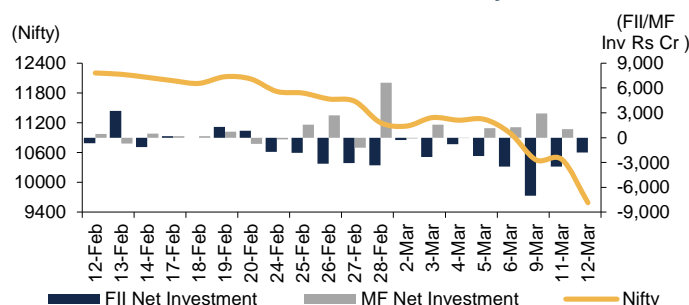


## Indian equity benchmark indices' returns

Broad Indices	Mar 13	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	34,103	-9.24	-16.84	-9.66
Nifty 50	9,955	-9.41	-17.64	-12.22
Nifty 500	8,163	-9.90	-16.56	-13.62
S&P BSE 100	10,039	-9.55	-17.32	-13.10
S&P BSE Midcap	12,639	-11.17	-14.78	-16.45
S&P BSE Smallcap	11,761	-11.77	-11.79	-20.93

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Mar 13	% chg week	% chg 3 Mon	% chg Year
S&P BSE CG	13,798	-9.16	-18.87	-24.56
S&P BSE Healthcare	12,675	-9.25	-5.24	-10.10
S&P BSE FMCG	9,782	-9.48	-15.04	-17.21
S&P BSE CD	23,405	-9.64	-6.64	2.01
S&P BSE Bankex	28,890	-9.69	-20.84	-10.71
S&P BSE Power	1,551	-9.88	-17.88	-20.42
S&P BSE Auto	13,960	-10.11	-22.82	-29.24
S&P BSE Oil & Gas	10,839	-11.46	-27.15	-26.46
S&P BSE Realty Index	1,793	-12.32	-18.63	-6.10
S&P BSE Metal	6,999	-12.84	-28.50	-37.20
S&P BSE IT	13,295	-13.58	-11.40	-11.13

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Mar 13	Previous Week	1 month ago
Call Rate	5.00%	5.00%	4.95%
10 Yr G-Sec*\$	6.32%	6.18%	6.43%
3-M USD Libor^	0.74%	0.90%	1.69%
6-M USD Libor^	0.74%	0.88%	1.71%
1-Y USD Libor^	0.76%	0.85%	1.80%

\*6.45% 2029 paper ^As of Mar 12 \$Weighted Average Yield

## Currencies vs INR

Currency	Mar 13	Week ago	3 months ago	1 year ago
USD	73.90	73.78	70.81	69.53
GBP	92.76	96.07	94.84	91.48
Euro	82.56	83.54	79.19	78.54
Yen*	69.46	70.05	64.59	62.43

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Indian equities logged their worst week since 2009, ending in the red for fourth consecutive week. S&P BSE Sensex and Nifty 50 plunged about 9% each.
- Market fell in line with global equities, battered by persistent jitters over economic impact of the rapidly spreading coronavirus crisis
- Sentiments weakened further after the World Health Organization called the coronavirus spread a pandemic.
- Heavy sell-off was witnessed in sectors across the board, with information technology (IT), metal and realty being the worst hit. S&P BSE IT (biggest sectoral decliner), S&P BSE Metal and S&P BSE Realty nosedived around 14%, 13% and 12%, respectively.
- Shares of Oil and Natural Gas Corporation emerged the biggest laggard on the Nifty 50, declining 25.54% on week to settle at Rs 65.9 per share, impacted by the decline in crude oil prices.
- However, some losses were recouped on the last trading day on bargain hunting following the recent decline.
- Shares of Yes Bank were the biggest gainer on the Nifty 50, rising 58.2% to settle at Rs 25.55 per share on hopes that the moratorium on the lender would be lifted and after SBI announced a fund infusion into the lender.

