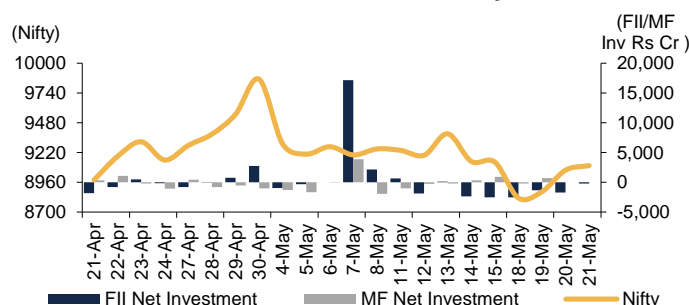


Indian equity benchmark indices' returns

Broad Indices	May 22	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	30,673	-1.37	-25.50	-21.57
Nifty 50	9,039	-1.07	-25.18	-22.99
Nifty 500	7,416	-1.17	-25.53	-22.74
S&P BSE 100	9,159	-1.13	-24.89	-22.53
S&P BSE Midcap	11,270	-2.00	-28.19	-23.19
S&P BSE Smallcap	10,524	-1.54	-28.63	-26.76

FII and mutual fund investment vs. Nifty



Sectoral Indices	May 22	% chg week	% chg 3 Mon	% chg Year
S&P BSE IT	14,029	5.37	-14.18	-7.74
S&P BSE Healthcare	15,518	3.25	6.76	16.76
S&P BSE FMCG	10,340	2.60	-10.06	-11.58
S&P BSE Auto	13,070	0.35	-24.73	-29.70
S&P BSE CD	18,194	-0.68	-33.88	-25.54
S&P BSE Oil & Gas	11,112	-0.78	-19.99	-26.93
S&P BSE Power	1,418	-1.79	-23.02	-26.24
S&P BSE Metal	6,193	-2.04	-35.72	-41.88
S&P BSE CG	11,117	-4.74	-33.25	-40.82
S&P BSE Realty Index	1,281	-4.83	-44.79	-38.05
S&P BSE Bankex	19,909	-7.72	-43.95	-41.80

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	May 22	Previous Week	1 month ago
Call Rate	4.50%	2.75%	4.50%
10 Yr G-Sec*\$	5.95%	6.06%	6.22%

*6.45% 2029 paper \$Weighted Average Yield

Currencies vs INR

Currency	May 22	Week ago	3 months ago	1 year ago
USD	75.96	75.57	71.64	69.67
GBP	92.49	92.28	92.16	88.12
Euro	82.84	81.74	77.31	77.78
Yen*	70.67	70.62	63.87	63.11

*exchange rate represents 100 units of the currency

Markets update

Domestic

1. Equity

- Indian equity indices fell for the third consecutive week. S&P BSE Sensex and Nifty 50 lost 1.4% and 1%, respectively.
- Market was affected earlier after the government decided to extend the nationwide lockdown measures till May 31.
- Disappointment over stimulus measures announced as part of the government's Rs 20 lakh cr economic package and escalating the US-China tensions also dented the sentiments.
- More losses were seen after the RBI's decision to extend the moratorium on term loans by three months pressured banking shares. Stocks of IndusInd Bank emerged the biggest laggard on the Nifty 50, falling 19.19% to settle at Rs 338.35 per share weighed by weak sentiment in the banking sector.
- Some losses were trimmed on tracking positive global cues in form of reports of encouraging early results for an experimental vaccine to treat coronavirus infection.
- Buying interest in information technology (IT), healthcare and fast moving consumer goods (FMCG) firms supported the market.
- Shares of ITC emerged the top gainer on the Nifty 50, rising 13.18% to settle at Rs 186.35 per share on hopes that the company would restart cigarette production and expectation of a special dividend announcement.

