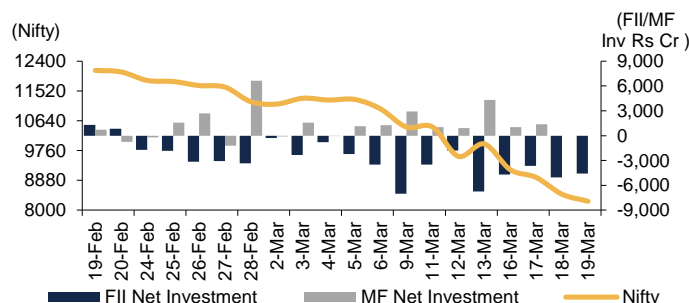


Indian equity benchmark indices' returns

Broad Indices	Mar 20	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	29,916	-12.28	-28.23	-22.07
Nifty 50	8,745	-12.15	-28.74	-24.09
Nifty 500	7,160	-12.29	-27.71	-25.05
S&P BSE 100	8,827	-12.08	-28.35	-24.56
S&P BSE Midcap	11,141	-11.85	-24.90	-26.54
S&P BSE Smallcap	10,113	-14.01	-24.48	-31.78

FII and mutual fund investment vs. Nifty



Sectoral Indices	Mar 20	% chg week	% chg 3 Mon	% chg Year
S&P BSE FMCG	9,681	-1.03	-15.83	-17.47
S&P BSE Healthcare	11,992	-5.39	-10.49	-16.02
S&P BSE Oil & Gas	10,205	-5.85	-31.36	-31.97
S&P BSE IT	12,343	-7.16	-21.19	-19.15
S&P BSE Power	1,398	-9.85	-26.34	-29.51
S&P BSE Metal	6,131	-12.39	-39.30	-45.18
S&P BSE Auto	12,168	-12.84	-33.17	-36.09
S&P BSE CD	19,971	-14.67	-20.10	-13.90
S&P BSE CG	11,742	-14.90	-31.17	-35.59
S&P BSE Realty Index	1,508	-15.88	-32.54	-26.41
S&P BSE Bankex	23,266	-19.47	-36.88	-30.35

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Mar 20	Previous Week	1 month ago
Call Rate	5.15%	5.00%	5.15%
10 Yr G-Sec*\$	6.24%	6.32%	6.42%
3-M USD Libor^	1.20%	0.84%	1.68%
6-M USD Libor^	0.98%	0.82%	1.70%
1-Y USD Libor^	0.92%	0.82%	1.76%

*6.45% 2029 paper ^As of Mar 19 \$Weighted Average Yield

Currencies vs INR

Currency	Mar 20	Week ago	3 months ago	1 year ago
USD	75.18	73.90	71.11	68.81
GBP	88.29	92.76	92.71	91.02
Euro	80.53	82.56	78.93	78.13
Yen*	68.17	69.46	65.03	61.73

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Domestic equities recorded its worst weekly decline since 2008, ending in the negative territory for fifth consecutive week. S&P BSE Sensex and Nifty 50 nosedived about 12% each.
- The market was battered by intensifying fears of a global recession driven by the coronavirus pandemic.
- Heavy selling pressure was witnessed in banking, realty, capital goods and consumer durables counters. S&P BSE Bankex (biggest sectoral decliner), S&P BSE Realty, S&P BSE Capital Goods and S&P BSE Consumer Durables plummeted around 19%, 16%, 15% and 15%, respectively.
- Shares of IndusInd Bank emerged the biggest laggard on the Nifty 50 with the scrip declining 45% to settle at Rs 440.35 impacted by weak market sentiment and foreign investor outflows.
- Some losses were chipped off as policymakers across the globe launched stimulus measures to stem the economic fallout of the coronavirus pandemic.
- Shares of ONGC emerged top gainer on the Nifty 50, rising nearly 10% to settle at Rs 72.35 per share aided by value-buying.

