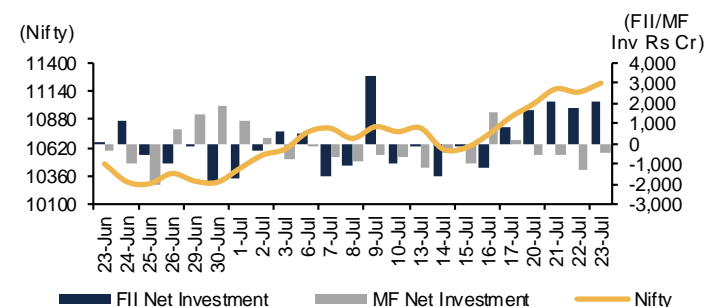


## Indian equity benchmark indices' returns

Broad Indices	Jul 24	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	38,129	3.00	21.71	0.74
Nifty 50	11,194	2.68	22.28	-0.68
Nifty 500	9,086	2.14	21.25	-0.81
S&P BSE 100	11,233	2.31	21.20	-1.03
S&P BSE Midcap	13,703	1.27	19.52	-0.05
S&P BSE Smallcap	12,967	1.44	21.94	-0.59

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Jul 24	% chg week	% chg 3 Mon	% chg Year
S&P BSE CD	21,843	3.61	13.15	-3.95
S&P BSE Bankex	25,684	3.26	14.31	-21.38
S&P BSE Oil & Gas	13,680	2.93	23.02	-0.80
S&P BSE Power	1,556	2.51	7.28	-22.35
S&P BSE IT	17,378	1.95	34.12	12.42
S&P BSE Auto	16,343	1.12	33.76	2.71
S&P BSE Realty Index	1,564	1.08	14.38	-25.61
S&P BSE Healthcare	17,083	-0.24	10.77	35.19
S&P BSE Metal	7,567	-0.80	27.71	-25.39
S&P BSE CG	12,813	-0.81	10.17	-27.60
S&P BSE FMCG	11,477	-1.20	6.55	3.53

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Jul 24	Previous Week	1 month ago
Call Rate	3.35%	2.90%	2.90%
10 Yr G-Sec* \$	5.82%	5.81%	5.91%

\*5.79% 2030 paper \$Weighted Average Yield

## Currencies vs INR

Currency	Jul 24	Week ago	3 months ago	1 year ago
USD	74.82	75.02	76.45	68.98
GBP	95.26	94.08	94.07	86.26
Euro	86.85	85.51	82.19	76.88
Yen*	70.31	70.01	70.95	63.87

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Domestic equity indices continued to rise for the sixth consecutive week. S&P BSE Sensex and Nifty 50 surged about 3% each.
- Positive tone in the market was set by upbeat earnings results from some major domestic companies.
- Hopes of additional stimulus measures from the government also boosted the sentiments.
- Strong global cues including reports of promising results from coronavirus vaccine trials and a stimulus package from the European Union buoyed the market further.
- A rally in consumer durables, banking and oil & gas counters brought in more gains into the market. S&P BSE Consumer Durables (topmost sectoral gainer), S&P BSE Bankex and S&P BSE Oil & Gas jumped 3.6%, 3.3% and 3%, respectively.
- Shares of Reliance Industries emerged the top gainer on the Nifty50, rising 12.3% on week to settle at Rs 2146.15 per share aided by bullish sentiment surrounding the company.
- However, resurfacing of Sino-US tensions and a sharp rise in new coronavirus cases back home and globally chipped off some gains from the market.
- Shares of Hindustan Unilever emerged the top laggard on week on the Nifty 50, falling 5.4% to settle at Rs 2209.3 per share following the company's earnings announcement for the June quarter.

#### 2. Debt

- Government bond prices ended lower after moving in a fairly tight range over the week in the absence of strong triggers.
- The longer tenure supply that got added via the gilt switch auction put bonds under some pressure at the start of the week.
- Amid investor concerns about the excessive supply of debt in the market, the state development bond auction and the weekly gilt auction added to the pressure on prices.
- A further decline in bond prices was prevented by value buying.
- Optimism that the central bank would intervene by announcing measures to absorb the supply of debt in the market lent some support to prices.

