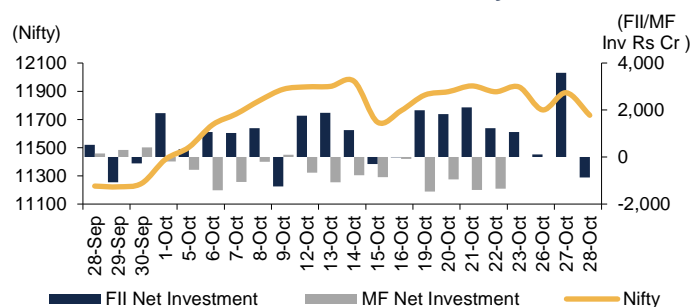


## Indian equity benchmark indices' returns

Broad Indices	Oct 29	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	39,750	-2.30	4.41	-0.21
Nifty 50	11,671	-2.18	4.18	-0.98
Nifty 500	9,593	-1.91	5.47	-0.05
S&P BSE 100	11,746	-2.06	4.42	-1.24
S&P BSE Midcap	14,812	-1.09	7.63	1.44
S&P BSE Smallcap	14,893	-1.60	14.81	11.28

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Oct 29	% chg week	% chg 3 Mth	% chg Year
S&P BSE Power	1,713	1.24	10.01	-13.15
S&P BSE CG	14,136	-0.07	10.24	-24.18
S&P BSE FMCG	11,004	-0.36	-4.01	-9.04
S&P BSE Bankex	27,644	-0.51	10.28	-18.15
S&P BSE Healthcare	19,256	-1.94	11.13	46.98
S&P BSE Oil & Gas	11,952	-2.26	-11.94	-22.59
S&P BSE Auto	17,725	-2.96	6.81	-6.39
S&P BSE CD	24,069	-3.04	12.19	-10.90
S&P BSE IT	21,061	-3.11	16.61	41.27
S&P BSE Realty Index	1,765	-4.79	13.18	-14.11
S&P BSE Metal	8,084	-6.50	2.96	-13.85

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Oct 29	Previous Week	1 month ago
Call Rate	3.55%	3.25%	3.60%
10 Yr G-Sec*^	5.88%	5.87%	6.04%

\*5.77% 2030 paper ^Weighted Average Yield

## Currencies vs INR

Currency	Oct 29	Week ago	3 months ago	1 year ago
USD	74.10	73.60	74.80	70.84
GBP	96.28	96.45	96.96	91.16
Euro	86.94	87.15	87.92	78.52
Yen*	71.11	70.34	71.24	65.09

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Indian equities ended lower in the week with benchmarks S&P BSE Sensex and Nifty 50 falling about 2.3% each.
- Sentiments were dented by the relentless rise in new coronavirus cases across the globe, lack of progress on the US stimulus package and uncertainty over US elections.
- A sell-off in metal, realty and information technology (IT) counters weighed on the market further. S&P BSE Metal (biggest sectoral decliner), S&P BSE Realty and S&P BSE IT declined 6.5%, 4.8% and 3%, respectively.
- Shares of Hindalco emerged the biggest laggard on the Nifty 50, declining ~8% on week to settle at Rs 167.9 per share, impacted by weak sentiment for metal stocks.
- However, some losses were recouped on hopes of higher flows after MSCI said it will implement the new regime on foreign ownership limits in the MSCI Global Indexes containing Indian securities in the November 2020 Semi Annual Index Review.
- Buying interest in power stocks supported the market to a certain extent. S&P BSE Power was the only sectoral gainer - up 1.2%
- Shares of Kotak Mahindra Bank emerged the top gainer on the Nifty 50, rising 13.6% on week to settle at Rs 1570.9 per share following the announcement of its September quarter earnings.

