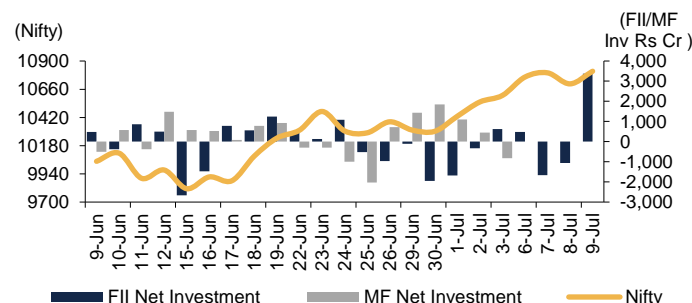


Indian equity benchmark indices' returns

Broad Indices	Jul 10	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	36,594	1.59	17.44	-5.09
Nifty 50	10,768	1.51	18.18	-6.36
Nifty 500	8,814	1.35	18.44	-6.24
S&P BSE 100	10,844	1.27	17.59	-6.63
S&P BSE Midcap	13,397	0.81	17.78	-7.06
S&P BSE Smallcap	12,804	1.59	24.38	-6.53

FII and mutual fund investment vs. Nifty



Sectoral Indices	Jul 10	% chg week	% chg 3 Mon	% chg Year
S&P BSE Metal	7,529	3.80	22.16	-26.61
S&P BSE Bankex	25,348	2.23	10.67	-26.14
S&P BSE IT	15,756	1.78	23.54	4.79
S&P BSE Realty Index	1,620	1.57	13.63	-23.71
S&P BSE Healthcare	16,571	1.39	13.86	29.91
S&P BSE Auto	15,970	0.96	26.37	-5.77
S&P BSE FMCG	11,380	-0.43	4.61	1.77
S&P BSE CG	13,032	-0.59	16.16	-31.15
S&P BSE Oil & Gas	12,802	-1.62	15.46	-9.24
S&P BSE CD	20,572	-2.05	-1.35	-11.06
S&P BSE Power	1,569	-2.38	9.48	-22.11

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Jul 10	Previous Week	1 month ago
Call Rate	3.65%	3.10%	3.50%
10 Yr G-Sec*\$	5.75%	5.86%	5.77%

*5.79% 2030 paper \$Weighted Average Yield

Currencies vs INR

Currency	Jul 10	Week ago	3 months ago	1 year ago
USD	75.20	74.63	76.29	68.57
GBP	94.67	93.04	94.61	85.51
Euro	84.90	83.90	82.94	76.93
Yen*	70.44	69.48	70.14	62.95

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equities continued to rise for the fourth consecutive week. S&P BSE Sensex and Nifty 50 rose about 1.5% each.
- Market started on a positive note on reports of de-escalation in geopolitical tensions between India and China.
- Prime Minister Narendra Modi's statement at India Global Week 2020 that the country is already witnessing green shoots of economic recovery also boosted the sentiments.
- A rally in shares of metal, banking and information technology (IT) firms buoyed the market further. S&P BSE Metal (topmost sectoral gainer), S&P BSE Bankex and S&P BSE IT jumped 3.8%, 2.2% and 1.8%, respectively.
- Shares of Bajaj Finance emerged top gainer on the Nifty 50 after the company said it may consider additional accelerated provisioning for covid-19 in the first quarter of FY21 to further strengthen its balance sheet. The stock advanced 13.1% on week to settle at Rs 3314.15 per share.
- However, some gains were trimmed as spike in Covid-19 cases back home and globally raised concerns about economic recovery.
- A pull back in power, consumer durables and oil & gas counters weighed on the market to a certain extent. S&P BSE Power (biggest decliner), S&P BSE Consumer Durables and S&P BSE Oil & Gas lost 2.4%, 2% and 1.6%, respectively.
- Shares of Adani Ports and SEZ were among the top laggards on the Nifty 50, after the company's board approved a plan to raise \$1.25 billion through dollar bonds to repay its existing debt. The company's shares fell 7.1% on week to settle at Rs 209.05 per share.