2. Debt

- Government bond prices ended higher. Yield on the 10-year benchmark 6.45% 2029 paper settled at 5.96% on May 22 as against 6.08% on May 15
- Bonds started the week on a bright note amid expectations the recently announced economic package to cushion the impact of the pandemic would have limited fiscal impact
- Expectation that the central bank would make bond purchases to support the Centre's enhanced borrowing programme for the fiscal, while also keeping supply in check, provided price support
- Prices rose sharply in the last session after the central bank's interest rate panel slashed the repo rate by 40 basis points to 4% while maintaining an accommodative stance

3. Forex

- The rupee ended a volatile week lower against the US dollar
- The rupee fell early in the week as sentiment was dented following the Centre's decision to extend the lockdown
- Concerns that the fiscal stimulus measures announced by the finance minister would not aid in an immediate pickup in economic activity also weighed on the local unit
- The rupee remained volatile midweek as initial reports indicated encouraging results from a human trial of an experimental coronavirus vaccine. However, the rupee subsequently declined as hopes that the vaccine trial would be successful faded
- The rupee was dealt a further blow following Beijing's announcement of a proposed national security law that would effectively grant China more political control over Hong Kong

International equity benchmark indices' returns

Indices	May 22	% chg week	% chg 3 mon	% chg Year
DJIA*	24,474	3.33	-15.58	-5.05
Nasdaq Composite*	9,285	3.00	-3.05	19.79
FTSE 100*	6,015	3.72	-18.76	-17.98
Nikkei 225	20,388	1.75	-12.82	-4.21
Straits Times	2,500	-0.94	-21.41	-21.47
Hang Seng	22,930	-3.64	-16.03	-17.24
Shanghai Comp	2,814	-1.91	-7.43	-2.69

*As of May 21

International debt market indicators

Indicators	May 22	May 15
US 10-Year*	0.68	0.64
UK 10-Year*	0.24	0.23
German 10-Year*	-0.47	-0.54
Japan 10-Year	-0.01	-0.05
3-M USD Libor*	0.36%	0.38%
6-M USD Libor*	0.58%	0.66%
1-Y USD Libor*	0.68%	0.76%

*As of May 21

Commodities

Commodity	May 22	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)*	36.06	10.95	-38.36	-49.20
Gold (\$ per troy ounce)*	1724.90	-0.60	4.97	35.41
Silver (\$ per ounce)*	17.21	5.88	-7.30	19.19
Indian gold (Rs per 10 gm)	46417.00	-0.46	11.61	47.34
Indian Silver (Rs per Kg)	47726.00	7.21	0.37	31.88

*As of May 21

Source: Respective commodity exchanges, LBMA, MCX

International

1. Equity

- Most global equities ended in the green as easing Covid-19 induced lockdown restrictions across many countries raised prospects of a rebound in business activity.
- US stocks advanced on growing optimism that easing lockdown restrictions would boost business activity.
- Encouraging initial stage trial data for a potential coronavirus vaccine, reports of additional stimulus to support economic recovery and encouraging quarterly results from retailers Target and Lowe's buoyed the market further.
- US retail sales cratered by a record 16.4% in April after tumbling by a revised 8.3% in March.
- US industrial production plummeted by 11.2% in April after tumbling by a revised 4.5% in March.
- US housing starts plummeted by 30.2% to an annual rate of 891,000 in April after tumbling by 18.6% to a revised 1.28 mn in March.
- Britain's FTSE rose 3.7% on the back of upbeat quarterly results of Experian, positive comments by US Federal Reserve chief regarding the US economy and gains in shares of metal and travel firms.
- UK ILO jobless rate came in at 3.9% in the March quarter, compared to 4% in the three months to February.
- UK consumer price inflation eased to 0.8% in April from 1.5% in March.
- UK manufacturing PMI was 40.6 in May compared to 32.6 in April, while services PMI was 27.8 in May compared to 13.4 in April. The composite PMI was 28.9 in May compared to 13.8 in April.
- Asian equities posted mixed performance. Japan's Nikkei index rose nearly 2% as reports of encouraging early-stage trial data for a potential coronavirus vaccine boosted hopes for a swift reopening of global economy.
- Hong Kong's Hang Seng index lost 3.6% on concerns over possible fresh protests in the city after China said it would introduce a proposal for a national security law in the city. More losses were seen on US-China trade tensions.
- China's Shanghai Composite lost around 2% on concerns over economic growth, renewed trade tensions with the US and fresh political tensions between the two countries following a proposal to introduce new national security law in Hong Kong.

