities.
- US stocks plummeted as the spreading of coronavirus in various countries raised fears of a global recession.
- Some losses were trimmed on sporadic bargain buying.
- US GDP advanced 2.1% annually in Q4 2019; matching the pace of growth seen in Q3 2019.
- US new home sales jumped 7.9% to a seasonally adjusted annual rate of 764,000 units last month, the highest level since July 2007; December's sales pace was revised up to 708,000 units from the previously reported 694,000 units.
- US pending home sales spiked by 5.2% to 108.8 in January after plunging by 4.3% to a revised 103.4 in December.
- US consumer confidence index inched up to 130.7 in February from a downwardly revised 130.4 in January.
- Britain's FTSE tumbled 8.2% as jitters about spreading of the coronavirus outside China raised global economic growth worries.
- Some losses were cut short due to gains in blue-chip stocks.
- Asian equities ended in the red. Japan's Nikkei index nosedived nearly 10% on worries over the economic impact of the coronavirus outbreak.
- Japan's consumer price index rose 0.8% in January from a year earlier.
- Japan Jibun Bank flash manufacturing PMI fell to a seasonally adjusted 47.6 in February from a final 48.8 in January, its lowest since late 2012.
- Japan's unemployment rate rose to 2.4% in January compared with 2.2% in December.
- Hong Kong's Hang Seng index lost 4.3% owing to worries about increase in the number of new coronavirus cases reported outside China and its impact on the global economy.
- Some losses were chipped off on reports of more stimulus measures from China to boost the economy.
- China's Shanghai Composite fell 5.2% on fears over the global coronavirus contagion and its economic impact.
- However, expectations of further stimulus from Beijing to support the domestic economy cut short some losses.

### 2. Commodity

- Crude oil prices plunged in the week amid concerns about spread of coronavirus outside China and its impact on energy demand.
- Indian gold prices rose tracking global cues as intensifying worries regarding spread of coronavirus spurred demand for safe haven assets.
- Indian silver prices declined this week due to weak demand from industrial units and coin traders.

## C. News summary

### 1. Domestic

- India's GDP growth was 4.7% in the December quarter compared to a revised 5.1% in the September quarter and 5.6% growth in the December quarter of the previous fiscal.
- India's fiscal deficit in the first 10 months through January stood at Rs 9.85 tn (\$137.05 bn), or 128.5% of the revised budgeted target for the current fiscal year.
- India's right core industries recorded a 2.2% growth in January helped by expansion in the production of coal, refinery products and electricity; the infrastructure sectors had expanded by 1.5% in January 2019.
- India and the US inked three pacts, including one in energy sector. Also, signed a \$3 bn military helicopter deal.
- The Centre released Rs 19950 cr as GST compensation to states and union territories.
- Cabinet approved the exemption of India Ports Global Ltd from the Department of Public Enterprises (DPE) guidelines for smooth execution of Chabahar Port project.
- RBI clarified that CRR exemption announced in the February policy review is available only on equivalent incremental credit to the three identified segments (automobiles, residential housing, and MSMEs).
- RBI said credit flow to the real estate sector needs to improve, as slowing credit offtake is one of the challenges facing Indian banks.
- SEBI reviewed the margin framework for cash and derivatives segments, in order to bring more efficiency in the risk management system.
- SEBI proposed stronger framework for governing corporate bonds and debenture trustees.

### 2. International

- US GDP advanced 2.1% annually in Q4 2019; matching the pace of growth seen in Q3 2019.
- US new home sales jumped 7.9% to a seasonally adjusted annual rate of 764,000 units last month; December's sales pace was revised up to 708,000 units from the previously reported 694,000 units.
- Eurozone consumer price index fell to -1% on a monthly basis in January and stayed unchanged at 1.4% on a yearly basis.
- Eurozone Markit manufacturing PMI rose to 49.1 in February from 47.9 in January, while the services PMI reached a 2-month high of 52.8 in February from 52.5.
- Japan's unemployment rate rose to 2.4% in January compared with 2.2% in December.

## D. Week ahead

Day	Events
Monday, March 2, 2020	<ul style="list-style-type: none"> <li>US ISM Manufacturing PMI, February 2020</li> <li>Eurozone Markit Manufacturing PMI, February 2020</li> <li>UK Markit Manufacturing PMI, February 2020</li> <li>China's Caixin Manufacturing PMI, February 2020</li> <li>Japan's Jibun Bank Manufacturing PMI, February 2020</li> <li>India's Nikkei Manufacturing PMI, February 2020</li> </ul>
Tuesday, March 3, 2020	<ul style="list-style-type: none"> <li>Eurozone Consumer Price Index, February 2020</li> <li>UK Markit/CIPS Construction PMI, February 2020</li> <li>Japan's Jibun Bank Services PMI, February 2020</li> <li>Japan's Consumer Confidence Index, February 2020</li> </ul>
Wednesday, March 4, 2020	<ul style="list-style-type: none"> <li>US ADP Employment Change, February 2020</li> <li>US ISM Non-Manufacturing PMI, February 2020</li> <li>Eurozone Retail Sales, January 2020</li> </ul>
Thursday, March 5, 2020	<ul style="list-style-type: none"> <li>US Factory Orders, January 2020</li> </ul>
Friday, March 6, 2020	<ul style="list-style-type: none"> <li>US Nonfarm Payrolls &amp; Unemployment Rate, February 2020</li> <li>US Trade Balance, January 2020</li> <li>Japan's Coincident &amp; Leading Index, January 2020</li> </ul>

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