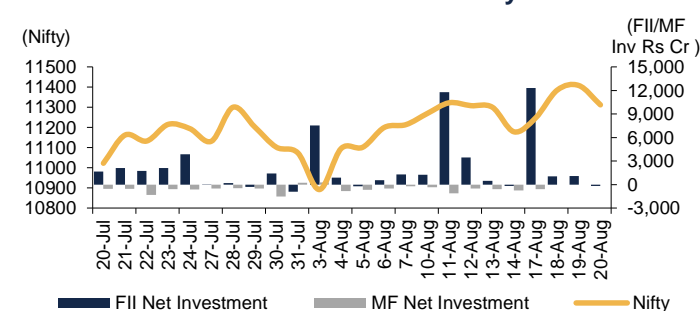


Indian equity benchmark indices' returns

Broad Indices	Aug 21	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	38,435	1.47	24.25	3.71
Nifty 50	11,372	1.73	24.88	4.15
Nifty 500	9,424	2.27	26.14	6.31
S&P BSE 100	11,511	1.74	24.75	4.61
S&P BSE Midcap	14,954	3.61	31.59	12.78
S&P BSE Smallcap	14,625	5.56	38.65	18.04

FII and mutual fund investment vs. Nifty



Sectoral Indices	Aug 21	% chg week	% chg 3 Mon	% chg Year
S&P BSE Power	1,743	10.46	22.21	-6.70
S&P BSE Realty Index	1,770	8.64	36.10	-11.14
S&P BSE Metal	9,192	5.14	45.49	8.19
S&P BSE CD	23,185	4.53	26.68	2.47
S&P BSE Auto	17,910	3.54	37.54	13.77
S&P BSE CG	14,171	2.86	26.74	-14.89
S&P BSE Bankex	25,278	2.77	23.87	-19.31
S&P BSE Oil & Gas	13,353	1.24	19.98	4.84
S&P BSE FMCG	11,739	1.24	13.32	8.60
S&P BSE Healthcare	19,228	0.60	24.44	54.97
S&P BSE IT	18,263	0.37	32.36	15.78

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Aug 21	Previous Week	1 month ago
Call Rate	2.30%	4.00%	3.50%
10 Yr G-Sec*\$	6.12%	5.96%	5.83%

*5.79% 2030 paper \$Weighted Average Yield

Currencies vs INR

Currency	Aug 21	Week ago	3 months ago	1 year ago
USD	74.84	74.91	75.61	71.55
GBP	98.78	97.88	92.28	86.82
Euro	88.45	88.44	82.95	79.45
Yen*	70.87	70.20	70.15	67.17

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices ended the week on an encouraging note. S&P BSE Sensex and Nifty 50 rose 1.5% and 1.7%, respectively.
- Market was buoyed by a rally in power, realty, metal and consumer durables counters. S&P BSE Power (topmost sectoral gainer), S&P BSE Realty, S&P BSE Metal and S&P BSE Consumer Durables surged around 11%, 9%, 5% and 4.5%, respectively.
- Optimism regarding additional spending plans from the government to prop up the economy also boosted the sentiment.
- Positive global cues in the form of stimulus measures announced by Chinese central bank cheered the investors further.
- Shares of NTPC emerged top gainer on the Nifty 50, rising 19.85% on week to settle at Rs 105.95 per share after the company reported favorable June quarter earnings and in response to the company signing a pact with L&T for methanol plants.
- However, some gains were trimmed on sporadic profit booking and after the US Federal Reserve's meeting minutes indicated gloomy US economic outlook.
- Shares of Bharti Airtel was among the top laggards on the Nifty 50, falling 1.6% on week to settle at Rs 520.25 per share. The stock was put under pressure ahead of the AGR hearing.

2. Debt

- Government bond prices ended sharply lower. The yield of the 10-year benchmark 5.79% 2030 paper settled at 6.14% on August 21 compared with 5.97% on August 14.
- Bonds began the week on a dim note as the RBI's gilt switch auction added to the supply of longer duration papers
- The RBI's announcement of a lower-than-expected surplus transfer to the Centre dented sentiment
- Lack of any announcements from the central bank to absorb the heavy supply of debt weighed on bonds further
- Bond prices fell sharply in the last session as expectation of interest rate cuts from the RBI in the immediate future faded following the release of the RBI's August policy meeting minutes
- Higher-than-expected cut-off yields in the weekly gilt auction also pushed down bond prices.

3. Forex

- The rupee ended the week stronger against the US dollar
- Concerns over the rising number of Covid-19 cases and intermittent weakness in domestic equities kept the rupee under pressure
- The local unit was weighed down mid-week as the US dollar rose following the US Fed's July meeting minutes
- The rupee was supported in the last session of the week by foreign banks' greenback sales
- The local unit also rose, tracking weakness in the US dollar following the release of a weekly US jobless claims report

International equity benchmark indices' returns

Indices	Aug 21	% chg week	% chg 3 mon	% chg Year
DJIA*	27,740	-0.68	12.87	5.87
Nasdaq Composite*	11,265	2.23	20.15	40.46
FTSE 100*	6,013	-1.26	-0.89	-16.53
Nikkei 225	22,920	-1.58	11.52	11.16
Straits Times	2,529	-2.04	-1.05	-19.02
Hang Seng	25,114	-0.27	3.43	-4.40
Shanghai Comp	3,381	0.61	17.88	17.37