2. Commodity

- Crude oil prices extended gains this week following reports of production cut from major producers and hopes over revival in demand after reports indicated gradual restart of business activities globally.
- Indian gold ended lower in this week owing to declining demand from local jewelers following spike in coronavirus cases in the country.
- Indian silver prices rose this week due to hopes of revival in demand for industry metals and coins.

• News summary

1. Domestic

- India's exports contracted by 60.28% in April to \$10.36 bn while Imports fell 58.65% to \$17.12 bn in April, resulting in a trade deficit of \$6.76 bn.
- RBI cuts the repo rate from 4.40% to 4% and reverse repo rate to 3.35%.
- RBI says GDP growth in 2020-21 is estimated to remain in the negative territory with some pick-up in growth impulses in the second half of the year.
- Government expressed 'cautious optimism' about the country's economic prospects; a finance ministry report said actual GDP growth in 2020-21 would be contingent upon the intensity, spread and duration of the Covid-19 pandemic.
- Government unveils reforms for the farm sector including a new law to allow farmers to sell their produce freely and get better prices, and a Rs 1 lakh cr fund for entrepreneurs to set up facilities to procure, store and market agriculture produce.
- Government rolls out various reforms to boost investments, including raising the foreign direct investment (FDI) limit in defence sector from 49% to 74%, privatisation of six more airports, and fully opening up coal mining to the private sector. Also announces reform measures for electricity distribution and atomic energy sectors.
- RBI extends the moratorium on loan EMIs by three months till August 31.
- RBI to roll over Rs 15000 cr refinance facility for SIDBI for 90 days.
- SEBI extended the deadline for brokers to submit reports on client funding and daily margin till June 30.
- SEBI said it will not impose fines on companies that are unable to achieve the minimum public shareholding of 25% between March 1 and August 31.

2. International

- IMF Chief said the global economy will take much longer to recover fully from the shock caused by the new coronavirus than initially expected.
- World Bank announced emergency operations worth \$160 bn in 100 developing countries to fight the Covid-19 crisis.
- World Trade Organization (WTO) said global merchandise trade volumes are expected to plunge in the first half of 2020, as the earlier trade slump was made worse by the ongoing crisis.
- US retail sales cratered by a record 16.4% in April after tumbling by a revised 8.3% in March.
- Eurozone economy shrank 3.2% in Q1 2020 after rising 1% in the fourth quarter.

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, May 25, 2020	<ul style="list-style-type: none"> • Japan Leading and Coincident Index, March 2020
Tuesday, May 26, 2020	<ul style="list-style-type: none"> • US New Home Sales, April 2020 • Japan All Industry Activity Index, March 2020
Wednesday, May 27, 2020	<ul style="list-style-type: none"> • China Industrial Profits, March 2020
Thursday, May 28, 2020	<ul style="list-style-type: none"> • US Durable Goods Orders, April 2020 • US GDP, Q1 2020 • US Pending Home Sales, April 2020 • UK Gfk Consumer Confidence, May 2020 • Japan Industrial Production, April 2020
Friday, May 29, 2020	<ul style="list-style-type: none"> • US Goods Trade Balance, April 2020 • US Personal Income & Personal Spending, April 2020 • US Michigan Consumer Sentiment Index, May 2020 • Eurozone Consumer Price Index, May 2020 • India Federal Fiscal Deficit, April 2020 • India GDP, Q4 FY2020 • India Infrastructure Output, April 2020



ATTRACTIVE INTEREST RATES ON OUR TERM DEPOSITS

Know More