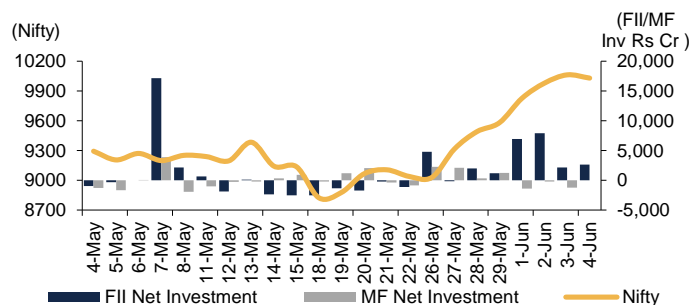


Indian equity benchmark indices' returns

Broad Indices	Jun 5	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	34,287	5.75	-10.87	-14.46
Nifty 50	10,142	5.86	-10.00	-15.63
Nifty 500	8,299	6.10	-10.57	-15.97
S&P BSE 100	10,252	5.71	-9.91	-15.59
S&P BSE Midcap	12,554	6.00	-13.84	-17.40
S&P BSE Smallcap	11,855	8.84	-12.77	-20.49

FII and mutual fund investment vs. Nifty



Sectoral Indices	Jun 5	% chg week	% chg 3 Mon	% chg Year
S&P BSE Realty Index	1,568	11.12	-25.67	-29.19
S&P BSE CD	20,868	10.03	-20.53	-16.94
S&P BSE Metal	7,436	9.27	-11.47	-32.26
S&P BSE Bankex	24,078	8.77	-27.33	-32.14
S&P BSE Auto	15,010	6.50	-4.21	-19.92
S&P BSE Oil & Gas	12,536	5.91	-0.24	-20.37
S&P BSE Power	1,569	5.91	-11.11	-22.33
S&P BSE CG	12,904	4.62	-16.50	-35.79
S&P BSE IT	14,573	3.59	-6.59	-7.27
S&P BSE Healthcare	16,159	3.27	14.23	21.56
S&P BSE FMCG	11,035	1.26	0.12	-5.02

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Jun 5	Previous Week	1 month ago
Call Rate	3.40%	2.90%	4.50%
10 Yr G-Sec*\$	5.85%	5.78%	6.08%

*5.79% 2030 paper \$Weighted Average Yield

Currencies vs INR

Currency	Jun 5	Week ago	3 months ago	1 year ago
USD	75.58	75.61	73.30	69.25
GBP	95.64	93.05	94.60	87.85
Euro	85.76	83.91	81.91	77.97
Yen*	69.21	70.54	68.51	64.16

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices rallied for the second consecutive week. S&P BSE Sensex and Nifty 50 soared nearly 6% each.
- Optimism about gradual reopening of the domestic and global economy boosted the market.
- Upbeat global cues including the US President Donald Trump's decision to keep the trade deal with China intact, encouraging Chinese economic data and hopes of additional stimulus measures by various countries helped in strengthening the sentiments.
- Buying interest in shares of realty, consumer durables and metal firms brought in more gains into the market. S&P BSE Realty (topmost sectoral gainer), S&P BSE Consumer Durables and S&P BSE Metal jumped 11%, 10% and 9.3%, respectively.
- Shares of Tata Motors emerged the top gainer on the Nifty 50, rising 27.30% to settle at Rs 110.75 per share after the company said it has resumed operations across all its manufacturing plants in the country.
- However, further rally was prevented due to sporadic profit booking. Shares of Asian Paints emerged the top laggard for the week, settling 2.65% lower at Rs 1638.55 per share after succumbing to sporadic profit sales.

2. Debt

- Government bond prices ended lower on week. Yield of the 10-year 6.45% 2029 paper settled at 6.02% on June 5 as against 6.01% on May 29. Yield of the new 10-year benchmark 5.79% 2030 paper settled at 5.82% on June 5 as against 5.78% on May 29.
- Bonds started the week on a dim note as widening of fiscal deficit spoilt the investor sentiment.
- Value buying by investors noting the rise in yields after Moody's downgrade of India's credit rating supported bonds mid-week.
- Expectation of open market bond purchase announcement by the central bank to keep the supply of debt in check also augured well for gilts.
- Bond prices declined slightly in the last session following the outcome of the weekly debt sale and as market players awaited the release of the central bank's May policy meeting minutes.

3. Forex

- The rupee ended the week marginally higher against the US dollar.
- The unit began the week on a bright note tracking domestic equities which advanced after the Centre announced a phased reopening of the economy.
- A euro-led decline in the US dollar index aided the rupee. The euro rose sharply after the European Central Bank approved a bigger-than-expected expansion of the Pandemic Emergency Purchase Program.
- A rise in crude oil prices ahead of the meeting between Opec and its allies about extending production cuts also weighed on the domestic currency.

International equity benchmark indices' returns

Indices	Jun 5	% chg week	% chg 3 mon	% chg Year
DJIA*	26,282	3.54	-2.99	2.91
Nasdaq Composite*	9,616	1.33	6.63	26.93
FTSE 100*	6,341	4.36	-6.96	-12.17
Nikkei 225	22,864	4.51	7.19	10.05
Straits Times	2,752	9.59	-8.84	-12.44
Hang Seng	24,770	7.88	-7.46	-7.90
Shanghai Comp	2,931	2.75	-4.59	2.42

*As of Jun 4

International debt market indicators

Indicators	Jun 5	May 29
US 10-Year*	0.82	0.65
UK 10-Year*	0.31	0.18
German 10-Year*	-0.32	-0.45
Japan 10-Year	0.04	0.00
3-M USD Libor*	0.32%	0.34%
6-M USD Libor*	0.48%	0.51%
1-Y USD Libor*	0.63%	0.67%

