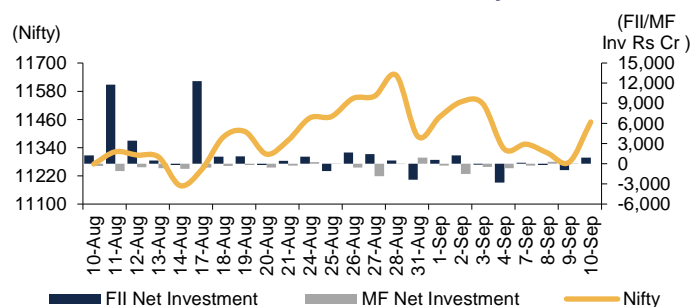


Indian equity benchmark indices' returns

Broad Indices	Sep 11	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	38,855	1.30	15.85	4.25
Nifty 50	11,464	1.15	15.78	3.89
Nifty 500	9,446	0.73	16.09	4.78
S&P BSE 100	11,569	1.07	15.48	3.69
S&P BSE Midcap	14,660	-1.06	17.46	7.52
S&P BSE Smallcap	14,558	-0.31	23.06	12.93

FII and mutual fund investment vs. Nifty



Sectoral Indices	Sep 11	% chg week	% chg 3 Mon	% chg Year
S&P BSE IT	18,696	3.12	28.15	17.48
S&P BSE Oil & Gas	13,284	2.69	7.11	-0.91
S&P BSE Healthcare	18,834	0.53	17.39	44.23
S&P BSE FMCG	11,434	0.44	4.95	4.39
S&P BSE CD	23,352	-0.04	15.42	0.38
S&P BSE Power	1,690	-0.40	8.73	-12.45
S&P BSE Auto	17,973	-0.43	24.55	7.84
S&P BSE CG	13,817	-1.23	9.43	-20.23
S&P BSE Metal	8,763	-1.67	24.01	-2.42
S&P BSE Realty Index	1,694	-2.16	8.19	-17.34
S&P BSE Bankex	25,505	-2.40	8.85	-18.29

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Sep 11	Previous Week	1 month ago
Call Rate	3.25%	2.80%	3.40%
10 Yr G-Sec*\$	6.03%	5.93%	5.90%

*5.77% 2030 paper \$Weighted Average Yield

Currencies vs INR

Currency	Sep 11	Week ago	3 months ago	1 year ago
USD	73.54	73.14	75.78	71.68
GBP	94.32	97.23	96.12	88.51
Euro	87.07	86.63	86.19	78.89
Yen*	69.25	68.89	70.78	66.57

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices ended the week on a positive note. S&P BSE Sensex and Nifty 50 rose about 1% each.
- Market was mainly boosted by a rally in information technology (IT), oil & gas, healthcare and fast moving consumer goods (FMCG) stocks. S&P BSE IT (topmost sectoral gainer), S&P BSE Oil & Gas, S&P BSE Healthcare and S&P BSE FMCG jumped 3%, 2.7%, 0.5% and 0.4%, respectively.
- Shares of RIL emerged the top gainer on the Nifty 50, rising 11.7% on week to settle at Rs 2319.75 per share on positive sentiment surrounding the retail to telecom conglomerate.
- However, further gains were capped on the back of border tensions with China and rising Covid-19 cases back home and globally.
- Downward revision of India's GDP by Fitch and dismal economic data from Japan also dented the sentiments.
- A sell-off in banking, realty and metal stocks affected the market to a certain extent.
- Shares of GAIL emerged the top loser on the Nifty 50, falling 7.4% on week to settle at Rs 90.75 per share, impacted by fears that the rising number of coronavirus cases would sap fuel demand.

2. Debt

- Government bond prices ended sharply lower. The yield of the 10-year benchmark 5.77% 2030 paper settled at 6.04% on September 11 compared with 5.93% on September 4
- Bonds began the week on a dim note. Sentiment remained muted following the previous week's gilt sale
- Supply concerns persisted despite the recent announcements made by the central bank to support the bond market
- Fresh supply hit the market via the state development bond auction. In the auction, states raised a total notified Rs 14,175 crore via sale of dated securities
- Fears that border tensions between India and China may escalate further also weakened appetite for debt
- Prices fell further following the outcome of the week's gilt auction.
- In the sale, the RBI sold securities for a total notified Rs 30,000 crore, including a notified Rs 18,000 crore of the 10-year benchmark paper. Nearly the entire quantum of the 10-year benchmark bond was devolved on primary dealerships

3. Forex

- The rupee ended weaker against the United States (US) dollar, weighed by intermittent dollar purchases by state-owned banks
- Fresh border tensions between India and China dented investor risk appetite and pulled the rupee down further
- The domestic currency was also put under pressure tracking an intermittent rise in the US dollar index
- Gains in local equities and dollar inflows into the local financial market mid-week helped the local unit recoup some losses

