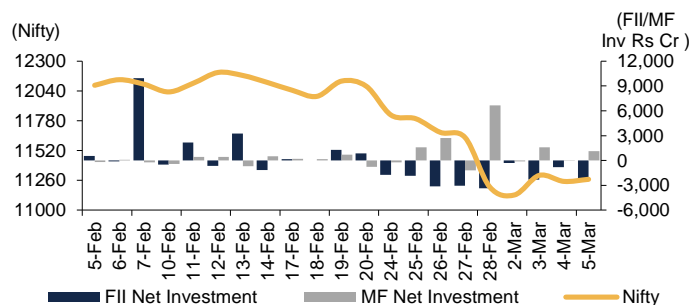


Indian equity benchmark indices' returns

Broad Indices	Mar 6	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	37,577	-1.88	-7.09	2.57
Nifty 50	10,989	-1.90	-7.82	-0.57
Nifty 500	9,060	-1.91	-6.30	-1.85
S&P BSE 100	11,099	-1.72	-7.31	-1.46
S&P BSE Midcap	14,227	-2.55	-3.00	-4.30
S&P BSE Smallcap	13,330	-2.77	-0.07	-8.43

FII and mutual fund investment vs. Nifty



Sectoral Indices	Mar 6	% chg week	% chg 3 Mon	% chg Year
S&P BSE Healthcare	13,968	3.62	4.64	-1.15
S&P BSE IT	15,384	2.65	1.37	0.73
S&P BSE Power	1,721	0.25	-7.71	-9.63
S&P BSE Auto	15,531	-0.24	-11.22	-20.18
S&P BSE CD	25,901	-0.96	3.70	16.06
S&P BSE CG	15,189	-1.35	-10.09	-13.80
S&P BSE FMCG	10,806	-1.44	-6.57	-6.23
S&P BSE Metal	8,030	-2.56	-14.90	-28.84
S&P BSE Oil & Gas	12,242	-2.99	-16.44	-15.18
S&P BSE Realty Index	2,045	-3.72	-5.74	11.04
S&P BSE Bankex	31,988	-4.27	-10.53	3.29

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Mar 6	Previous Week	1 month ago
Call Rate	5.00%	4.50%	4.90%
10 Yr G-Sec*\$	6.18%	6.37%	6.45%
3-M USD Libor^	1.00%	1.46%	1.73%
6-M USD Libor^	0.97%	1.40%	1.75%
1-Y USD Libor^	0.94%	1.38%	1.84%

*6.45% 2029 paper ^As of Mar 5 \$Weighted Average Yield

Currencies vs INR

Currency	Mar 6	Week ago	3 months ago	1 year ago
USD	73.78	72.17	71.19	70.27
GBP	96.07	92.96	93.53	92.40
Euro	83.54	79.49	79.01	79.45
Yen*	70.05	66.38	65.71	62.83

*exchange rate represents 100 units of the currency

Markets update

Domestic

Equity

- Indian equity indices suffered losses for the third consecutive week. S&P BSE Sensex and Nifty 50 lost about 2% each.
- Sentiments were dented earlier as coronavirus cases were detected in India.
- More selling was seen on reports of the US conducting an airstrike against Taliban in Nahr-e Saraj of Helmand district.
- The market declined further following crisis at Yes Bank. The lender's stock price declined sharply on the Nifty 50, ending the week 53.3% lower at Rs 16.15 per share. S&P BSE Bankex was the biggest sectoral decliner - down 4.3%.
- Further losses were prevented on hopes that global central banks will introduce monetary policy measures to contain the economic impact of the coronavirus.
- The RBI's statement that it was ready to take necessary action to ensure orderly functioning of financial markets also boosted investors' confidence.
- Buying interest in defensive counters such as healthcare and information technology (IT) supported the market. S&P BSE Healthcare and S&P BSE IT rose 3.6% and 2.7%, respectively. Shares of Dr. Reddy's Laboratories ended up the most on the Nifty 50 (8.33%) to settle at Rs 3,170.95 per share.

