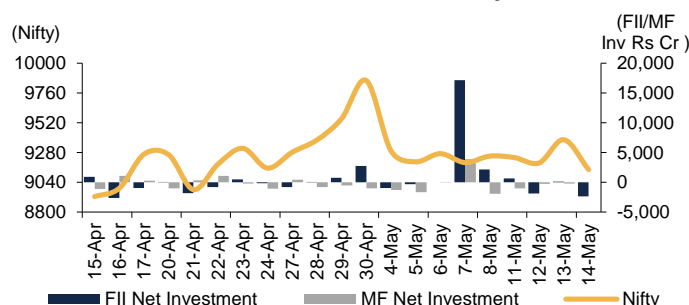


Indian equity benchmark indices' returns

Broad Indices	May 15	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	31,098	-1.72	-24.63	-16.21
Nifty 50	9,137	-1.24	-24.57	-18.11
Nifty 500	7,504	-0.63	-24.67	-18.08
S&P BSE 100	9,264	-0.99	-24.16	-17.70
S&P BSE Midcap	11,500	0.67	-26.57	-18.54
S&P BSE Smallcap	10,689	0.47	-27.20	-22.44

FII and mutual fund investment vs. Nifty



Sectoral Indices	May 15	% chg week	% chg 3 Mon	% chg Year
S&P BSE Auto	13,025	5.51	-25.95	-26.47
S&P BSE CG	11,670	4.62	-30.46	-32.83
S&P BSE Metal	6,322	4.14	-34.41	-38.87
S&P BSE Power	1,444	2.78	-22.04	-21.46
S&P BSE Realty Index	1,346	2.38	-42.91	-30.24
S&P BSE CD	18,318	1.16	-32.06	-21.66
S&P BSE FMCG	10,078	0.16	-12.61	-11.15
S&P BSE Healthcare	15,029	-1.58	4.26	12.57
S&P BSE IT	13,314	-1.63	-18.48	-13.25
S&P BSE Oil & Gas	11,200	-2.82	-20.48	-22.00
S&P BSE Bankex	21,576	-2.86	-38.98	-32.47

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	May 15	Previous Week	1 month ago
Call Rate	2.75%	3.70%	4.00%
10 Yr G-Sec*\$	6.06%	5.99%	6.44%
3-M USD Libor^	0.39%	0.43%	1.13%
6-M USD Libor^	0.68%	0.69%	1.15%
1-Y USD Libor^	0.77%	0.78%	1.01%

*6.45% 2029 paper ^As of May 14 \$Weighted Average Yield

Currencies vs INR

Currency	May 15	Week ago	3 months ago	1 year ago
USD	75.57	75.54	71.36	70.33
GBP	92.28	93.59	93.04	90.74
Euro	81.74	81.78	77.40	78.71
Yen*	70.62	71.07	64.99	64.31

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices ended lower for the second consecutive week with benchmarks S&P BSE Sensex and Nifty 50 falling 1.72% and 1.24%, respectively.
- Market fell sharply owing to concerns about increase in the covid-19 cases back home and second wave of the pandemic across several countries globally.
- Indices tanked as details of the economic package failed to excite the investors, fall in the index heavyweights and sell-off in the banking and oil and gas counters.
- Sentiments were dented further owing to renewed US-China trade tensions and after the US Federal Reserve (Fed) Chief Jerome Powell warned of extended period of weak economic growth and called for additional fiscal spending to stem the fallout from the coronavirus pandemic.
- Shares of Nestle emerged the top laggard on the Nifty 50, falling 7.6% on week to settle at Rs 16444 per share weighed by profit sales following its quarterly earnings announcement.
- More losses were capped due to sharp rally soon after the announcement of the Rs 20-lakh cr economic stimulus package by the Prime Minister Narendra Modi to revive the economy which is severely hit by covid-19 and after China reported its first increase in the industrial output in April 2020.
- Shares of Vedanta emerged the top gainer on the Nifty 50, rising 20% on week to settle at Rs 92.95 per share on news that the company was being delisted.

