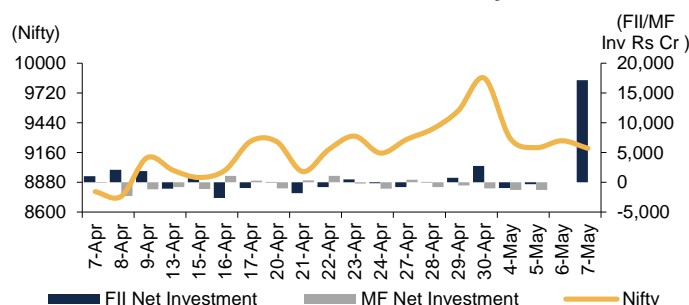


Indian equity benchmark indices' returns

Broad Indices	May 8	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	31,643	-6.15	-23.09	-16.27
Nifty 50	9,252	-6.17	-23.53	-18.56
Nifty 500	7,552	-5.75	-24.49	-19.15
S&P BSE 100	9,357	-5.97	-23.59	-18.41
S&P BSE Midcap	11,424	-4.91	-28.17	-20.58
S&P BSE Smallcap	10,639	-4.17	-28.31	-24.70

FII and mutual fund investment vs. Nifty



Sectoral Indices	May 8	% chg week	% chg 3 Mon	% chg Year
S&P BSE Healthcare	15,271	-0.40	6.92	10.21
S&P BSE Oil & Gas	11,525	-4.49	-19.46	-22.58
S&P BSE IT	13,534	-4.92	-16.06	-13.31
S&P BSE Power	1,405	-5.77	-26.83	-26.92
S&P BSE FMCG	10,062	-6.58	-13.15	-12.11
S&P BSE Auto	12,345	-7.53	-31.71	-32.34
S&P BSE CG	11,156	-8.46	-34.76	-37.29
S&P BSE Realty Index	1,315	-9.34	-45.96	-32.25
S&P BSE Metal	6,070	-10.01	-39.32	-44.98
S&P BSE Bankex	22,211	-10.17	-37.74	-31.33
S&P BSE CD	18,107	-11.78	-33.16	-20.92

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	May 8	Previous Week	1 month ago
Call Rate	3.70%	3.75%	4.50%
10 Yr G-Sec*\$	5.99%	6.11%	6.44%
3-M USD Libor^	0.43%	0.54%	1.31%
6-M USD Libor^	0.69%	0.71%	1.23%
1-Y USD Libor^	0.78%	0.84%	1.05%

*6.45% 2029 paper ^As of May 7 \$Weighted Average Yield

Currencies vs INR

Currency	May 8	Week ago	3 months ago	1 year ago
USD	75.54	75.12	71.40	69.71
GBP	93.59	93.63	92.36	90.69
Euro	81.78	81.65	78.23	78.10
Yen*	71.07	70.42	65.03	63.31

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices ended the week on a disappointing note. S&P BSE Sensex and Nifty 50 declined 6% each.
- Market fell in response to spike in the covid-19 cases back home and historic decline in India's manufacturing and services activity numbers.
- More losses were seen owing to weak global developments including flaring up the US-China trade war tensions earlier in the week after US President threatened to impose new tariffs on China and disappointing US jobs data.
- Shares of Axis Bank were among the biggest losers on the Nifty 50, falling 14.1% to settle at Rs 382.05 per share, impacted by news that the government was considering selling its stake in the company.
- Some losses were however chipped off owing to gains in index heavyweights, optimism over prospects of easing of lockdown restriction in few countries and as Chinese and US representatives agreed to move ahead with the trade deal despite recent tensions over the covid-19 pandemic.
- Shares of Reliance Industries emerged the top gainer on the Nifty 50 for the week, rising 6.5% to settle at Rs 1561.8 per share, aided by Vista Equity Partners' investment of Rs 11,367 crore into Jio Platforms.

