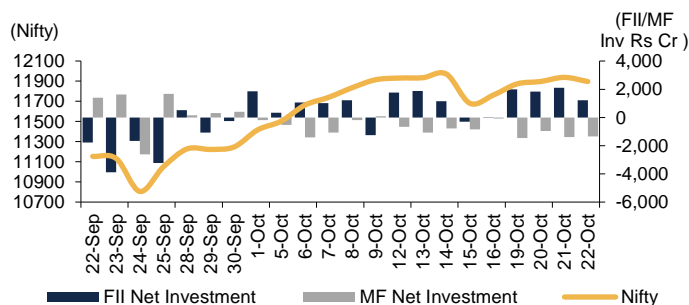


Indian equity benchmark indices' returns

Broad Indices	Oct 23	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	40,686	1.76	6.67	4.16
Nifty 50	11,930	1.43	6.37	2.81
Nifty 500	9,780	1.60	7.31	3.40
S&P BSE 100	11,993	1.51	6.44	2.33
S&P BSE Midcap	14,976	2.43	8.65	4.03
S&P BSE Smallcap	15,135	2.35	16.45	14.46

FII and mutual fund investment vs. Nifty



Sectoral Indices	Oct 23	% chg week	% chg 3 Mth	% chg Year
S&P BSE Realty Index	1,854	9.34	16.30	-7.66
S&P BSE Metal	8,646	5.37	11.84	-4.59
S&P BSE Power	1,692	4.73	8.15	-15.45
S&P BSE Bankex	27,786	4.14	6.10	-16.57
S&P BSE CG	14,146	3.85	9.66	-23.25
S&P BSE Oil & Gas	12,228	2.72	-11.12	-19.59
S&P BSE CD	24,824	2.10	12.61	-8.71
S&P BSE Auto	18,266	1.44	10.53	1.36
S&P BSE FMCG	11,045	0.54	-3.98	-8.51
S&P BSE IT	21,738	-0.46	26.75	49.56
S&P BSE Healthcare	19,637	-1.40	14.39	52.69

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Oct 23	Previous Week	1 month ago
Call Rate	3.25%	2.00%	3.35%
10 Yr G-Sec [^]	5.87%	5.93%	5.99%

[^]5.77% 2030 paper [^]Weighted Average Yield

Currencies vs INR

Currency	Oct 23	Week ago	3 months ago	1 year ago
USD	73.60	73.34	74.76	70.91
GBP	96.45	94.88	95.06	91.21
Euro	87.15	85.91	86.60	78.83
Yen*	70.34	69.69	69.76	65.44

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equities reversed previous week's losses. S&P BSE Sensex and Nifty 50 jumped 1.8% and 1.4%, respectively.
- Market sentiments were buoyed by positive global cues including optimism regarding coronavirus vaccine and US fiscal package.
- A rally in realty, metal, power and banking stocks brought in more gains into the market. S&P BSE Realty (topmost sectoral gainer), S&P BSE Metal, S&P BSE Power and S&P BSE Bankex surged 9.3%, 5.4%, 4.7% and 4%, respectively.
- Shares of Tata Steel were among the highest gainers on the Nifty 50, rising 7.5% on week to settle at Rs 423.45 per share, aided by positive sentiment for metal stocks.
- Further gains were prevented due to losses in healthcare and information technology (IT) stocks. S&P BSE Healthcare (biggest sectoral decliner) and S&P BSE IT fell 1.4% and 0.5%, respectively.
- A surge in global Covid-19 cases also affected the market to a certain extent.
- Shares of Britannia emerged the biggest laggard on the Nifty 50, declining 7.4% on week to settle at Rs 3469.75 per share after reporting its earnings for the September quarter.