2. Debt

- Government bond prices steadily gained during the week. Yield on the 10-year benchmark 5.79% 2030 paper settled at 5.76% on July 10, compared with 5.85% on July 3.
- Market players expected the Reserve Bank of India (RBI) to announce bond market-supportive measures, such as outright open-market operations or special open-market operations.
- Speculation that the RBI may also hike the cap on the held-to-maturity segment – which would incentivise investments into government bonds, as these are protected from marked-to-market losses – persisted through the week.
- Firm demand for debt in the weekly bond auction provided prices with more positive cues.

3. Forex

- The rupee ended lower against the US dollar, weighed by intermittent dollar demand from nationalised and foreign banks.
- The rising number of coronavirus cases in the US dampened risk appetite and contributed to the rupee's decline.
- Sporadic gains in local equities and intermittent weakness in the US dollar index helped the rupee recoup some losses.

International equity benchmark indices' returns

Indices	Jul 10	% chg week	% chg 3 mon	% chg Year
DJIA*	25,706	-0.47	8.38	-4.30
Nasdaq Composite*	10,548	3.33	29.36	28.59
FTSE 100*	6,050	-1.75	3.54	-19.67
Nikkei 225	22,291	-0.07	14.32	3.52
Straits Times*	2,653	-0.01	3.16	-20.59
Hang Seng	25,727	1.40	5.87	-8.78
Shanghai Comp	3,383	7.31	20.98	16.05

*As of Jul 9

International debt market indicators

Indicators	Jul 10	Jul 3
US 10-Year*	0.61	0.67^
UK 10-Year*	0.16	0.19
German 10-Year*	-0.47	-0.43
Japan 10-Year	0.02	0.33
3-M USD Libor*	0.27%	0.28%
6-M USD Libor*	0.35%	0.37%
1-Y USD Libor*	0.48%	0.51%

*As of Jul 9 ^As of Jul 2

Commodities

Commodity	Jul 10	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)*	42.35	-1.05	34.53	-36.80
Gold (\$ per troy ounce)*	1812.10	2.21	7.82	28.67
Silver (\$ per ounce)*	18.84	4.52	24.12	24.78
Indian gold (Rs per 10 gm)	49143.00	1.90	9.34	43.74
Indian Silver (Rs per Kg)	50838.00	4.91	17.80	35.19

*As of Jul 9

Source: Respective commodity exchanges, LBMA, MCX

B. International

1. Equity

- Rising number of fresh Covid-19 cases across various parts of the world rattled most global equities.
- US stocks ended mixed with Dow Jones falling 0.5% and Nasdaq surging 3.3%.
- Sentiments were boosted earlier following upbeat domestic service sector data and hopes of economic recovery.
- US ISM non-manufacturing index for June climbed to 57.1, up 11.7 points from the May reading of 45.4.
- US services PMI registered 47.9 at the end of June, up significantly from 37.5 in May; composite PMI posted 47.9 in June, up significantly from 37.0 in May.
- A rally in technology shares buoyed the market further.
- However, gains were erased, especially from the Dow Jones, on worries about rising coronavirus cases back home and globally.
- US total consumer credit fell by an annual rate of \$18.2 bn in May, compared with a \$70.2 bn decline in April.
- US wholesale inventories fell 1.2% in May compared with a 0.2% gain in April.
- Britain's FTSE index lost 1.8% due to worries surrounding the coronavirus pandemic.
- Some losses were cut short on optimism regarding more stimulus to revive the economy and rally in shares of homebuilder Barratt.
- Asian equities posted mixed performance. Japan's Nikkei index fell marginally as gains in technology stocks were offset by concerns over rising coronavirus cases in the country, and downbeat domestic household spending data.
- Hong Kong's Hang Seng index rose 1.4% on hopes of economic recovery following China's capital market reforms and comfortable liquidity.
- Some gains were reduced on profit booking and concerns about fresh Covid-19 cases in the city.
- China's Shanghai Composite skyrocketed 7.3% on hopes of a quick economic rebound, Beijing's continued reforms in the capital markets and ample liquidity.
- China's consumer price index grew 2.5% year-on-year in June compared with 2.4% gain in May, while the producer price index fell 3% year-on-year in June compared with a 3.7% decline in May.