#### 2. Debt

- Government bond prices ended the week lower. The yield of the 10 year benchmark 5.77% 2030 paper settled at 5.88% on October 29, compared with 5.84% on October 23.
- Bonds began the week on a bright note. Prices rose on hopes of further policy easing by the central bank.
- Gilts gave up these early gains on profit sales. Supply pressure via the state-development bond and weekly debt sales also pulled prices down.
- Bonds fell further in the final session of the week, as the cut-off yields in the weekly debt sale were higher than expected, though the auction was fully subscribed.
- Among other developments, the banking regulator also notified the open-market purchase of state-development bonds for an aggregate amount of Rs 10,000 crore on November 5.

#### 3. Forex

- The rupee ended lower against the US dollar, weighed by month-end dollar demand from importers.
- Resurgence of Covid-19 cases worldwide and the imposition of fresh lockdowns in Europe curbed investor risk appetite and pulled the rupee down further.
- Uncertainty about the US stimulus package and weakness in local equities also dented the sentiment.
- Intermittent dollar sales by some exporters provided the rupee some support.

## International equity benchmark indices' returns

Indices	Oct 29	% chg week	% chg 3 Mth	% chg Year
DJIA*	26,520	-6.41	0.53	-2.04
Nasdaq Composite*	11,005	-4.71	5.79	32.96
FTSE 100*	5,583	-4.73	-8.92	-23.59
Nikkei 225	23,332	-0.79	4.17	1.56
Straits Times	2,451	-3.42	-4.77	-23.35
Hang Seng	24,587	-1.33	-1.19	-8.21
Shanghai Comp	3,273	-0.16	-0.66	10.78

\*As of Oct 28

## International debt market indicators

Indicators	Oct 29	Oct 23
US 10-Year*	0.78	0.84
UK 10-Year*	0.21	0.28
German 10-Year*	-0.63	-0.58
Japan 10-Year	0.03	0.04
3-M USD Libor*	0.21%	0.22%
6-M USD Libor*	0.24%	0.25%
1-Y USD Libor*	0.33%	0.34%

\*As of Oct 28

## Commodities

Commodity	Oct 29	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	39.12	-6.34	-10.58	-36.48
Gold (\$ per troy ounce)*	1869.95	-1.77	-4.15	25.77
Silver (\$ per ounce)*	23.93	-3.37	-1.68	35.48
Indian gold (Rs per 10 gm)	50699.00	-0.68	-4.08	31.24
Indian Silver (Rs per Kg)	59836.00	-4.38	-6.73	27.80

\*As of Oct 28

Source: Respective commodity exchanges, LBMA, MCX

## B. International

### 1. Equity

- Concerns about economic growth amid rising number of Covid-19 cases globally rattled equities across the world.
- US stocks fell sharply on the back of rising number of coronavirus cases, uncertainty about additional fiscal aid disappointing earnings reports of some major companies.
- US consumer confidence index edged down to 100.9 in October after jumping to a revised 101.3 in September.
- US durable goods orders surged up by 1.9% in September after rising by 0.4% in August.
- US manufacturing PMI was 53.3 in October compared to 53.2 in September while services PMI was 56 in October compared to 54.6 in September. The composite PMI was 55.5 in October compared to 54.3 in September.
- US new home sales fell 3.5% to an annual rate of 959,000 units in September compared to August's revised sales of 994,000 units.
- Britain's FTSE index dipped nearly 5% after the country announced fresh lockdown restrictions due to surging Covid-19 cases.
- Some losses were trimmed due to gains in shares of Barclays and upbeat domestic retail sales data.
- UK retail sales grew 1.5% month-on-month in September; the growth for August was revised up to 0.9%.
- UK manufacturing PMI was 56.4 in October compared to 59 in September while services PMI was 52.3 in October compared to 56.1 in September. The composite PMI was 52.9 in October compared to 56.5 in September.
- Asian equities too ended in the red. Japan's Nikkei index fell about 1% as surging coronavirus cases triggered global economic growth concerns.
- However, bullish forecasts by some companies during the ongoing earnings season prevented further losses.
- Hong Kong's Hang Seng index lost 1.3% in response of economic growth worries due to surge in coronavirus cases across the globe.
- China's Shanghai Composite posted moderate losses as rally in consumer and healthcare stocks amid hopes of domestic economic recovery from the pandemic were outweighed by slower-than-expected profit growth at industrial firms.
- China's industrial profits in September rose 10.1% year-on-year to 646.43 bn yuan compared with a 19.1% increase in August.