2. Debt

- Government bond prices recouped losses suffered intraweek to end higher. The yield of the 10-year benchmark 6.45% 2029 paper settled at 6.26% on March 20 as against 6.32% on March 13.
- Prices fell midweek as hopes of an inter-meeting interest rate cut by the RBI diminished amid concerns over the Covid-19 spread.
- Intermittent profit sales and rise in United States (US) benchmark treasury yields also dented sentiment.
- More bond selling was witnessed as the rupee tumbled to a record low against the US dollar.
- Domestic bonds had begun the week on a bright note after the US Federal Reserve (Fed) slashed interest rates for the second time in the past few weeks.
- The last session of the week saw bond prices rise sharply. The banking regulator conducted bond purchases under open market operations for a total notified Rs 10,000 crore. The central bank also said it would buy another Rs 30,000 crore worth of notes via more open market bond purchases through the end of March.

3. Forex

- The rupee weakened sharply amid fears of more foreign fund outflows in the wake of heightened fears over spread of Covid-19.
- Weakness in both domestic and global equities contributed to the rupee's decline.
- Sporadic dollar sales by nationalised banks prevented a steeper decline in the rupee.
- Among other developments, the central bank announced that it would conduct its six-month dollar-rupee sell-buy swap on March 23, with the swap amount of \$ 2 billion to provide liquidity for the foreign exchange market.

International equity benchmark indices' returns

Indices	Mar 20	% chg week	% chg 3 mon	% chg Year
DJIA*	20,087	-13.36	-29.21	-21.98
Nasdaq Composite*	7,151	-9.20	-19.54	-7.48
FTSE 100*	5,152	-4.00	-31.98	-29.34
Nikkei 225*	16,553	-5.04	-30.64	-23.40
Straits Times	2,411	-8.48	-24.95	-24.84
Hang Seng	22,805	-5.11	-18.18	-22.22
Shanghai Comp	2,746	-4.91	-8.63	-11.16

*As of Mar 19

International debt market indicators

Indicators	Mar 19	Mar 13
US 10-Year	1.11	0.95
UK 10-Year	0.72	0.41
German 10-Year	-0.19	-0.55
Japan 10-Year	0.11	0.00

Commodities

Commodity	Mar 20	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)*	28.47	-15.89	-56.95	-58.44
Gold (\$ per troy ounce)*	1474.25	-5.67	-0.32	13.08
Silver (\$ per ounce)*	12.01	-23.87	-29.53	-21.64
Indian gold (Rs per 10 gm)	40989.00	-2.08	7.99	29.00
Indian Silver (Rs per Kg)	36871.00	-14.22	-16.62	-2.20

*As of Mar 19

Source: Respective commodity exchanges, LBMA, MCX

B. International

1. Equity

- Worries about the economic impact of coronavirus crisis continued to dent global equities.
- US stocks were affected by concerns about the impact of the coronavirus pandemic on global economic growth.
- Some losses were cut short following the government's plan to infuse over \$1 trillion to soften the economic blow of the coronavirus crisis and after US Federal Reserve (Fed) provided short term funding to businesses.
- US Federal Reserve slashed its benchmark interest rate to 0-0.25% and decided to buy \$700 bn in bonds.
- Britain's FTSE fell 4% on reports of companies warning of severe hit to earnings from coronavirus pandemic.
- However, losses were capped after Bank of England (BoE) cut interest rate to rescue the economy from the Covid-19 crisis and due to gains in shares of mining and supermarket firms.
- BoE reduced interest rates by 15 bps to 0.1% and announces a 200 bn pound quantitative easing programme.
- Asian equities ended in the red. Japan's Nikkei index dipped 5% on persistent worries surrounding the coronavirus pandemic.
- Further losses were prevented on sporadic bargain buying.
- Hong Kong's Hang Seng index fell about 5% following weak Chinese data and worries surrounding economic impact of coronavirus crisis.
- Losses were cut short as investors cheered stimulus measures from global governments and central banks to fight the coronavirus impact.
- China's Shanghai Composite lost about 5% on the back of dismal domestic economic data and worries about the impact of coronavirus on the global economy.
- Further losses were prevented following policy measures taken by major central bank to support their countries' economies.
- China's industrial production sharply declined 13.5% in January - February compared to 6.9% growth in December.
- China's retail sales declined 20.5% in January - February compared to 8.0% growth in December.