#### 2. Debt

- Government bond prices ended lower. The yield on the 10-year benchmark 6.45% 2029 paper settled at 6.32% on March 13, compared with 6.18% on March 6.
- Bonds prices rose earlier in the week supported by a sharp decline in US benchmark Treasury yields and crude oil prices.
- Crude oil prices declined sharply after Saudi Arabia announced a cut in prices early in the week.
- US benchmark Treasury yields also fell sharply amid expectation of more policy support measures from the US Federal Reserve to combat the spread of Covid-19.
- Bond prices gave up earlier gains tracking the slump in the rupee against the US dollar and weighed by fears of foreign investor outflows from the domestic financial market.
- Profit sales by some market players following the rise in prices early in the week, and the US President Donald Trump's pledge of fiscal stimulus measures to support the US economy and limit the impact of Covid-19 also pulled down domestic gilt prices.
- In the fourth long-term reverse-repo auction conducted by the RBI, the central bank received Rs 48,856 crore of bids for an amount of Rs 25,000 crore with a three-year tenure.

#### 3. Forex

- The rupee ended off lows against the US dollar, aided by state-owned banks' dollar sales.
- Intermittent declines in Asian equities and currencies, coupled with pronounced weakness in local share indices weighed on sentiment.
- Lower investor risk appetite, due to concerns about the global economic impact of Covid-19 also pulled the rupee down.

## International equity benchmark indices' returns

Indices	Mar 13	% chg week	% chg 3 mon	% chg Year
DJIA*	21,201	-18.03	-24.64	-17.52
Nasdaq Composite*	7,202	-16.02	-17.39	-5.78
FTSE 100*	5,237	-18.96	-27.99	-26.84
Nikkei 225	17,431	-15.99	-27.44	-18.13
Straits Times	2,634	-11.04	-18.05	-17.57
Hang Seng	24,033	-8.08	-13.20	-16.57
Shanghai Comp	2,887	-4.85	-2.70	-4.61

\*As of Mar 12

## International debt market indicators

Indicators	Mar 13	Mar 6
US 10-Year*	0.85	0.71
UK 10-Year*	0.27	0.23
German 10-Year*	-0.74	-0.71
Japan 10-Year	0.00	-0.13

\*As of Mar 12

## Commodities

Commodity	Mar 13	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)*	33.22	-26.62	-49.06	-50.82
Gold (\$ per troy ounce)*	1570.70	-6.71	7.10	20.18
Silver (\$ per ounce)*	16.53	-5.46	-2.42	6.48
Indian gold (Rs per 10 gm)	41859.00	-5.54	11.06	29.74
Indian Silver (Rs per Kg)	42984.00	-8.68	-2.05	11.52

\*As of Mar 12

Source: Respective commodity exchanges, LBMA, MCX

## B. International

### 1. Equity

- Global equities witnessed a meltdown on mounting concerns of a worldwide recession amid the spreading coronavirus crisis and a steep fall in crude oil prices.
- US stocks saw heavy losses on fears of global recession and after the World Health Organization (WHO) declared the coronavirus outbreak a pandemic.
- Intermittent bargain buying amid fiscal and monetary stimulus measures to ease economic impact of coronavirus chipped off some losses.
- US non-farm payrolls surged up by 273,000 jobs in February, matching the upwardly revised spike in January; the unemployment rate unexpectedly edged down to 3.5% in February from 3.6% in January.
- Britain's FTSE tanked 19% after the WHO declared the coronavirus a pandemic and due to selling in stocks of travel and leisure firms.
- However, stimulus hopes from major central banks provided a bit of comfort to the investors.
- Bank of England unexpectedly cut interest rates by 0.5% to 0.25% in a move to bolster Britain's economy against disruption caused by the coronavirus outbreak.
- Asian equities posted weak performance. Japan's Nikkei index dipped 16% owing to persistent worries regarding economic impact of coronavirus and after the WHO declared the coronavirus a global pandemic.
- Hong Kong's Hang Seng index lost 8% due to fears that the coronavirus crisis would cause a global recession.
- Some losses were reduced on hopes of economy boosting stimulus measures from global policymakers.
- China's Shanghai Composite fell about 5% on deepening worries over the economic impact of the coronavirus, and as oil prices retreated sharply.
- Further losses were prevented on hopes for more policy measures to support the economy.
- China consumer price index rose 5.2% in February, compared with a 5.4% gain in January, while producer price index edged down 0.4% in February, compared with a 0.1% increase in January.

