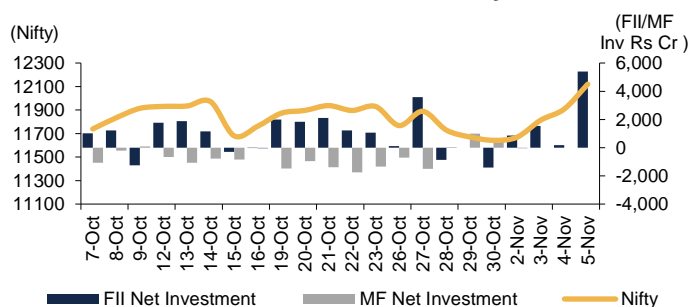


## Indian equity benchmark indices' returns

Broad Indices	Nov 6	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	41,893	5.75	10.17	3.52
Nifty 50	12,264	5.34	9.49	2.49
Nifty 500	10,034	4.72	9.43	3.21
S&P BSE 100	12,323	5.14	9.09	2.12
S&P BSE Midcap	15,405	3.36	9.90	4.47
S&P BSE Smallcap	15,218	2.22	12.21	12.95

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Nov 6	% chg week	% chg 3 Mth	% chg Year
S&P BSE Bankex	30,744	12.25	24.96	-11.03
S&P BSE Metal	8,715	6.18	4.03	-11.32
S&P BSE CD	25,313	5.14	12.71	2.31
S&P BSE CG	14,807	4.52	14.67	-20.30
S&P BSE Auto	18,066	3.13	6.44	-2.39
S&P BSE IT	21,707	3.08	18.14	40.87
S&P BSE Power	1,773	2.53	15.99	-10.58
S&P BSE FMCG	11,152	2.10	-3.86	-9.11
S&P BSE Healthcare	19,653	2.05	4.42	48.54
S&P BSE Oil & Gas	12,348	1.83	-6.39	-20.50
S&P BSE Realty Index	1,788	-0.90	11.08	-15.05

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Nov 6	Previous Week	1 month ago
Call Rate	2.55%	3.55%	3.00%
10 Yr G-Sec <sup>^</sup>	5.86%	5.88%	6.02%

<sup>^</sup>5.77% 2030 paper <sup>^</sup>Weighted Average Yield

## Currencies vs INR

Currency	Nov 6	Week ago	3 months ago	1 year ago
USD	74.20	74.10	74.92	70.98
GBP	97.54	96.28	98.65	91.48
Euro	87.86	86.94	88.79	78.73
Yen*	71.69	71.11	70.96	65.12

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Indian equities recorded impressive performance in the week. Benchmarks S&P BSE Sensex and Nifty 50 surged about 6% and 5%, respectively.
- Positive global cues including upbeat economic data from US and China and rising chances of Joe Biden winning the US election boosted the market.
- Investors also cheered encouraging domestic services activity data.
- Strong buying interest in banking, metal, consumer durables and capital goods counters propelled the market higher.
- Shares of IndusInd Bank emerged the top gainer on the Nifty 50, rising 26% on week to settle at Rs 738.65 per share after the company's reported earnings for the September quarter were better than expected, and in response to the management's optimistic view about future loan growth.
- However, some gains were chipped off due to pullback in realty stocks. S&P BSE Realty was the only sectoral decliner – down around 1%.
- Shares of UPL Ltd. emerged the biggest laggard on the Nifty 50, declining 6.8% on week to settle at Rs 422.4 per share after reporting lower than expected earnings in the September quarter.

#### 2. Debt

- Government bond prices ended higher. The yield of the 10-year benchmark 5.77% 2030 paper settled at 5.87% on November 6 compared with 5.88% on October 29.
- Prices moved in a fairly tight range over the week.
- Bonds began the week on a dim note. Sentiment remained muted following the weak demand for debt seen in the previous week's bond sale.
- Mid-week, market players mostly remained on the sidelines, awaiting the outcome of the US presidential election.
- Domestic bond prices rose marginally tracking a fall in US benchmark treasury yields amid uncertainty over which candidate would emerge victorious in the election.
- Expectation of more open market bond purchase announcements by the banking regulator also supported bonds.
- Tepid demand in the current week's bond sale erased some gains in the last session of the week.

#### 3. Forex

- The rupee ended off earlier lows against the US dollar, aided by a sharp weakness in the US dollar index towards the end of the week and tracking gains in local equities.
- Strength in the greenback in the first half of the week amid uncertainty over the outcome of the US presidential election kept the rupee under pressure.

## International equity benchmark indices' returns

Indices	Nov 6	% chg week	% chg 3 Mth	% chg Year
DJIA*	28,390	7.13	4.37	3.26
Nasdaq Composite*	11,891	8.98	8.12	41.38
FTSE 100*	5,906	5.90	-3.25	-20.15
Nikkei 225	24,325	5.87	8.51	4.38
Straits Times	2,579	6.39	0.77	-20.96
Hang Seng	25,713	6.66	3.14	-7.14
Shanghai Comp	3,312	2.72	-2.19	11.20

\*As of Nov 5

## International debt market indicators

Indicators	Nov 6	Oct 30
US 10-Year*	0.78	0.81
UK 10-Year*	0.23	0.26
German 10-Year*	-0.64	-0.63
Japan 10-Year	0.01	0.04
3-M USD Libor*	0.21%	0.22%
6-M USD Libor*	0.25%	0.24%
1-Y USD Libor*	0.33%	0.33%

\*As of Nov 5

## Commodities

Commodity	Nov 6	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	40.93	9.26	-9.23	-33.71
Gold (\$ per troy ounce)*	1938.45	3.01	-6.23	30.44
Silver (\$ per ounce)*	24.57	4.00	-11.89	40.08
Indian gold (Rs per 10 gm)	52192.00	3.05	-6.06	36.26
Indian Silver (Rs per Kg)	65753.00	8.73	-9.71	44.39