2. Debt

- Government bond prices ended higher. The yield of the 10-year benchmark 5.77% 2030 paper settled at 5.84% on October 23 compared with 5.93% on October 16.
- Bonds began the week under pressure as the RBI's gilt switch auction added to the supply of longer duration papers.
- Expectation of more open market bond purchase announcements by the banking regulator gave support to gilts intraweek.
- Among other developments, the central bank purchased Rs 10,000 crore of state government bonds through its first ever open market operations in these. While participants offered an amount totalling Rs 15,475 crore, the RBI accepted a total amount equal to the notified value.
- Bonds rose in the final session in response to the central bank announcing an open market bond purchase auction for a total notified Rs 20,000 crore on October 29.
- In the fully subscribed weekly gilt sale, the RBI auctioned the 5.09% 2022 paper, the 5.22% 2025 paper, the 5.77% 2030 paper, and the 6.80% 2060 paper for a total notified Rs 31,000 crore. Lower than expected cut-off yields provided positive cues to bonds.

3. Forex

- The rupee weakened against the US dollar weighed upon by state-owned banks' greenback demand.
- Intermittent weakness in investor risk appetite, and sporadic upticks in the US dollar index pulled the rupee down further.
- The rupee recouped some losses on the back of exporters' dollar sales and tracking midweek gains in some Asian currencies.

International equity benchmark indices' returns

Indices	Oct 23	% chg week	% chg 3 Mth	% chg Year
DJIA*	28,364	-0.85	5.03	5.70
Nasdaq Composite*	11,506	-1.42	7.47	41.70
FTSE 100*	5,786	-2.26	-6.79	-20.32
Nikkei 225	23,517	0.45	3.36	3.94
Straits Times	2,537	0.17	-2.87	-19.30
Hang Seng	24,919	2.18	-1.36	-6.20
Shanghai Comp	3,278	-1.75	-1.42	11.44

*As of Oct 22

International debt market indicators

Indicators	Oct 23	Oct 16
US 10-Year*	0.85	0.74
UK 10-Year*	0.29	0.18
German 10-Year*	0.57	-0.63
Japan 10-Year	0.04	0.02
3-M USD Libor*	0.21%	0.22%
6-M USD Libor*	0.25%	0.26%
1-Y USD Libor*	0.34%	0.34%

*As of Oct 22

Commodities

Commodity	Oct 23	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	42.46	-1.09	-1.96	-30.59
Gold (\$ per troy ounce)*	1900.95	-0.22	1.21	27.20
Silver (\$ per ounce)*	24.92	2.28	8.99	42.09
Indian gold (Rs per 10 gm)	51044.00	0.49	0.84	33.29
Indian Silver (Rs per Kg)	62578.00	2.03	3.14	37.64

*As of Oct 22

Source: Respective commodity exchanges, LBMA, MCX

B. International

1. Equity

- Global equities posted mixed performance amid region specific cues.
- US stocks declined in the week mainly due to a pullback in technology stocks and uncertainty about additional stimulus package.
- Some losses were recouped following upbeat domestic economic data.
- US University of Michigan consumer sentiment index rose to 81.2 in October from 80.4 in September.
- US housing starts increased 1.9% to a seasonally adjusted annual rate of 1.42 mn units in September compared to 1.39 mn units in August.
- US existing home sales soared by 9.4% to an annual rate of 6.54 mn in September after jumping by 2% to a revised rate of 5.98 mn in August.
- US initial jobless claims fell to 787,000 for the week ended October 17, a decrease of 55,000 from the previous week's revised level of 842,000.
- Britain's FTSE index lost 2.3% on worries about more lockdown restrictions amid rising Covid-19 and as a stronger pound affected exporters' shares.
- Further decline was prevented on hopes of coronavirus vaccine and Brexit trade deal, and positive corporate earnings.
- Other European equities ended in the red on concerns over rising Covid-19 cases and Brexit trade deal. France's CAC 40 and Germany's Dax fell 1.7% and 2.8%, respectively.
- Asian equities ended mixed. Japan's Nikkei index rose 0.5% on hopes of fresh US coronavirus relief package before the presidential election.
- Hong Kong's Hang Seng index jumped 2.2% on hopes of a new round of the US fiscal stimulus and rally in financial and utilities stocks.
- China's Shanghai Composite fell nearly 2% following weaker-than-expected economic growth numbers and profit-taking in technology, consumer and healthcare stocks.
- China's retail sales rose 3.3% year-on-year in September compared with 0.5% growth in August.
- People's Bank of China retained one-year loan prime rate at 3.85% and the five-year loan prime rate at 4.65%.