2. Commodity

- Crude oil prices declined in the week after the emergency fiscal and monetary stimulus measures taken globally failed to calm down energy demand worries.
- Indian gold prices dropped tracking global cues amid heavy liquidation across all asset classes following worries surrounding coronavirus outbreak.
- Indian silver prices tumbled this week due to subdued demand from industrial units and coin traders.

• News summary

1. Domestic

- India's Wholesale Price Index-based inflation (WPI) stood at 2.26% in February as compared to 3.1% in January and 2.93% in February 2019, following softer price increase in food articles, especially onion and vegetables.
 - India's exports rose 2.91% in February to \$27.65 bn while imports gained 2.48% to \$37.5 bn, resulting in a trade deficit of \$9.8 bn compared with a deficit of \$15.17 bn in January.
 - S&P scaled back India's economic growth forecast for calendar year 2020 to 5.2% from 5.7% amid concerns that the Asia Pacific region may fall into recession as a result of the COVID-19 outbreak.
 - Moody's Investors Service cut India's GDP growth forecast for 2020 calendar year to 5.3%, on coronavirus implications on the economy.
 - PM Narendra Modi sets up a task force to assess the impact of the coronavirus crisis on the economy; also called for cooperation between all countries in the SAARC region to combat coronavirus, and proposed the creation of a Covid-19 emergency fund with India making an initial contribution of \$10 mn.
 - GST Council increased GST on mobile phones and specified parts to 18% from the existing 12%. Also reduces the rate on handmade, machine-made matchsticks to 12% and aircraft maintenance repair overhaul services to 5% from 18%.
 - The Cabinet gave nod for 4% hike in dearness allowance (DA) to 21% for central government employees, costing the exchequer an additional Rs 14595 cr.
- ### 2. International
- US Federal Reserve slashed its benchmark interest rate to 0-0.25% and decides to buy \$700 bn in bonds.
 - US industrial production climbed by 0.6% in February after falling by a downwardly revised 0.5% in January; capacity utilization for the industrial sector rose to 77% in February from 76.6% in January.
 - European Central Bank (ECB) announced a new Pandemic Emergency Purchase Programme under which it will buy up to 750 bn euros in government and private sector bonds as well as commercial paper by the year-end.
 - Eurozone inflation slowed to 1.2% in February from 1.4% in January.
 - Bank of England reduced interest rates by 15 bps to 0.1% and announces a 200 bn pound quantitative easing programme.
 - Asian Development Bank announced a \$6.5 bn package to address the immediate needs of its developing member countries as they respond to the Covid-19 pandemic.

C. Week ahead

Day	Events
Monday, March 23, 2020	<ul style="list-style-type: none"> US Chicago Fed Nat Activity Index, February Eurozone Consumer Confidence, March
Tuesday, March 24, 2020	<ul style="list-style-type: none"> US Markit Manufacturing, Services & Composite PMI, March US New Home Sales, February Eurozone Markit Manufacturing, Services & Composite PMI, March UK Markit Manufacturing, Services & Composite PMI, Japan's Jibun Bank Manufacturing PMI, March Japan's Leading & Coincident Index, January
Wednesday, March 25, 2020	<ul style="list-style-type: none"> US Durable Goods Orders, February US Housing Price Index, January UK Consumer Price Index, February UK Producer Price Index, February
Thursday, March 26, 2020	<ul style="list-style-type: none"> US GDP, Q4 2019 US Wholesale & Retail Inventories, February US Trade Balance, February Bank of England Monetary Policy Review & Asset purchase Target UK Retail Sales, February
Friday, March 27, 2020	<ul style="list-style-type: none"> US Michigan Consumer Sentiment Index, March US Personal Income & Spending, February UK Nationwide Housing Prices, March

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