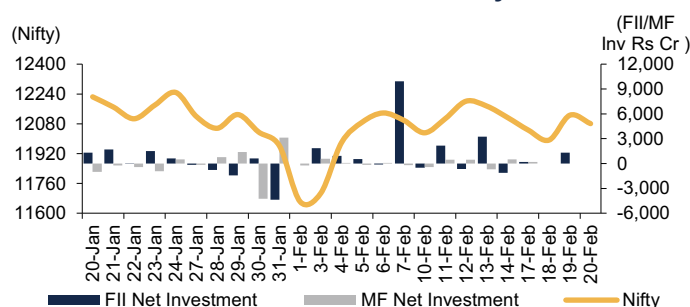


## Indian equity benchmark indices' returns

Broad Indices	Feb 20	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	41,170	-0.21	1.28	15.14
Nifty 50	12,081	-0.27	0.68	12.53
Nifty 500	9,959	-0.02	2.19	12.58
S&P BSE 100	12,195	-0.17	0.94	12.04
S&P BSE Midcap	15,694	0.21	5.56	12.17
S&P BSE Smallcap	14,747	0.44	9.93	11.11

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Feb 20	% chg week	% chg 3 Mon	% chg Year
S&P BSE CD	27,518	2.06	9.29	30.39
S&P BSE Healthcare	14,535	0.83	7.89	8.65
S&P BSE Bankex	35,518	0.45	0.16	17.80
S&P BSE IT	16,346	0.08	7.59	8.26
S&P BSE Metal	9,635	-0.05	2.54	-7.19
S&P BSE FMCG	11,496	-0.31	-2.20	2.11
S&P BSE Power	1,842	-0.54	-4.46	3.06
S&P BSE CG	16,654	-0.76	-6.70	0.00
S&P BSE Auto	17,365	-1.27	-3.96	-4.84
S&P BSE Oil & Gas	13,889	-1.38	-10.12	3.60
S&P BSE Realty Index	2,320	-1.59	10.48	30.10

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Feb 20	Previous Week	1 month ago
Call Rate	5.15%	4.95%	5.10%
10 Yr G-Sec*	6.42%	6.37%	6.64%
3-M USD Libor	1.68%	1.69%	1.80%
6-M USD Libor	1.70%	1.71%	1.83%
1-Y USD Libor	1.76%	1.80%	1.92%

\*6.45% 2029 paper

## Currencies vs INR

Currency	Feb 20	Week ago	3 months ago	1 year ago
USD	71.64	71.36	71.81	71.10
GBP	92.16	93.04	92.70	92.63
Euro	77.31	77.40	79.44	80.57
Yen*	63.87	64.99	66.23	64.16

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Indian equity indices ended holiday shortened week on a disappointing note. S&P BSE Sensex and Nifty 50 index fell 0.21% and 0.27%, respectively.
- Market ended lower after Supreme Court asked telecom players to clear their dues to the government by March 17, 2020 and selling in the index heavyweight.
- Sentiments were jittery, in line with global equities on persistent worries over economic impact of the coronavirus in China.
- Selling pressure in realty, oil & gas and auto counters brought in more losses into the market. S&P BSE Realty index, BSE Oil & Gas index and S&P Auto index fell 1.59%, 1.38% and 1.27%, respectively.
- Yes Bank was the top laggard plunging nearly 9% after NSE indices said that Shree Cement will replace Yes Bank in Nifty 50 from March 27, 2020.
- However, some losses were capped after the government approved Rs 4,460 crore for dairy farming and also approved changes to the crop insurance scheme.
- Gains in the consumer durables, healthcare and banking counters supported the market to some extent. S&P BSE Consumer Durables index, S&P BSE Healthcare index and S&P BSE Bankex index rose 2.06%, 0.83% and 0.45%, respectively.
- Shares of Zee Entertainment Enterprises Ltd. was the top gainer on the Nifty surging around 8% on the value buying.