### 2. Commodity

- Crude oil prices plummeted 24% in the week following the ending of OPEC and Russia's three-year pact after the latter refused to support deeper oil cuts, and oversupply woes following higher US crude oil output coupled with Saudi Arabia's decision to increase output capacity.
- Indian gold prices dropped tracking global cues amid sell-off by the investors to cover margin calls in other assets and lower demand from domestic jewelers.
- Indian silver prices slipped this week due to weak demand from industrial units and coin traders.

## C. News summary

### 1. Domestic

- India's current account deficit (CAD) narrowed sharply to \$1.4 bn, or 0.2% of GDP, for the December 2019 quarter according to the RBI; the deficit had stood at 2.7% in the corresponding quarter a year ago and 0.9% in the previous quarter.
- India's industrial output grew by 2% in January compared with near flat growth in December, led by growth in mining sector; it had grown by 1.6% in January 2019.
- India's retail inflation based on the Consumer Price Index (CPI) eased to 6.58% in February, from a 68-month high of 7.59% in January, primarily on the back of lower prices of fruits and vegetables.
- Moody's cut its growth projections for India to 5.3% for 2020 from 5.4% earlier, cautioning that an extensive and prolonged slump as a result of COVID-19 outbreak will reduce growth in India to 5% during the same calendar year.
- Government sought Parliament's nod for an additional Rs 54000 cr spending.
- Government invited Expression of Interest (EoI) for selling its entire stake in BPCL.
- Government approved the proposals of TCS and DLF to set up special economic zones for IT sector in Haryana and Uttar Pradesh.
- RBI Governor Shaktikanta Das said new technologies are enabling lenders to appraise loan proposals of micro, small and medium enterprises (MSMEs) expeditiously by doing due diligence online.
- RBI to undertake a six-month US Dollar sell/buy swaps to provide liquidity to the forex market.
- SEBI proposed to impose restrictions on the practice of providing corporate guarantees at listed firms.

### 2. International

- US Federal Reserve decided to infuse over \$1.5 trillion of temporary liquidity into the financial system.
- US government posted a \$235 bn budget deficit in February, compared with a deficit of \$234 bn in the same month the year earlier.
- European Central Bank (ECB) left the rate on the main refinancing operations at a record low of 0%; decides to conduct additional longer-term refinancing operations, temporarily, to ensure immediate liquidity support to the Eurozone financial system.
- China consumer price index rose 5.2% in February, compared with a 5.4% gain in January, while producer price index edged down 0.4% in February, compared with a 0.1% increase in January.

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## D. Week ahead

Day	Events
Monday, March 16, 2020	<ul style="list-style-type: none"> <li>US Empire State Manufacturing Index, March</li> <li>China's Industrial Production, February</li> <li>China's Retail Sales, February</li> </ul>
Tuesday, March 17, 2020	<ul style="list-style-type: none"> <li>US Industrial Production &amp; Capacity Utilization, February</li> <li>US Retail Sales, February</li> <li>US Business Inventories, January</li> <li>US NAHB Housing Market Index, March</li> <li>Eurozone ZEW Survey - Economic Sentiment, March</li> </ul>
Wednesday, March 18, 2020	<ul style="list-style-type: none"> <li>US Federal Open Market Committee Interest Rate Decision</li> <li>US Housing Starts &amp; Building Permits, February</li> </ul>
Thursday, March 19, 2020	<ul style="list-style-type: none"> <li>US Initial Jobless Claims, March 14</li> <li>US Philadelphia Fed Manufacturing Survey, March</li> </ul>
Friday, March 20, 2020	<ul style="list-style-type: none"> <li>US Existing Home Sales, February</li> <li>Bank of England (BoE) Inflation Next 12 Months, February</li> </ul>



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