2. Debt

- Government bond prices advanced in the week. The yield on the 10-year benchmark 6.45% 2029 paper settled at 5.97% on May 8 compared with 6.11% on April 30
- Bonds were under some pressure earlier in the week as participants expected the Centre to announce an economic package, which was seen impacting overall borrowing and the Centre's finances
- However, losses were wiped out as increased taxation on diesel and petrol eased concerns over the fiscal deficit
- Enthusiasm of market participants ahead of the weekly gilt sale, which included a new 10-year paper, also kept sentiment positive
- In the gilt sale, the RBI sold the 5.09% 2022 paper, the 7.19% 2060 paper, and a new paper maturing in 2030 for a total notified Rs 19,000 crore. The auction was fully subscribed. The coupon rate for the 2030 paper has been set at 5.79%
- The RBI will auction a higher notified Rs 6 lakh crore over the remainder of H1 2020-2021 compared to the earlier figure of Rs 3.90 lakh crore for the same period

3. Forex

- The rupee ended lower against the US dollar put under pressure due to fresh concerns about the Sino-US trade war and impacted by foreign banks' intermittent dollar purchases
- Sporadic gains in local equities and Asian currencies provided the rupee support.
- Weakness in the US dollar prior to the release of US non-farm payrolls data also enhanced sentiment for the local unit.

International equity benchmark indices' returns

Indices	May 8	% chg week	% chg 3 mon	% chg Year
DJIA*	23,876	0.64	-17.96	-8.05
Nasdaq Composite*	8,980	4.35	-5.68	13.05
FTSE 100*	5,936	3.00	-20.50	-18.36
Nikkei 225	20,179	2.85	-15.31	-6.59
Straits Times	2,592	-1.23	-18.53	-21.07
Hang Seng	24,230	-1.68	-11.58	-16.46
Shanghai Comp	2,895	1.23	0.67	0.05

*As of May 7

International debt market indicators

Indicators	May 8	May 1
US 10-Year*	0.63	0.64
UK 10-Year*	0.23	0.23
German 10-Year*	-0.55	-0.59
Japan 10-Year	0.01	-0.03

*As of May 7

Commodities

Commodity	May 8	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)*	29.46	11.42	-45.92	-58.14
Gold (\$ per troy ounce)*	1704.05	1.06	8.36	32.59
Silver (\$ per ounce)*	14.98	0.91	-15.70	0.33
Indian gold (Rs per 10 gm)	46147.00	1.56	13.79	45.40
Indian Silver (Rs per Kg)	43494.00	4.16	-5.87	16.97

*As of May 7

Source: Respective commodity exchanges, LBMA, MCX

B. International

1. Equity

- Mixed performance was seen in global equities amid region specific cues.
- US stocks advanced, with the Dow Jones and Nasdaq rising 0.6% and 4.4%, respectively.
- Sentiments were affected earlier on reports that the US might impose fresh round of tariffs on China.
- A pullback in financials and defensive counters and weak domestic private sector jobs data weighed on the market further.
- However, losses were recouped, especially from the Nasdaq, owing to a rally in technology stocks and some positive corporate earnings reports.
- US ADP reported that the private sector laid off 20.2 mn workers in April, compared to 1,49,000 decrease in March.
- Britain's FTSE rose 3%, buoyed by gains in pharma and energy stocks and on optimism over revival of the economy
- Gains were trimmed as trade tensions between the US and China resurfaced.
- Bank of England (BOE) held interest rates at 0.1%. It also expects the country's GDP to fall by 14% over 2020, but sees the growth hitting its pre-Covid levels in the second half of 2021 and growing by 3% in 2022.
- Asian equities posted varied performance. Japan's Nikkei jumped nearly 3% in the holiday-curtailed week owing to a rally in semiconductor-related stocks and easing lockdown measures in parts of the US.
- Hong Kong's Hang Seng index lost 1.7% following disappointing trade data from China and renewed worries about US-China trade tiff.
- Losses were cut short after the city's government eased social distancing measures put in place to curb the spread of coronavirus.
- More gains were seen on reports of major governments reopening business activities which eased concern regarding economic growth.
- China's Shanghai Composite rose 1.2% on hopes of more measures to counter the economic fallout from the coronavirus outbreak, and as Beijing opening up its financial markets further to foreign investors.
- China's exports rose 3.5% in April from a year earlier while imports dropped 14.2%, resulting in a trade surplus was at \$45.34 bn, up sharply from \$19.9 bn surplus in March.

