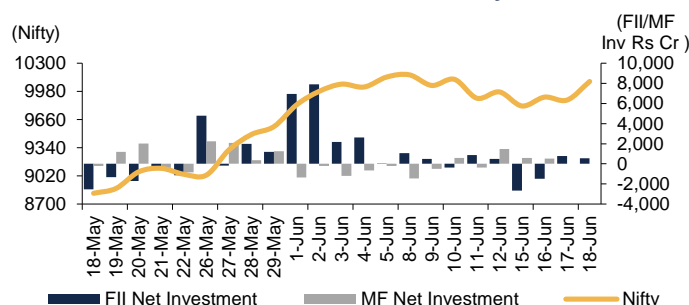


## Indian equity benchmark indices' returns

Broad Indices	Jun 19	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	34,732	2.81	22.78	-11.20
Nifty 50	10,244	2.72	23.97	-12.38
Nifty 500	8,403	2.53	23.45	-11.79
S&P BSE 100	10,342	2.44	23.65	-12.21
S&P BSE Midcap	12,804	1.62	19.73	-11.35
S&P BSE Smallcap	12,277	3.65	26.28	-11.80

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Jun 19	% chg week	% chg 3 Mon	% chg Year
S&P BSE Realty Index	1,646	3.70	12.41	-21.41
S&P BSE Bankex	24,243	3.17	5.75	-28.83
S&P BSE Oil & Gas	12,889	2.87	37.73	-12.71
S&P BSE Metal	7,228	1.54	27.27	-32.67
S&P BSE IT	14,540	1.17	27.65	-9.03
S&P BSE Auto	15,004	1.04	28.11	-14.52
S&P BSE Healthcare	16,208	0.49	42.21	29.55
S&P BSE Power	1,545	0.04	15.94	-22.60
S&P BSE CG	12,564	-0.17	9.55	-34.80
S&P BSE CD	20,392	-0.26	3.47	-18.97
S&P BSE FMCG	10,754	-1.22	20.09	-5.68

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Jun 19	Previous Week	1 month ago
Call Rate	2.90%	3.75%	3.75%
10 Yr G-Sec*\$	5.85%	5.79%	6.03%

\*5.79% 2030 paper \$Weighted Average Yield

## Currencies vs INR

Currency	Jun 19	Week ago	3 months ago	1 year ago
USD	76.19	75.84	75.00	69.68
GBP	94.60	95.82	86.59	87.68
Euro	85.43	85.91	80.63	78.12
Yen*	71.26	70.53	68.34	64.32

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Indian equities rose sharply in the week with benchmarks S&P BSE Sensex and Nifty 50 rising nearly 3% each.
- Positivity was instilled in the market earlier on tracking upbeat global cues including the US Federal Reserve's corporate bond buying programme on hopes of global economic recovery from the damage caused by the coronavirus pandemic.
- Back home, the Department of Telecommunication's (DoT's) decision to withdraw 96% of the Rs 4 lakh crore demanded for adjusted gross revenue (AGR) related dues aided the sentiments.
- Rally in realty and banking stocks also supported the market.
- Shares of Reliance Industries were among the highest gainers for the week, rising 10.74% to settle at Rs 1759 per share after the company announced that it was net debt free.
- However, further gains were restricted due to rapid spike in domestic coronavirus cases and escalating geopolitical tensions between India and China.
- A sell-off in defensive counters such as fast-moving consumer goods (FMCG) and consumer durables also weighed on the market to a certain extent.
- Shares of IndusInd emerged the biggest laggard, falling 8.48% to settle at Rs 484 per share weighed by intermittent profit sales by market players.