2. Debt

- Government bond prices fell in the week. The yield on the 10-year benchmark 6.45% 2029 paper settled at 6.08% on May 15, compared with 5.97% on May 8.
- Sentiments were dim following the release of RBI's revised borrowing calendar last week. After domestic market hours on May 8, the RBI announced that it would be borrowing a total notified Rs 6 lakh crore via sale of dated securities over the remainder of the first half of this fiscal, compared with the earlier figure of Rs 3.90 lakh crore over the same period.
- Yields also rose sporadically in response to the fiscal stimulus package announced by the Centre on May 12.
- However, losses were cut short on expectations of measures by the central bank to support the local bond market following the decision to increase borrowing in the first half of the fiscal.

3. Forex

- The rupee ended little changed against the US dollar.
- The local unit was under pressure earlier weighed down by foreign banks' dollar purchases.
- The currency fell further as regional risk appetite diminished following US Fed chairman Jerome Powell's speech. The US Fed chief warned of long-lasting damage to the US economy due to Covid 19.

International equity benchmark indices' returns

Indices	May 15	% chg week	% chg 3 mon	% chg Year
DJIA*	23,625	-2.90	-19.64	-7.89
Nasdaq Composite*	8,944	-1.95	-8.09	14.34
FTSE 100*	5,742	-3.28	-22.51	-21.32
Nikkei 225	20,037	-0.70	-15.41	-5.43
Straits Times	2,524	-2.64	-21.63	-21.60
Hang Seng	23,797	-1.79	-14.45	-15.82
Shanghai Comp	2,868	-0.93	-1.66	-2.39

*As of May 14

International debt market indicators

Indicators	May 15	May 8
US 10-Year*	0.62	0.68
UK 10-Year*	0.21	0.23
German 10-Year*	-0.53	-0.53
Japan 10-Year	-0.01	0.01

*As of May 14

Commodities

Commodity	May 15	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)*	31.13	0.52	-45.69	-56.63
Gold (\$ per troy ounce)*	1731.60	1.62	9.50	33.29
Silver (\$ per ounce)*	15.53	3.67	-12.28	4.83
Indian gold (Rs per 10 gm)	46631.00	1.05	14.64	44.58
Indian Silver (Rs per Kg)	44515.00	2.35	-3.08	19.40

*As of May 14

Source: Respective commodity exchanges, LBMA, MCX

B. International

1. Equity

- Mounting concerns about economic impact of the Covid-19 crisis and second wave of new cases from the pandemic dented global equities.
- US stocks ended lower after Fed Chairman raised concerns over economic weakness due to the coronavirus crisis.
- Fed chief Jerome Powell said the US economy faces unprecedented downside risks that could do lasting damage to households and businesses if fiscal and monetary policy makers do not rise to the challenge.
- Risks of spreading of the Covid-19 owing to reopening business activity weighed on the market further.
- However, some losses were recovered on prospects of additional stimulus measures to support the economy and gains in shares of banking and oil firms.
- Britain's FTSE fell 3.3% on the back of weak domestic growth data, a fall in shares of oil and housebuilder firms and on growing global economic recession concerns.
- Some losses were reduced on tracking upbeat earnings reports of Vodafone and Morrisons.
- The UK economy contracted 1.6% on year in Q1 2020 compared to 1.1% growth in Q4 2019.
- Asian equities too ended in the red. Japan's Nikkei index fell 0.7% on persisting worries about economic impact of the Covid-19 crisis and profit booking.
- Hong Kong's Hang Seng index lost nearly 2% following bleak economic growth forecast from the US Fed Chief and worries surrounding second wave of coronavirus cases.
- China's Shanghai Composite fell 1% on concerns over a second wave of coronavirus cases in the country and as investors worried about a prolonged recovery in the economy.
- China consumer price inflation slowed notably to 3.3% in April from 4.3% in March.
- China's industrial output rose 3.9% in April from a year earlier, compared with a 1.1% fall in March.
- China's retail sales fell 7.5% in April, compared with a 15.8% decline in March.