2. Commodity

- Crude oil prices rebounded sharply this week on reports of slowdown in output and optimism that re-opening of business activities in major countries would revive oil demand.
- Indian gold prices declined in this week owing to lack of demand from jewelers following extension of lockdown restrictions.
- Indian silver prices rose marginally this week due to emerging demand for coins and industrial metal.

- News summary

1. Domestic

- India's core sector output contracted 6.5% in March compared with 7.2% growth in February owing to the nationwide lockdown to combat the Covid-19 crisis.
- India's Nikkei manufacturing Purchasing Managers' Index (PMI) plunged to 27.4 in April compared to 51.8 in March while services PMI fell to 5.4 in April from 49.3 in March. The composite PMI fell to 7.2 in April from 50.6 in March.
- Government's direct tax collection jumped 36.5% to Rs 34784 cr in the first month of April.
- CRISIL said India will see a permanent loss of 4% of GDP, or Rs 9 lakh cr, because of the disruptions triggered by the Covid-19 pandemic.
- S&P cut India's expected growth to 1.8% for 2020-21 from 3.5% it had forecast in March, with a recovery to 7.5% in the next fiscal.
- Finance Ministry extended the date for filing annual return for financial year 2018-19 till September 30. It also notified extending the validity of e-way bill, expiring between March 20-April 15, till May 31.
- Government increased excise duties by Rs 10 per litre on petrol and Rs 13 per litre on diesel.
- Government allowed exports of hand sanitizers except those which are alcohol-based.
- Government said companies will be able to hold annual general meetings (AGMs) through videoconferencing or other audiovisual means for the entire 2020.
- Government is considering raising around Rs 22000 cr by offloading its entire SUUTI stakes in ITC Ltd and Axis Bank.

2. International

- US non-farm payroll employment plummeted by 20.5 mn jobs in April after tumbling by a revised 870,000 jobs in March; the unemployment still skyrocketed to a post-World War II record high of 14.7% in April from 4.4% in March.
- US ADP reported that the private sector laid off 20.2 mn workers in April, compared to 1,49,000 decrease in March.
- US ISM manufacturing index fell to 41.5 in April from 49.1 in March.
- US Markit manufacturing PMI fell to 36.1 in April compared with 48.5 in March while services PMI registered 26.7 in April as against 39.8 in March. The composite PMI fell to 27 in April from March's 40.9.
- US trade deficit jumped 11.6%, the largest rise since December 2018, to \$44.4 bn in March; data for February was revised to show the trade gap tightening to \$39.8 bn.
- Eurozone GDP decreased by 3.3% on year in Q1 2020 compared to 1% growth in Q4 2019.

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C. Week ahead

Day	Events
Tuesday, May 12, 2020	<ul style="list-style-type: none"> • US Consumer Prices, April 2020 • China Consumer Prices, April 2020 • China Producer Prices, April 2020 • India Industrial Production, March 2020 • India Consumer Prices, April 2020
Wednesday, May 13, 2020	<ul style="list-style-type: none"> • US Producer Prices, April 2020 • US Crude oil Inventories, May 8, 2020 • Euro Zone Industrial Production, March 2020 • UK GDP, Q1 2020
Thursday, May 14, 2020	<ul style="list-style-type: none"> • US Import / Export Prices, April 2020 • India Wholesale Inflation, April 2020
Friday, May 15, 2020	<ul style="list-style-type: none"> • US Retail Sales, April 2020 • US Industrial Production, April 2020 • US Business Inventories, March 2020 • Eurozone GDP, Q1 2020 • China Industrial Production, April 2020 • China Retail Sales, April 2020



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