#### 2. Debt

- Government bond prices ended lower on-week. The yield of the 10-year benchmark 5.79% 2030 paper settled at 5.85% on June 19 as against 5.80% on June 12
- News of a clash between Indian and Chinese troops along the Indo-China border put bonds under pressure
- Sentiment for dated securities improved towards the end of the week after India and China agreed to de-escalate the border dispute.
- Intermittent value-buying and persistent hopes that the central bank would intervene and announce steps to keep the excess debt supply in check, propped up bond prices.
- Prices dipped in the last session as some market players trimmed positions ahead of the outcome of the weekly gilt auction.
- Prices, though, rose marginally early in the week following the government's gilt switch auction

#### 3. Forex

- The rupee ended lower against the US dollar, weighed by fears of a second wave of Covid-19 infections in China and the US
- Escalating geopolitical tensions along the Indo-China border dented risk appetite mid-week and put the rupee under more pressure
- Foreign banks' dollar sales and intermittent rise in domestic equities helped the rupee recoup some losses
- The launch of the US Fed's corporate bond buying programme also provided the rupee with positive cues

## International equity benchmark indices' returns

Indices	Jun 19	% chg week	% chg 3 mon	% chg Year
DJIA*	26,080	1.85	31.06	-1.60
Nasdaq Composite*	9,943	3.69	42.25	24.49
FTSE 100*	6,224	1.95	22.51	-15.93
Nikkei 225	22,479	0.78	35.80	5.37
Straits Times	2,635	-1.86	14.01	-19.87
Hang Seng	24,644	1.41	13.52	-12.62
Shanghai Comp	2,968	1.64	9.83	1.71

\*As of Jun 18

## International debt market indicators

Indicators	Jun 19	Jun 12
US 10-Year*	0.69	0.70
UK 10-Year*	0.22	0.21
German 10-Year*	-0.44	-0.45
Japan 10-Year	0.01	0.01
3-M USD Libor*	0.31%	0.32%
6-M USD Libor*	0.42%	0.43%
1-Y USD Libor*	0.58%	0.59%

\*As of Jun 18

## Commodities

Commodity	Jun 19	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)*	41.51	7.18	45.80	-32.85
Gold (\$ per troy ounce)*	1719.50	-0.81	16.64	27.93
Silver (\$ per ounce)*	17.62	-0.06	46.73	17.87
Indian gold (Rs per 10 gm)	47519.00	0.24	17.64	44.65
Indian Silver (Rs per Kg)	48069.00	-1.95	37.43	29.52

\*As of Jun 18

Source: Respective commodity exchanges, LBMA, MCX

## B. International

### 1. Equity

- Hopes of global economic recovery from the Covid-19 pandemic boosted equities across the globe.
- US stocks ended in the green with Dow Jones and Nasdaq rising around 2% and 3.7%, respectively. Market was boosted earlier by a rebound in financials and technology stocks.
- Sentiments strengthened further after the US Federal Reserve (Fed) announced fresh measures to support the economy in the form of corporate bond purchasing program, and a record jump in domestic retail sales data.
- The Fed said it would buy a broad basket of corporate bonds of up to \$750 bn from the secondary market.
- Britain's FTSE rose 2% following some upbeat corporate earnings reports and rally in shares of energy firm SSE.
- Global stimulus hopes and upbeat economic data from the US buoyed the market further.
- Some gains were cut short after Bank of England (BoE) slowed the pace of its bond-buying programme.
- BoE's policy panel voted 8-1 to increase quantitative easing by 100 bn pounds, while holding the benchmark interest rate at a record-low 0.1%; the bank warned that the UK economy could shrink by 25% between April and June, from the previous three-month period.
- Asian equities also posted robust performance. Japan's Nikkei index rose nearly 1% following additional stimulus measures by the country's central bank and the US Fed.
- Bank of Japan's Policy Board voted 8-1 to retain the interest rate at -0.1% on current accounts that financial institutions maintain at the central bank. However, it increased the nominal size of its lending packages for cash-strapped firms to \$1 trillion from about \$700 bn announced last month.
- Hong Kong's Hang Seng index rose 1.4% after the Fed widened its bond buying and owing to economic recovery hopes.
- China's Shanghai Composite rose 1.6% on hopes of economic recovery amid policymakers' pledge of introducing more reforms and liquidity to boost capital markets.
- China's industrial output expanded 4.4% in May from a year earlier compared with a 3.9% rise in April.

### 2. Commodity

- Crude oil prices gained this week after International Energy Agency forecast a record rise in demand for oil in next year and as a panel of OPEC and its allies met to review record oil supply cuts.
- Indian gold ended marginally higher in this week as gradual start of the economy boosted buying from local jewelers.
- Indian silver prices rose this week on rising demand for industry metals and silver coins.