#### 2. Debt

- Government bond prices ended lower in the holiday curtailed week. Yield on the 10-year benchmark 6.45% 2029 paper settled at 6.42% on February 20 compared with 6.37% on February 14.
- Gilts retreated as investors booked profit after the recent rally witnessed in the market.
- Prices fell further on tracking rise in oil prices and as market participants awaited further cues from release of minutes of RBI's monetary policy meeting. Later on, the minutes showed that the central bank remained concerned about the slow pace of growth in the Indian economy amid uncertain economic data.
- Meanwhile, the RBI announced conversion of government securities worth Rs 37,000 cr in an auction to be held on February 24. It also announced auction of state government securities worth Rs 22,482 cr on February 25, and T-bills worth Rs 12,000 cr on February 26.

#### 3. Forex

- The rupee ended lower on tracking losses in the Chinese Yuan as the currency continued to face pressure amid lingering concerns over the economic impact of the coronavirus outbreak.
- The local unit had advanced earlier, mirroring sporadic gains in the Chinese currency as the country initiated stimulus measures to prop up its economy. Intermittent dollar sales buoyed the rupee further.

## International equity benchmark indices' returns

Indices	Feb 21	% chg week	% chg 3 mon	% chg Year
DJIA*	29,220	-0.61	5.03	13.03
Nasdaq Composite*	9,751	0.20	14.36	30.72
FTSE 100*	7,437	0.37	2.40	3.76
Nikkei 225	23,387	-1.27	1.51	8.96
Straits Times	3,181	-1.21	-0.35	-2.96
Hang Seng	27,309	-1.82	3.18	-4.61
Shanghai Comp	3,040	4.20	4.68	10.46

\*As of Feb 20

## International debt market indicators

Indicators	Feb 21	Feb 14
US 10-Year*	1.53	1.59
UK 10-Year*	0.58	0.63
German 10-Year*	-0.44	-0.40
Japan 10-Year	-0.06	-0.02

\*As of Feb 20

## Commodities

Commodity	Feb 20	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)	59.31	3.47	-4.95	-11.57
Gold (\$ per troy ounce)	1619.00	2.38	10.01	21.62
Silver (\$ per ounce)	18.39	3.84	7.42	15.56
Indian gold (Rs per 10 gm)	41590	2.25	8.58	23.32
Indian Silver (Rs per Kg)	47551	3.53	5.82	17.24

Source: Respective commodity exchanges, LBMA, MCX

## B. International

### 1. Equity

- Mixed performance was seen in global equities amid region specific cues. US treasuries ended higher due to coronavirus worries. Crude oil prices rose on easing demand concerns amid reports of reducing cases of coronavirus infection in China and reports of the US imposing sanctions on an arm of Russian oil giant Rosneft.
- US stocks posted varied performance with Dow Jones falling 0.6% and Nasdaq edging up 0.2%.
- Markets fell earlier due to fall in technology stocks after Apple Inc. said its second-quarter earnings would take a hit due to coronavirus epidemic.
- Some losses were recouped, especially on the Nasdaq, on stock specific buying and positive tone of US Federal Reserve's (Fed) policy meeting minutes.
- Fed's meeting minutes showed that the officials expressed confidence about the state of the US economy and figured interest rates likely would remain unchanged for a while.
- Britain's FTSE rose moderately as losses in shares of AstraZeneca, RBS, HSBC and Imperial Brands were offset by gains in stocks house builders, mining and oil companies, and as China's stimulus measures eased concerns regarding coronavirus impact.
- Asian equities ended mixed in the week. Japan's Nikkei index fell 1.3% following downbeat domestic economic growth data and worries about the impact of coronavirus outbreak on the economy.
- Japan's GDP fell an annualized 6.3% in the October-December period, compared with a revised 0.5% gain in July-September.
- Some losses were cut short due to stock specific buying and a weaker yen.
- Hong Kong's Hang Seng index lost nearly 2% on fears that the coronavirus epidemic's impact on earnings and economic growth could be worse than anticipated.
- China's Shanghai Composite surged 4.2% boosted by stimulus measures undertaken by the local central bank, and as the rate of new coronavirus infections in the country slowed down.
- People's Bank of China cut the interest rate on 200 bn yuan worth of one-year medium-term lending facility (MLF) loans to financial institutions by 10 basis points (bps) to 3.15% from 3.25% previously. It also cut one-year loan prime rate from 4.15% to 4.05%, and the five-year rate from 4.80% to 4.75%.