2. Commodity

- Crude oil prices fell this week on fears that rising numbers of coronavirus cases would have impact on crude oil demand.
- Indian gold ended higher in this week tracking global cues as escalating numbers of Covid-19 infections clouded doubts on economic recovery.
- Indian silver prices gained this week due to rising demand for industry metals and silver coins.

News summary

1. Domestic

- Based on available data, India's industrial production contracted 34.7% in May compared to a revised contraction of 57.6% in April; government however adds that underlying index numbers should not be comparable to those of months preceding the pandemic while also suspending the release of the headline IIP number for May.
- India IHS Markit services purchasing managers' index (PMI) rose to 33.7 in June, from 12.6 in May and 5.4 in April.
- Government shelved the merger of Oriental Insurance Company, National Insurance Company and United India Insurance Company; approved a capital infusion of Rs 12450 cr into these firms.
- Government approved setting up an agri-infra fund with a corpus of Rs 1 lakh cr to provide financial support to agri-entrepreneurs, start-ups, agri-tech players and farmer groups for infrastructure and logistics facilities.
- Government asked ecommerce platforms to display the country of origin on new products listed by sellers on their sites by August 1 and legacy items by October 1.
- The Cabinet approved extension of "Pradhan Mantri Garib Kalyan Yojana" for Ujjwala beneficiaries by three months with effect from July 1, 2020.
- The Cabinet approved a proposal to extend distribution of free foodgrains and pulses under the Pradhan Mantri Garib Anna Yojana (PMGKAY) to 81 cr PDS beneficiaries for five months till November.
- The Cabinet approved extension of EPF contribution of 24% (12% employees share and 12% employers share) for another 3 months from June to August 2020 under PMGKY/Aatmanirbhar Bharat.
- SEBI notified changes to the regulatory framework for registered investment advisors (RIAs).
- SEBI extended the deadline for issuers of municipal debt securities to comply with certain regulatory norms to July 31.

2. International

- US ISM non-manufacturing index for June climbed to 57.1, up 11.7 points from the May reading of 45.4.
- Eurozone retail sales advanced 17.8% on a monthly basis in May, in contrast to a 12.1% decline in April.
- China's consumer price index grew 2.5% year-on-year in June compared with 2.4% gain in May, while the producer price index fell 3% year-on-year in June compared with a 3.7% decline in May.
- Japan's core machinery orders rose 1.7% in May from the previous month after a 12.0% slump in April.

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Week ahead

Day	Events
Monday, July 13, 2020	<ul style="list-style-type: none"> India Consumer Inflation, June 2020
Tuesday, July 14, 2020	<ul style="list-style-type: none"> US Consumer Prices, June 2020 Eurozone Industrial Production, May 2020 UK GDP, May 2020
Wednesday, July 15, 2020	<ul style="list-style-type: none"> US Import / Export Prices, June 2020 US Industrial Production, June 2020 UK Consumer Prices, June 2020 Bank of Japan Interest Rate Decision China GDP, Q2 2020 China Industrial Output, June 2020 China Retail Sales, June 2020
Thursday, July 16, 2020	<ul style="list-style-type: none"> US Philadelphia Fed Business Index, July 2020 US Retail Sales, June 2020 US Business Inventories, May 2020 US NAHB Housing Market Index, July 2020 ECB Interest Rate Decision UK ILO Unemployment Rate, May 2020 UK GfK Consumer Confidence, July 2020
Friday, July 17, 2020	<ul style="list-style-type: none"> US University of Michigan Consumer Sentiment, July 2020 US Housing Starts & Building Permits, June 2020 Eurozone Consumer Prices, June 2020



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