Debt

- Government bond prices ended sharply higher.
 - Bond prices began the week on a strong footing following the release of domestic GDP data for the December quarter last week
 - The muted figures strengthened hopes of policy easing by the central bank in its next policy announcement
 - A statement of assurance from the central bank pertaining to the coronavirus outbreak offered support to the bond market
 - The banking regulator said is closely monitoring the global and domestic situation regarding the impact of the coronavirus and stands ready to take necessary action to ensure the orderly functioning of financial markets
 - Speculation the RBI may ease monetary policy strengthened following the US Federal Reserve's surprise decision to cut interest rates midweek, thereby pushing up domestic gilt prices further
 - Further gains were limited by profit sales from some market participants towards the end of the week
 - The rupee's sharp weakness against the greenback and an uptick in crude oil prices in the first half of the week also weighed on sentiment
- #### Forex
- The rupee ended sharply lower against the US dollar as risk appetite took a hit owing to rising number of reported coronavirus cases within India
 - State-owned banks' greenback sales and cooling crude oil prices towards the end of the week helped the rupee recover some losses

International equity benchmark indices' returns

Indices	Mar 6	% chg week	% chg 3 mon	% chg Year
DJIA*	26,121	2.80	-5.62	1.74
Nasdaq Composite*	8,739	2.00	1.96	16.42
FTSE 100*	6,705	1.90	-6.06	-6.82
Nikkei 225	20,750	-1.86	-11.15	-3.92
Straits Times	2,961	-1.66	-7.32	-8.13
Hang Seng	26,147	0.06	-1.33	-9.96
Shanghai Comp	3,035	5.35	4.21	-2.18

*As of Mar 5

International debt market indicators

Indicators	Mar 6	Feb 28
US 10-Year*	0.97	1.13
UK 10-Year*	0.33	0.45
German 10-Year*	-0.69	-0.61
Japan 10-Year	-0.13	-0.15

*As of Mar 5

Commodities

Commodity	Mar 6	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)*	49.99	-1.05	-22.36	-24.25
Gold (\$ per troy ounce)*	1659.60	3.09	13.70	29.07
Silver (\$ per ounce)*	17.20	0.09	1.53	13.95
Indian gold (Rs per 10 gm)	44315.00	4.39	16.52	37.74
Indian Silver (Rs per Kg)	47071.00	0.21	6.83	23.05

*As of Mar 5

Source: Respective commodity exchanges, LBMA, MCX

A. International

1. Equity

- Most global equities recouped previous week's losses following US Federal Reserve's (Fed) unexpected rate cut and on hopes similar action from other global central banks to alleviate the economic fallout from the coronavirus epidemic.
- US stocks rebounded sharply after the Fed Chair Jerome Powell said that the fundamentals of the US economy remain strong and as Democratic Party's presidential race got a boost from Joe Biden's primary victories.
- Investors also cheered the Fed's surprise rate cut.
- The Fed cut its fed funds target rate by 50 basis points to a range of 1-1.25% to counter the threat to the economy from the coronavirus epidemic.
- Sentiments were impacted earlier as fast spreading of coronavirus intensified economic growth worries.
- According to the US ADP report, the US private sector added 183,000 in February, down slightly from 209,000 in the prior month.
- Britain's FTSE rose around 2% buoyed by rally in exporters' stocks following a weaker pound and hopes of stimulus measures from global central banks.
- Further gains were held back amid worries of a possible global recession due to the coronavirus epidemic.
- Asian equities posted mixed performance. Japan's Nikkei index lost nearly 2% on mounting worries over the spread of the coronavirus across various countries.
- Some losses were trimmed owing to a rally in healthcare stocks and after Bank of Japan Governor Haruhiko Kuroda said the central bank would provide sufficient liquidity via market operations.
- Hong Kong's Hang Seng index ended flat as earlier gains on hopes of monetary policy stimulus from major central banks to prop up the economies were offset by the spreading coronavirus crisis.
- China's Shanghai Composite surged 5.4% as new coronavirus cases in the country fell, and as hopes grew of global policy action to limit the economic impact from the epidemic.