### 2. Commodity

- Crude oil prices rose in the week on easing demand concerns amid reports of reducing cases of coronavirus infection in China, and on reports of the US imposing sanctions on an arm of Russian oil giant Rosneft.
- Indian gold prices rose tracking global cues amid increased demand for safe haven assets due to coronavirus epidemic worries.
- Indian silver prices ended higher this week due to robust buying from industrial units and coin traders.

## C. News summary

### 1. Domestic

- India's exports contracted by 1.66% in January to \$25.97 bn while imports fell 0.75% to \$41.14 bn, leaving a trade deficit of \$15.17 bn.
- Moody's Investors Service cut India's 2020 Gross Domestic Product (GDP) growth forecast to 5.4% from 6.6% and to 5.8% from 6.7% for 2021.
- RBI Governor says structural reforms need to be continued by the government to revive demand and support the economy.
- Government approved major changes in the Pradhan Mantri Fasal Bima Yojana (PMFBY), including making it optional for farmers.
- Government allowed Indian companies to list their global depository receipts at the international financial services centre in Gujarat.
- Government approved setting up of 10,000 new farmer produce organisations (FPOs) by 2024 with budgetary support of nearly Rs 4500 cr as part of its efforts to cut production cost and boost income of farming community.
- RBI unveiled a National Strategy for Financial Inclusion 2019-24.
- RBI to sync its accounting year with government's fiscal year from 2020-21.
- SEBI approved a proposal to segregate investment advisory and distribution services.
- SEBI approved regulatory sandbox, to allow live testing of new products, services and business models by market players on select customers.

### 2. International

- US Federal Reserve's meeting minutes showed that the Fed officials expressed confidence about the state of the US economy and figured interest rates likely would remain unchanged for a while.
- US retail sales rose by 0.3% in January after edging up by a downwardly revised 0.2% in December 2019.
- US consumer sentiment index rose to 100.9 in February from the final January reading of 99.8.
- Eurozone economic growth eased to 0.9% annually in Q4 2019 from 1.2% in the third quarter.
- Moody's lowered growth forecast for the Asia-Pacific (Apac) region to 5.2% for 2020 citing the lingering impact of the coronavirus outbreak in China, the impact of which will be more pronounced on China and India.

## D. Week ahead

Day	Events
Monday, February 24, 2020	<ul style="list-style-type: none"> <li>US Chicago Fed National Activity Index, January 2020</li> <li>US Dallas Fed Manufacturing Business Index, February 2020</li> <li>China Industrial Production, January 2020</li> <li>China Retail Sales, January 2020</li> </ul>
Tuesday, February 25, 2020	<ul style="list-style-type: none"> <li>US Consumer Confidence Index, February 2020</li> <li>Japan's Coincident &amp; Leading Index, December 2019</li> </ul>
Wednesday, February 26, 2020	<ul style="list-style-type: none"> <li>US New Home Sales, January 2020</li> <li>US Crude Oil Inventories, February 2020 21</li> </ul>
Thursday, February 27, 2020	<ul style="list-style-type: none"> <li>US GDP, Q4 2019</li> <li>US Pending Home Sales, January 2020</li> <li>Eurozone Consumer &amp; Economic Sentiment, February 2020</li> <li>UK Nationwide House Price Index, February 2020</li> <li>Japan's Unemployment Rate, January 2020</li> <li>Japan's Industrial Production, January 2020</li> </ul>
Friday, February 28, 2020	<ul style="list-style-type: none"> <li>US Personal Income &amp; Spending, January 2020</li> <li>US Goods Trade Balance, January 2020</li> <li>UK GfK Consumer Confidence, February 2020</li> <li>India's GDP, October-December 2019</li> <li>India fiscal deficit, January 2020</li> </ul>

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