2. Commodity

- Crude oil prices extended gains this week following the recent pledges by major oil producers to reduce output, and as the International Energy Agency expects tighter supply scenario later in the year.
- Indian gold prices fell in this week in response to lack of demand from jewelers following lockdown restrictions.
- Indian silver prices declined this week due to falling demand for coins and industrial metal.

• News summary

1. Domestic

- As a part of Rs 20 lakh cr stimulus package announced by the government, it unveiled Rs 3 lakh cr collateral-free automatic loans with 100% guarantee and for 4-year tenure for Micro, Small and Medium Enterprises (MSME). It has decided to provide Rs 90000 cr liquidity injection for the fund-starved electricity distribution firms and announced that TDS and TCS rates will be reduced by 25% until March 31, 2021. It also approved Rs 30000 cr additional emergency working capital fund through NABARD for farmers, and announced a Rs 30000 cr liquidity scheme for NBFCs.
- India's industrial output declined by 16.7% in March; the Index of Industrial Production (IIP) had grown by 2.7% in March 2019.
- India's retail inflation was a revised 5.84% in March compared to 2.86% growth in the same month a year ago. The inflation numbers for April was not released by the government due to difficulties in collecting the data amid the Covid-19 pandemic.
- India's wholesale food inflation declined to 3.6% in April from 5.49% a month ago while wholesale inflation was 1% in March compared to 2.26% in February; government suspends the release of the headline wholesale inflation number for April due to nationwide lockdown-led disruptions in data collection.
- BRICS' New Development Bank disbursed \$1 bn emergency assistance loan to India to help it combat the Covid-19 crisis.
- Asian Infrastructure Investment Bank (AIIB) approved a \$500 mn loan to help India respond to the coronavirus pandemic.
- Government to convert some of its bonds maturing this year worth Rs 30000 cr into longer tenure bonds.

2. International

- US producer price index for final demand tumbled by 1.3% in April after edging down by 0.2% in March.
- US reported a record \$738 bn budget deficit in April, compared with \$160 bn in the same month last year.
- US consumer price index slid by 0.8% in April after falling by 0.4% in March.
- US import prices plunged by 2.6% in April after tumbling by a revised 2.4% in March; export prices showed a 3.3% nosedive in April following a revised 1.7% decrease in March.
- Eurozone industrial production decreased 11.3% month-on-month in March; in February output fell 0.1%.
- The UK economy contracted 1.6% on year in Q1 2020 compared to 1.1% growth in Q4 2019.
- Asian Development Bank says global economic losses caused by the coronavirus pandemic could be between \$5.8-8.8 trillion this year.

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C. Week ahead

Day	Events
Monday, May 18, 2020	<ul style="list-style-type: none"> US NAHB Housing Market Index, May 2020 Japan Tertiary Industry Activity Index, March 2020
Tuesday, May 19, 2020	<ul style="list-style-type: none"> US Housing Starts & Building Permits, April 2020 UK ILO Unemployment Rate, March 2020
Wednesday, May 20, 2020	<ul style="list-style-type: none"> Eurozone Consumer Prices, April 2020 Eurozone Consumer Confidence, May 2020 UK Consumer Prices, April 2020 Japan Jibun Bank Manufacturing PMI, May 2020 People's Bank of China (PBoC) Interest Rate Decision
Thursday, May 21, 2020	<ul style="list-style-type: none"> US Markit Manufacturing, Services & Composite PMI, May 2020 US Existing Home Sales, April 2020 UK Manufacturing, Services & Composite PMI, May 2020 Japan Consumer Prices, April 2020
Friday, May 22, 2020	<ul style="list-style-type: none"> Eurozone Manufacturing, Services & Composite PMI, May 2020 UK Retail Sales, April 2020



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