2. Commodity

- Crude oil prices rose on optimism that OPEC and its allies will soon announce additional production cuts.
- Indian gold prices surged tracking global cues as intensifying worries regarding spread of coronavirus spurred demand for safe haven assets.
- Indian silver prices rose this week due to improved demand from industrial units and coin traders.

B. News summary

1. Domestic

- India's Nikkei manufacturing Purchasing Managers' Index (PMI) stood at 54.5 in February compared to 55.3 in January, while services PMI rose from 55.5 in January to 57.5 in February. The composite PMI increased from 56.3 in January to 57.6 in February.
- OECD slashed India's growth forecast for 2020-21 to 5.1% from 6.2% citing adverse impact of coronavirus outbreak on the domestic and global economy.
- Fitch cut India's economic growth to 4.9% for FY20; however expects GDP growth to recover slightly to 5.4% in FY21.
- Prime Minister launched a campaign to set up 10000 new farmer producer organisations (FPOs) across the country in the next five years.
- The Cabinet approved the consolidation of 10 public sector banks (PSBs) into four 'mega banks'.
- The Cabinet approved a proposal to allow listing of Indian firms overseas.
- The Cabinet cleared 72 amendments to the Companies Act, 2013, decriminalizing various offences and moderating the penalty regime to boost of ease doing business.
- RBI is considering using unconventional policy tools to spur lending amid fears that the coronavirus outbreak will derail any revival of economic growth.
- SEBI said investment advisers operating in International Financial Services Centre should have a net worth of Rs 5 cr.
- SEBI revised its investment manager eligibility norms for Infrastructure Investment Trusts (InvITs) and also allows fast-track rights issue by REITs and InvITs without filing draft offer document.

2. International

- US Federal Reserve cut its fed funds target rate by a half percentage point to a range of 1-1.25% to counter the threat to the economy from the coronavirus epidemic.
- US non-farm payrolls surged up by 273,000 jobs in February, matching the upwardly revised spike in January.
- According to the US ADP report, the US private sector added 183,000 in February, down slightly from 209,000 in the prior month.
- US ISM manufacturing index fell to 50.1 in February from 50.9 in January, while non-manufacturing index climbed to 57.3 in February from 55.5 in January.
- China's official manufacturing PMI fell to a record low of 35.7 in February from 50.0 in January, while services PMI plunged to 29.6 in February compared with 54.1 in January.

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C. Week ahead

Day	Events
Monday, March 9, 2020	<ul style="list-style-type: none"> Eurozone Sentix Investor Confidence, March China Consumer Price Index, February China Producer Price Index, February Japan's Eco Watchers Survey: Outlook & Current, February
Tuesday, March 10, 2020	<ul style="list-style-type: none"> Eurozone GDP, Q4 2019 Eurozone Employment Change, Q4 2019 Japan Machine Tool Orders, February
Wednesday, March 11, 2020	<ul style="list-style-type: none"> US Consumer Price Index, February US Monthly Budget Statement, February US Crude Oil Inventories, March 6 UK Monthly GDP, January UK NIESR GDP Estimate (3 Months), February UK Trade Balance, January UK Industrial Production, January Japan's Producer Price Index, February
Thursday, March 12, 2020	<ul style="list-style-type: none"> European Central Bank Interest Rate Decision Eurozone Industrial Production, January UK RICS Housing Price Balance, February India's Industrial Production, January India's Consumer Price Index Inflation, February
Friday, March 13, 2020	<ul style="list-style-type: none"> US Michigan Consumer Sentiment Index, March US Import & Export Price Index, February Japan's Tertiary Industry Index, January



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