*As of Aug 20

International debt market indicators

Indicators	Aug 21	Aug 14
US 10-Year*	0.64	0.71
UK 10-Year*	0.24	0.24
German 10-Year*	-0.50	-0.42
Japan 10-Year	0.03	0.04
3-M USD Libor*	0.26	0.27
6-M USD Libor*	0.30	0.33
1-Y USD Libor*	0.44	0.46

*As of Aug 20

Commodities

Commodity	Aug 21	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)*	44.90	0.22	24.51	-25.54
Gold (\$ per troy ounce)*	1927.15	-0.91	11.73	28.20
Silver (\$ per ounce)*	26.92	0.79	56.44	57.31
Indian gold (Rs per 10 gm)	51840.00	-1.61	10.00	38.06
Indian Silver (Rs per Kg)	65633.00	-2.50	32.82	50.29

*As of Aug 20

Source: Respective commodity exchanges, LBMA, MCX

B. International

1. Equity

- Most global equities ended in the red on worries over economic growth due to the pandemic.
- US stocks ended mixed with Dow Jones falling 0.7% and Nasdaq jumping 2.2%.
- Market fell earlier due to pullback in financial and industrial stocks, weak retail sales data and uncertainty over additional US fiscal stimulus package.
- US retail sales rose by just 1.2% in July after soaring by an upwardly revised 8.4% in June.
- Sentiments were also affected after the US Federal Reserve (Fed) in its July meeting minutes cut the economic growth forecast for the remainder of 2020.
- However, losses were recouped, especially from the Nasdaq, buoyed by rally in technology stocks.
- Britain's FTSE index fell 1.3% after the government imposed new quarantine rules on travellers from France and other countries and in response to disappointing earnings reports of some companies.
- Sentiments were dented further after the US central bank struck a cautious note over the economic recovery.
- Asian equities posted mixed performance. Japan's Nikkei index lost 1.6% owing to disappointing domestic growth data and after the Fed's policymakers in the minutes of last policy meet raised worries over economic growth due to pandemic.
- Japan's GDP shrank an annualised 27.8% in April-June, registering the biggest contraction since comparable data became available in 1980. The GDP had dropped 2.2% in the previous three months.
- Hong Kong's Hang Seng index fell 0.3% in response to weak corporate earnings and Sino-US tensions.
- However, losses were capped on hopes for a coronavirus vaccine and after China's central bank announces more medium-term loans to financial institutions.
- China's Shanghai Composite rose moderately as rally on the back of the local central bank's decision to inject fresh funds into the country's financial system and a series of solid corporate earnings were cut short by uncertainty over Sino-US trade talks.
- People's Bank of China added \$101 bn of one-year funding through a medium-term facility.
- China's industrial output grew 4.8% in July from a year earlier, in line with June's growth.

2. Commodity

- Crude oil prices advanced in this week tracking a dip in US oil supply and after reports suggested that compliance with OPEC+ production cuts was around 95-97% in July.
- Indian gold declined this week due to lack of demand from jewelers.
- Indian silver prices ended lower this week as hefty discount in the spot market led to sharp selling.

• News summary

1. Domestic

- India's trade deficit stood at \$4.83 bn in July, compared to a \$0.8 bn surplus in June and a shortfall of \$13.43 bn in July 2019. Exports in July stood at \$23.64 bn while imports reached \$28.47 bn.
- According to Labour Ministry, retail inflation for farm and rural workers eased to 6.58% and 6.53%, respectively in July this year on account of lower prices of certain food items.
- Monetary Policy Committee's (MPC) August meeting minutes shows that all members unanimously voted to keep the policy repo rate unchanged and continue with the accommodative stance as long as necessary to revive growth and allay the impact of Covid-19 on the economy.
- The World Bank said it is likely to project a steeper contraction of India's economy than 3.2% it has forecast for the current financial year due to the increasing number of Covid-19 cases and the resultant regional lockdowns.
- Care Ratings said India's GDP might contract by 20% during the first quarter of the current fiscal on account of the COVID-19 pandemic-induced disruptions.
- Prime Minister (PM) Narendra Modi said that Rs 100 lakh cr will be spend on the National Infrastructure Pipeline Project; also announced the launch of the National Digital Health Mission under which every Indian will get a health ID.
- RBI to transfer Rs 57128 cr of its surplus to the government for the fiscal 2019-20, against Rs 1.76 lakh cr transferred last year.
- RBI unveiled the framework for setting up umbrella entities for operating pan-India retail payments systems and invited applications from eligible companies by February 26, 2021.
- SEBI met stock brokers; does not grant any more extension on implementation of new trading norms that will come into effect from September.

2. International

- US Federal Open Market Committee members in minutes of July meeting raised concerns over the economic growth saying that the coronavirus likely would continue to stunt growth and potentially pose dangers to the financial system.
- Eurozone consumer price index increased from 0.3% for June to 0.4% in July.
- People's Bank of China added \$101 bn of one-year funding through a medium-term facility.

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, August 24, 2020	<ul style="list-style-type: none"> US Chicago Fed National Activity Index, July 2020
Thursday, August 27, 2020	<ul style="list-style-type: none"> US Leading Index, July 2020 US Philadelphia Fed Manufacturing Index, August 2020
Friday, August 28, 2020	<ul style="list-style-type: none"> US Personal Income & Spending, July 2020 US Goods Trade Balance, July 2020 US University of Michigan Consumer Sentiment Index, August 2020 US Chicago Purchasing Managers' Index (PMI), August 2020 Eurozone Consumer & Industrial Confidence, August 2020 UK Nationwide Housing Prices, August 2020



**ATTRACTIVE INTEREST RATES ON OUR
TERM DEPOSITS**

[Know More](#)