2. Commodity

- Crude oil prices fell marginally in the week as losses owing to demand concerns following increasing Covid-19 cases in the US and Europe were capped by a fall in the US oil supplies.
- Indian gold prices ended higher this week buoyed by positive global cues including increasing hopes for a new US stimulus aid.
- Indian silver prices advanced this week on hopes of rising demand from coin-makers and increased industrial offtake.

• News summary

1. Domestic

- India's retail inflation for farm workers and rural labourers eased only marginally to 6.25% and 6.1% in September from 6.32% and 6.28% respectively in August as food prices remained high.
- Government rolled out the new series of CPI for industrial workers (CPI-IW) with a new base year of 2016. The CPI-IW for September, 2020 stood at 118. The CPI base year is being revised from 2001. Under the previous base, the CPI-IW for August, 2020 stood at 338.
- World Economic Forum released a list of 20 markets of tomorrow that will transform economies in an inclusive and sustainable way, and named India among the countries that present solid technological systems for such a transformation.
- Commerce and Industry Ministry said foreign direct investment (FDI) in India has increased by 16% year-on-year to \$27.1 bn during April-August this year.
- Government asked at least eight public sector companies to consider share buybacks in the fiscal year that runs through March 2021.
- RBI modified the risk weightage to loan to value (LTV) ratio for all new housing loans sanctioned up to March 31, 2022.
- RBI fixed the minimum Net Owned Fund (NOF) size for housing finance companies (HFCs) at Rs 25 cr.
- RBI puts out the final guidelines for HFC in which it said all such NBFC should have at least 60% of their net assets deployed in the business of providing finance for housing, and those who still do not have that ratio, must do so in a phased manner by March 31, 2024.
- SEBI announced several initiatives to boost 'data culture' in the country; the regulator set up a web page to provide curated links of publicly available data on various segments of the Indian securities market In order to facilitate easy access to markets data and to encourage research.

2. International

- US retail sales spiked by 1.9% in September after rising by 0.6% in August.
- Eurozone consumer prices decreased 0.3% on a yearly basis, following a 0.2% drop in August.
- UK consumer Inflation rose to 0.5% in September from a near five-year low of 0.2% in August; output producer prices fell 0.9% annually in September following a fall of the same rate in August.
- China's economy grew 4.9% year-on-year in the third quarter compared with 3.2% growth in the second quarter.

Week ahead

Day	Events
Monday, October 26, 2020	<ul style="list-style-type: none"> US New Home Sales, September 2020 US Chicago Fed National Activity Index, September 2020
Tuesday, October 27, 2020	<ul style="list-style-type: none"> US Durable Goods Orders, September 2020 US S&P Case Shiller House Price Index, August 2020
Wednesday, October 28, 2020	<ul style="list-style-type: none"> US Advance Goods Trade Balance, September 2020
Thursday, October 29, 2020	<ul style="list-style-type: none"> US GDP, Q3 2020 US Pending Home Sales, September 2020 ECB Interest Rate Decision Bank of Japan Interest Rate Decision
Friday, October 30, 2020	<ul style="list-style-type: none"> US Personal Income & Spending, September 2020 Eurozone GDP, Q3 2020 Eurozone Consumer Price Index, October 2020

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.



ATTRACTIVE INTEREST RATES ON OUR TERM DEPOSITS

Know More