\*As of Nov 5

Source: Respective commodity exchanges, LBMA, MCX

## B. International

### 1. Equity

- Global equities surged on hopes that a divided US legislature would curb large government borrowing, thereby clearing the way for more stimulus measures.
- US stocks soared on hopes of further stimulus package, upbeat earnings reports of major companies and better-than-expected domestic manufacturing data.
- US ISM manufacturing index rose to 59.3 in October from 55.4 in September.
- US Federal Reserve kept the federal funds target rate in a range of 0-0.25% and made no change to asset purchases.
- US real gross domestic product skyrocketed by 33.1% in the third quarter after plunging by 31.4% in the second quarter.
- US ADP employment report showed that private sector employment for October increased by 365,000 compared to upwardly revised 753,000 in September.
- Some gains were trimmed on economic growth concerns induced by spike in coronavirus cases.
- Britain's FTSE index rose nearly 6% primarily boosted by the decision of the Bank of England (BoE) to ramp up stimulus programme.
- BoE expanded its bond purchase programme by a more-than-expected 150 bn pounds to 895 bn pounds and retained its interest rate at a record low 0.10%.
- Further rally was prevented as renewed Covid-19 restrictions spurred worries about economic recovery.
- Asian equities also ended positively. Japan's Nikkei index jumped around 6% on tracking a sharp rally in the US markets and upbeat domestic corporate earnings.
- Hong Kong's Hang Seng index rose nearly 7% buoyed by gains in energy and financial stocks and mounting expectations of new stimulus out of Washington.
- China's Shanghai Composite advanced about 3% following positive domestic economic data and hopes that Joe Biden, who is seen as favouring a less confrontational approach than Donald Trump in US-China relations, will win the US presidential elections.
- China Caixin manufacturing PMI rose to 53.6 in October from September's 53.0, while services PMI rose to 56.8 in October from September's 54.8.

### 2. Commodity

- Crude oil prices rose in the week owing to demand growth hopes amid upbeat economic data from China and the US and an unexpected fall in the US crude oil supply.
- Indian gold prices ended higher this week owing to optimism regarding festive buying.
- Indian silver prices rose this week on improved buying from coin-makers and recovering industrial offtake.

## News summary

### 1. Domestic

- India's fiscal deficit stood at Rs 9.1 lakh cr during April-September this fiscal, 115% of the full year budget estimate.
- India's exports fell 5.4% to \$24.82 bn in October while imports dipped 11.56% to \$33.6 bn, resulting in a trade deficit of \$8.78 bn in October.
- India's infrastructure output in September contracted 0.8% from a year earlier compared to a contraction of 7.3% in August.
- Goods and Services Tax (GST) collections for October came in at Rs 1.05 lakh cr compared with Rs 95480 cr in September.
- India IHS Markit manufacturing Purchasing Managers' Index (PMI) rose to 58.9 in October from September's 56.8 while services PMI rose to 54.1 in October from 49.8 in September. The composite PMI rose to 58 in October from 54.6 in September.
- The Cabinet approved an investment of Rs 1810 cr for 210 MW Luhri Stage-I Hydro Electric Project on river Satluj in Himachal Pradesh.
- Finance Ministry decided to transfer Rs 6000 cr as the second tranche of GST compensation shortfall to 16 states and 3 Union Territories.
- RBI allowed banks to co-lend with all registered NBFCs, which includes housing finance companies (HFCs), to improve the credit flow to unserved and under-served sectors of the economy at affordable cost under the co-lending model.
- RBI allowed banks time till December 15 to comply with its revised guidelines on opening of current accounts. The earlier deadline was November 5.

### 2. International

- US Federal Reserve kept the federal funds target rate in a range of 0-0.25% and makes no change to asset purchases.
- US non-farm payroll employment jumped by 638,000 jobs in October after surging up by a revised 672,000 jobs in September; the unemployment rate dropped to 6.9% in October from 7.9% in September.
- US real gross domestic product skyrocketed by 33.1% in the third quarter after plunging by 31.4% in the second quarter.
- US ISM manufacturing index rose to 59.3 in October from 55.4 in September, while services index fell to 56.6 in October from 57.8 in September.
- Eurozone economy grew 12.7% quarter-on-quarter in the July-to-September period as against an 11.8% contraction in the previous quarter. On a year-on-year basis, the GDP shrank by 4.3% in the third quarter, easing from a 14.8% contraction in the second quarter.

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## Week ahead

Day	Events
Monday, November 9, 2020	<ul style="list-style-type: none"> <li>Eurozone Sentix Investor Confidence, November 2020</li> </ul>
Tuesday, November 10, 2020	<ul style="list-style-type: none"> <li>Eurozone ZEW Economic Sentiment, November 2020</li> <li>UK ILO Unemployment Rate, September 2020</li> <li>China Consumer Prices, October 2020</li> </ul>
Wednesday, November 11, 2020	<ul style="list-style-type: none"> <li>Japan Machinery Orders, September 2020</li> </ul>
Thursday, November 12, 2020	<ul style="list-style-type: none"> <li>US Consumer Prices, October 2020</li> <li>UK GDP, Q3 2020</li> <li>UK Monthly GDP, September 2020</li> <li>UK Industrial Output, September 2020</li> <li>India Consumer Prices, October 2020</li> <li>India Industrial Production, September 2020</li> </ul>
Friday, November 13, 2020	<ul style="list-style-type: none"> <li>US University of Michigan Consumer Sentiment, November 2020</li> <li>Eurozone GDP, Q3 2020</li> <li>China New Yuan Loans, October 2020</li> </ul>



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