### 2. Commodity

- Crude oil prices slipped in the week due to unexpected rise in the US crude oil supply and demand growth concerns amid spike in Covid-19 cases across the globe.
- Indian gold prices ended lower this week due to lack of festive buying in the spot market.
- Indian silver prices fell this week on weak demand from coin-makers and declining industrial offtake.

## • News summary

### 1. Domestic

- Finance Minister Nirmala Sitharaman said there are visible signs of revival in the economy but the GDP growth may be in negative zone or near zero in the current fiscal; also says the economy will bounce back to be the fastest growing economy in the next year.
- India and the US inked five important pacts including the Basic Exchange and Cooperation Agreement for Geo-Spatial Cooperation (BECA).
- Prime Minister Narendra Modi inaugurated three key projects in Gujarat, including the Kisan Suryodaya Yojana.
- Government extended income tax return (ITR) filing deadline for FY 2019-20 to December 31, 2020, for most individual taxpayers, from the earlier deadline of November 30, 2020.
- RBI asked all lending institutions, including non-banking financial companies, to implement the waiver of interest on interest for loans up to Rs 2 cr for the six months moratorium period beginning March 1, 2020.
- The minutes of RBI Monetary Policy Committee (MPC) meeting of October 7-9 showed the rate setting panel is more worried about the nosediving economic growth, rather than high inflation, and will look for room for rate cuts if inflation eases to support growth.

### 2. International

- US real gross domestic product skyrocketed by 33.1% in the third quarter after plunging by 31.4% in the second quarter.
- US new home sales fell 3.5% to an annual rate of 959,000 units in September compared to August's revised sales of 994,000 units.
- Eurozone manufacturing PMI was 57.8 in October compared to 57.1 in September while services PMI was 46.2 in October compared to 48 in September. The composite PMI was 49.4 in October compared to 50.4 in September.
- ECB President Christine Lagarde, left the main refinance rate unchanged at a record low 0% and the deposit rate was kept at -0.50%.
- UK retail sales grew 1.5% month-on-month in September; the growth for August was revised up to 0.9%.
- Policy Board of the BoJ governed by Haruhiko Kuroda voted 8-1 to retain the interest rate at -0.1% on current accounts that financial institutions maintain at the central bank.

## Week ahead

Day	Events
Monday, November 2, 2020	<ul style="list-style-type: none"> <li>US ISM Manufacturing Index, October 2020</li> <li>US Markit Manufacturing PMI, October 2020</li> <li>US Construction Spending, September 2020</li> <li>Eurozone Manufacturing PMI, October 2020</li> <li>China Caixin Manufacturing PMI, October 2020</li> <li>India Nikkei Markit Manufacturing PMI, October 2020</li> </ul>
Tuesday, November 3, 2020	<ul style="list-style-type: none"> <li>US Factory Orders, September 2020</li> <li>China Caixin Services PMI, October 2020</li> <li>Bank of Japan Monetary Policy Meeting Minutes</li> </ul>
Wednesday, November 4, 2020	<ul style="list-style-type: none"> <li>US ADP Employment Report, October 2020</li> <li>US ISM Non-manufacturing Index, October 2020</li> <li>India Nikkei Markit Services PMI, October 2020</li> </ul>
Thursday, November 5, 2020	<ul style="list-style-type: none"> <li>US Fed Interest Rate decision</li> <li>Bank of England Interest Rate Decision, November 2020</li> </ul>
Friday, November 6, 2020	<ul style="list-style-type: none"> <li>US Nonfarm Payrolls &amp; Unemployment Rate, October 2020</li> </ul>

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