## • News summary

### 1. Domestic

- India's industrial production recorded the sharpest ever drop in April as the nationwide lockdown froze factories and output was pulled down by an unprecedented 55.5%, after shrinking a revised 18.3% in March.
- India's consumer food inflation rose 9.28% year-on-year in May; headline consumer inflation index was not released for May.
- India's exports in May dipped 36.47% to \$19.05 bn while imports fell 51% to \$22.2 bn, resulting in a trade deficit of \$3.15 bn as against \$15.36 bn deficit in May 2019.
- India's wholesale prices entered a deflationary territory in May, falling 3.2%, as the month saw a decline in demand; while overall wholesale price index (WPI) numbers were not available for April, WPI growth was 0.42% in March and 2.79% in May 2019.
- Prime Minister Narendra Modi launched the auction for 41 coal mines for commercial mining.
- The GST Council decided to reduce the late fee on the filing of GSTR-3B returns for the period between July 2017 and January 2020.
- Finance ministry released Rs 15187 cr to 28 states as grants to rural local bodies to help them restart economic activity.
- RBI revised the supervisory framework for financial market infrastructure and retail payment systems.
- RBI formed an internal working group to review the ownership guidelines and corporate structure for private sector lenders.
- RBI eased the norms for deployment of automated teller machines (ATMs) by white-label players.
- RBI proposed to modify the existing regulations for housing finance companies.
- SEBI allowed promoters to acquire 10% instead of 5% through creeping acquisition without triggering an open offer.

### 2. International

- US Federal Reserve said it would buy a broad basket of corporate bonds of up to \$750 bn from the secondary market through its emergency lending program.
- US retail sales skyrocketed by 17.7% in May after plunging by a revised 14.7% in April.
- European Central Bank provided 1.31 trillion euros in long-term, ultra-cheap credit to banks as part of its emergency support aimed at cushioning the impact of the coronavirus pandemic on businesses and workers.
- China's industrial output expanded 4.4% in May from a year earlier compared with a 3.9% rise in April.

**Disclaimer** - Produced by SBM Bank India Limited based on information available at the time of publishing. We believe that the information in this report is correct and any opinion, conclusions or recommendations are reasonably held or made as at the time of its compilation, but no warranty is made as to accuracy, reliability or completeness. SBM Bank India Limited does not accept liability to any person for loss or damage arising from the use of this report. The report has been prepared without taking into account of the objectives, financial situation or needs of any particular individual or financial institution or corporate. For this reason any individual or financial institution or corporate should before action on the information in this report, consider the appropriateness of the information having regard to the individual's objectives, financial situation and needs and if necessary seek appropriate professional advice.

## Week ahead

Day	Events
Monday, June 22, 2020	<ul style="list-style-type: none"> <li>US Existing Home Sales, May</li> <li>US Chicago Fed National Activity Index, May</li> <li>Eurozone Consumer Confidence, June</li> <li>China's PBOC Interest rate decision</li> <li>Japan Manufacturing PMI, June</li> </ul>
Tuesday, June 23, 2020	<ul style="list-style-type: none"> <li>US New Home Sales, May</li> <li>US Manufacturing, Services &amp; Composite PMI, June</li> <li>Eurozone Markit, Manufacturing, Services &amp; Composite PMI, June</li> <li>UK Manufacturing &amp; Services PMI, June</li> </ul>
Wednesday, June 24, 2020	<ul style="list-style-type: none"> <li>US Crude oil supply, June 19</li> <li>US Housing Prices Index, Apr</li> <li>Japan Coincident and Leading Economic Index, April</li> </ul>
Thursday, June 25, 2020	<ul style="list-style-type: none"> <li>US Durable Goods Orders, May</li> <li>US GDP, Q1 2020</li> <li>US Initial Jobless Claims, June 19</li> <li>US Advance Goods Trade Deficit, May</li> <li>US Wholesale Inventories, May</li> <li>Japan All Industry Activity Index, April</li> </ul>
Friday, June 26, 2020	<ul style="list-style-type: none"> <li>US Personal Income &amp; Spending, May</li> <li>US University of Michigan Consumer Sentiment, June</li> <li>India Forex Reserve, June 19</li> </ul>



## ATTRACTIVE INTEREST RATES ON OUR TERM DEPOSITS

Know More