#### 3. Forex

- The rupee ended off earlier highs against the US dollar.
- The local unit had a good start to the week, strengthening on encouraging reports of a potential Covid-19 vaccine.
- Gains registered by domestic equities provided positive cues to the local unit.
- A midweek decline in the US dollar index also helped the rupee register more gains.
- Dollar purchases by nationalised banks and escalating tensions between the US and China dented sentiment towards the end of the week.

## International equity benchmark indices' returns

Indices	Jul 24	% chg week	% chg 3 mon	% chg Year
DJIA*	26,652	-0.07	13.34	-2.26
Nasdaq Composite*	10,461	-0.40	23.15	25.72
FTSE 100*	6,211	-1.25	6.60	-17.20
Nikkei 225^	22,752	0.24	18.88	4.80
Straits Times	2,580	-1.49	2.44	-23.42
Hang Seng	24,705	-1.53	3.67	-13.39
Shanghai Comp	3,197	-0.54	13.82	9.36

\*As of Jul 23 ^As of Jul 22

## International debt market indicators

Indicators	Jul 23	Jul 17
US 10-Year	0.58	0.63
UK 10-Year	0.12	0.16
German 10-Year	-0.48	-0.45
Japan 10-Year*	0.02	0.01
3-M USD Libor	0.24%	0.27%
6-M USD Libor	0.33%	0.33%
1-Y USD Libor	0.46%	0.47%

\*As of Jul 22

## Commodities

Commodity	Jul 24	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)*	43.31	0.39	102.01	-31.45
Gold (\$ per troy ounce)*	1878.30	3.93	9.46	31.63
Silver (\$ per ounce)*	22.86	19.31	49.27	38.25
Indian gold (Rs per 10 gm)	50960.00	4.12	9.65	46.03
Indian Silver (Rs per Kg)	59821.00	15.99	43.05	45.64

\*As of Jul 23

Source: Respective commodity exchanges, LBMA, MCX

## B. International

### 1. Equity

- Most global equities ended in the red on the back of rising number of coronavirus cases and renewed tensions between US and China.
- US stocks ended slightly lower with Dow Jones and Nasdaq falling 0.1% and 0.4%, respectively.
- Market fell earlier on worries about persistent spike in coronavirus cases and a pullback in technology stocks.
- Downbeat jobless claims numbers also weighed on the sentiments.
- However, losses were cut short owing to promising trial results from potential Covid-19 vaccines.
- Positive housing data, buying in utilities stocks and optimism of additional stimulus to revive the pandemic hit economy also supported the market.
- Britain's FTSE index fell 1.3% due to a fall in energy stocks, Sino-US tensions and concerns about rising number of Covid-19 cases across the globe.
- Further losses were prevented in response to a coronavirus rescue fund announced by the EU and hopes of new round of stimulus from the US.
- The EU agreed on a 750 bn euro coronavirus rescue fund. It also approved infusing over 500 bn euros into green initiatives including electric cars, renewable energy and agriculture.
- Asian equities also posted varied performance. Japan's Nikkei index rose 0.2% as reports of progress in developing a Covid-19 vaccine boosted economic recovery hopes.
- Gains were trimmed due to weak domestic exports data and spike in coronavirus cases globally.
- Japan's exports plummeted 26.2% in June from a year earlier while imports fell 14.4% in the year to June, leaving a trade deficit of 268.8 bn yen.
- Hong Kong's Hang Seng index lost 1.5% on the back of escalating US-China tensions and jump in coronavirus cases.
- Some losses were reduced following a rally in technology stocks and EU's stimulus plan to revive the economy.
- China's Shanghai Composite fell 0.5% on worries about Sino-US tensions.
- Losses were cut short as healthcare stocks rallied on hopes for a coronavirus vaccine.