*As of Jun 4

Commodities

Commodity	Jun 5	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)*	39.99	13.19	-20.00	-34.04
Gold (\$ per troy ounce)*	1700.05	-1.66	2.44	27.34
Silver (\$ per ounce)*	17.75	0.91	3.20	19.61
Indian gold (Rs per 10 gm)	46648.00	0.52	7.75	43.65
Indian Silver (Rs per Kg)	48811.00	-0.23	5.85	33.36

*As of Jun 4

Source: Respective commodity exchanges, LBMA, MCX

B. International

1. Equity

- Easing of lockdown restrictions in many countries propelled global equities higher.
- US stocks ended in the green on hopes of economic recovery and rally in financial, industrial and technology stocks.
- Some gains were cut short on intermittent profit booking by investors.
- US ADP said private sector employment slumped by 2.76 mn jobs in May after plummeting by a revised 19.56 mn jobs in April.
- US personal income spiked by 10.5% in April after tumbling by a revised 2.2% in March; personal spending plummeted by 13.6% in April after a revised 6.9% slump in March.
- US ISM manufacturing index rose to 43.1 in May from 41.5 in April, while non-manufacturing index rose to a reading of 45.4 in May from 41.8 in April.
- US factory orders plunged by 13% in April after plummeting by a revised 11% in March.
- Britain's FTSE gained 4.4% as encouraging economic data from the US and China boosted hopes for revival in economic growth.
- The benchmark rose further after the local government started the process of scaling back of coronavirus restrictions.
- ECB kept the main refinancing rate unchanged at 0%; governing council decided to increase the size of the pandemic emergency purchase programme by 600 bn euros to a total 1.35 trillion euros.
- Asian equities registered robust performance. Japan's Nikkei index rose 4.5% as a weaker yen boosted exporters' shares and on hopes of global economic recovery.
- Hong Kong's Hang Seng index jumped around 8% on optimism over the worldwide easing of lockdown measures and hopes for global economic recovery, and positive Chinese factory activity data.
- China's Shanghai Composite rose nearly 3% following upbeat domestic manufacturing data and on hopes of announcement of new policies by the government to support the economy.
- China Caixin manufacturing PMI was 50.7 in May compared to 49.4 in April, while services PMI rose to 55.0 in May from 44.4 in April. The composite PMI rose to 54.5 in May from 47.6 in April.

2. Commodity

- Crude oil prices extended gains this week owing to reports that OPEC and its allies are likely to agree on extending output cut schedule and declining US crude oil supply.
- Indian gold declined in this week as stimulus package announced by the government dented demand for safe haven assets such as gold.
- Indian silver prices fell this week on weak takeoff of industry metals and silver coins.

• News summary

1. Domestic

- India's Nikkei manufacturing Purchasing Managers' Index (PMI) edged up to 30.8 in May from April's record low of 27.4, while services PMI came in at 12.6 in May, compared to April's all-time low of 5.4. The composite PMI stood at 14.8 in May compared with 7.2 in April.
- According to government data, the job situation improved during fiscal 2019, with the unemployment rate falling to 5.8%, down from 6.1% in the previous fiscal.
- Prime Minister Narendra Modi said India will return to high growth and promises that the government would undertake further reforms with the help of inputs provided by industry.
- Moody's downgraded India's foreign currency and local currency long-term issuer ratings to Baa3 from Baa2 with negative outlook.
- India and Australia upgraded their ties to a 'Comprehensive Strategic Partnership' and inked various agreements in areas spanning mining of critical elements and cyber security cooperation.
- The Cabinet approved further changes to the definition of micro, small and medium enterprises as a company with up to Rs 50 cr investments and up to Rs 250 cr turnover; also cleared a Rs 20000 cr fund to provide equity support to stressed entities in the MSME sector, and equity infusion of Rs 50000 cr into MSMEs through a fund of funds.
- The Centre released Rs 36400 cr to States as their pending Goods and Services Tax (GST) compensation.
- RBI decided to publish data on select payment systems on a daily basis.
- SEBI extended the date for implementing norms pertaining to power of attorney given by clients to trading members or clearing members, to August 1.

2. International

- US ADP said private sector employment slumped by 2.76 mn jobs in May after plummeting by a revised 19.56 mn jobs in April.
- US ISM manufacturing index rose to 43.1 in May from 41.5 in April, while non-manufacturing index rose to a reading of 45.4 in May from 41.8 in April.
- US personal income spiked by 10.5% in April after tumbling by a revised 2.2% in March; personal spending plummeted by 13.6% in April after a revised 6.9% slump in March.
- European Central Bank (ECB) kept the main refinancing rate unchanged at 0%; also decided to increase the size of the pandemic emergency purchase programme by 600 bn euros to a total 1.35 trillion euros.

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, June 8, 2020	<ul style="list-style-type: none"> Eurozone Sentix Investor Confidence, June 2020 Japan Economy Watchers Survey, May 2020
Tuesday, June 9, 2020	<ul style="list-style-type: none"> US Wholesale inventories, April 2020 Eurozone GDP, Q1 2020 China Consumer Prices, May 2020 Japan Producer Price Index, May 2020
Wednesday, June 10, 2020	<ul style="list-style-type: none"> US Federal Funds Target Rate Decision US Consumer Prices, May 2020 India Trade Balance, May 2020
Thursday, June 11, 2020	<ul style="list-style-type: none"> US Producer Prices, May 2020
Friday, June 12, 2020	<ul style="list-style-type: none"> US University of Michigan Consumer Sentiment, June 2020 US Import / Export Prices, May 2020 UK GDP, April 2020 India Consumer Prices, May 2020 India Industrial Production, April 2020



**ATTRACTIVE INTEREST RATES ON OUR
TERM DEPOSITS**

[Know More](#)