### 2. Commodity

- Crude oil prices closed higher in this week owing to demand growth hopes following stimulus measures taken by the European Union.
- Indian gold ended higher this week with prices witnessing a record high level tracking positive global cues and strong demand for safe haven assets.
- Indian silver prices rose this week due to rising demand for silver coins and hopes of higher demand for industrial metal.

## • News summary

### 1. Domestic

- According to labor ministry estimates, retail inflation for farm and rural workers in June eased to 7.16% and 7%, respectively, as compared to May this year.
- Finance Minister Nirmala Sitharaman said the Indian economy is set for a strong revival on the back of agriculture and allied sectors that are boosting the rural sector.
- Finance Ministry ruled out issuing any clarification or frequently asked questions (FAQs) on Equalization Levy on non-resident e-commerce firms.
- Finance Minister Nirmala Sitharaman asked select seven CPSEs to fast track spending to achieve 50% of their FY21 capex target by the end of September quarter.
- Government issued norms for Rs 1 lakh cr Agri Infra Fund scheme.
- A special funding window approved an investment of Rs 8676 cr for 81 stuck housing projects.
- Government notifies a Rs 6940 cr production linked incentive scheme to boost local bulk drug manufacturing and further reduce dependence on imports.
- As per RBI estimates, payments through digital modes are expected to jump to 1.5 bn transactions, worth Rs 15 lakh cr a day in five years.
- SEBI said stricter surveillance measures to tackle market volatility amid coronavirus pandemic will continue till August 27.
- SEBI amended insider trading norms, wherein listed entities will have to maintain a structured digital database containing nature of unpublished price-sensitive information.
- IRDAI allowed general and standalone health insurers to offer Corona Kavach Policy as a group insurance product.

### 2. International

- US existing home sales spiked by 20.7% to an annual rate of 4.72 mn in June after plunging by 9.7% to a rate of 3.91 mn in May.
- US housing starts spiked by 17.3% to an annual rate of 1.19 mn in June after jumping by 8.2% to an upwardly revised rate of 1.01 mn in May.
- European Union agreed on a 750 bn euro coronavirus rescue fund.
- European Union approved infusing over 500 bn euros into green initiatives including electric cars, renewable energy and agriculture.
- China's central bank retained one-year loan prime rate at 3.85% and the five-year loan prime rate at 4.65%.

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## Week ahead

Day	Events
Monday, July 27, 2020	<ul style="list-style-type: none"> <li>• US Durable Goods Orders, June</li> <li>• US Dallas Fed manufacturing Business Index, July</li> <li>• China Industrial Profits, June</li> <li>• Japan All Industry Activity Index, May</li> <li>• Japan Coincident and Leading Index, May</li> </ul>
Tuesday, July 28, 2020	<ul style="list-style-type: none"> <li>• US Consumer Confidence, July</li> <li>• US S&amp;P Case-Shiller Home Price Index, May</li> </ul>
Wednesday, July 29, 2020	<ul style="list-style-type: none"> <li>• US Federal Reserve Interest Rate Decision</li> <li>• US Trade Balance, June</li> <li>• US Pending Home Sales, June</li> <li>• US EIA Crude oil inventories, July 24</li> <li>• Japan Retail Sales, June</li> </ul>
Thursday, July 30, 2020	<ul style="list-style-type: none"> <li>• US GDP, Q2 2020</li> <li>• Eurozone Consumer &amp; Economic Confidence, July</li> <li>• Eurozone Unemployment Rate, June</li> <li>• UK Nationwide Housing Prices, July</li> <li>• China Official Manufacturing &amp; Non-Manufacturing PMI, July</li> <li>• Japan Industrial Production, June</li> </ul>
Friday, July 31, 2020	<ul style="list-style-type: none"> <li>• US Personal Income &amp; Spending, June</li> <li>• US University of Michigan Consumer Sentiment, July</li> <li>• Eurozone Consumer Prices, July</li> <li>• Eurozone GDP, Q2 2020</li> <li>• Japan Consumer Confidence Index, July</li> <li>• India Fiscal Deficit, April-June</li> <li>• India Core Sector Growth, June</li> </ul>



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