International equity benchmark indices' returns

Indices	Sep 11	% chg week	% chg 3 mon	% chg Year
DJIA*	27,535	-2.13	2.02	1.46
Nasdaq Composite*	10,920	-3.48	8.97	33.66
FTSE 100*	6,003	3.52	-5.15	-18.19
Nikkei 225	23,406	0.87	4.15	8.37
Straits Times	2,490	-0.78	-7.92	-22.29
Hang Seng	24,503	-0.78	0.09	-9.78
Shanghai Comp	3,260	-2.83	11.62	8.36

*As of Sep 10

International debt market indicators

Indicators	Sep 11	Sep 4
US 10-Year*	0.69	0.72
UK 10-Year*	0.24	0.27
German 10-Year*	-0.45	-0.47
Japan 10-Year	0.02	0.03
3-M USD Libor*	0.25%	0.25%
6-M USD Libor*	0.28%	0.29%
1-Y USD Libor*	0.41%	0.42%

*As of Sep 10

Commodities

Commodity	Sep 11	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)*	40.06	-6.09	3.92	-34.12
Gold (\$ per troy ounce)*	1966.25	2.07	13.12	31.91
Silver (\$ per ounce)*	27.11	1.08	51.64	49.22
Indian gold (Rs per 10 gm)	51350.00	0.85	10.12	35.48
Indian Silver (Rs per Kg)	65200.00	2.27	34.57	39.27

*As of Sep 10

Source: Respective commodity exchanges, LBMA, MCX

B. International

1. Equity

- Global equities posted mixed performance amid region specific cues.
- US stocks dipped owing to a sell-off in technology stocks and concerns over economic growth.
- Disappointing domestic labour market data and lack of progress on another fiscal stimulus aid also affected the sentiments.
- US initial jobless claims came in at 884,000 for the week ended September 5, unchanged from the previous week's revised level.
- US producer price index for final demand rose by 0.3% in August after climbing by 0.6% in July.
- Britain's FTSE index jumped 3.5% buoyed by gains in stocks of pharma and oil firms and as a weaker pound supported exporters' stocks.
- Some gains were cut short on fears of a no deal Brexit.
- Other European equities too advanced on bargain hunting and as investors' monitored progress on coronavirus vaccines. France's CAC 40 and Germany's Dax rose about 1% and 3%, respectively.
- Asian equities ended mixed. Hong Kong's Hang Seng index fell around 1% on tracking weakness in the mainland market and sell-off in financial, energy, information technology and property stocks.
- China's Shanghai Composite declined nearly 3% on persisting Sino-US tensions and as shares of start-ups retreated after regulators moved to curb speculation on ChiNextboard.
- China's exports rose 9.5% from a year earlier in August compared with a 7.2% increase in July, while imports fell 2.1% compared with a 1.4% fall in July. The trade surplus came in at \$58.93 bn in August compared with \$62.33 bn surplus in July.
- China consumer price index rose 2.4% in August from a year earlier, compared with a 2.7% rise in July, while producer price index fell 2% year-on-year in August compared with a 2.4% fall in July.
- Japan's Nikkei index rose nearly 1% on hopes of Covid-19 vaccine and better-than-expected domestic machinery orders data.
- Japan's core machinery orders surged 6.3% month-on-month in July compared with a 7.6% fall in June.
- However, gains were trimmed on tracking weakness in US equities.
- Japan's GDP contracted an annualized 28.1% in the April-June period compared with an initial estimate of a 27.8% contraction.

2. Commodity

- Crude oil prices ended lower this week owing to demand growth concerns following spike in coronavirus cases globally and reports that Saudi Arabia could cut oil prices in October.
- Indian gold ended higher this week tracking positive global cues including spiraling coronavirus cases back home and globally.
- Indian silver prices gained this week owing to increasing demand for coins and industrial metal.

• News summary

1. Domestic

- India's Index of Industrial Production (IIP) contracted by 10.4% in July as compared to a contraction of 15.8% in June and a decline of 57.3% in April. The IIP expanded 4.9% in July 2019.
- CRISIL expected the Indian economy to contract 9% in the current fiscal as against its previous estimate of a 5% contraction amid uncertainty over the impact of Covid-19 crisis.
- Prime Minister Narendra Modi unveiled Rs 20050 cr scheme - Pradhan Mantri Matsya Sampada Yojana (PMMSY) to boost production and exports in the fisheries sector.
- Finance minister Nirmala Sitharaman said financial services will be a part of doorstep banking services available to public sector banks customers from October.
- Finance ministry issued a detailed list on expenditure management to improve the quality of public expenditure.
- Government set up a three-member expert committee to gauge the impact of waiving interest on loans for borrowers during the six-month moratorium period that was in place to deal with Covid-19 pandemic.
- RBI revised the norms for the Priority Sector Lending (PSL) to support start-ups and the renewable energy sector. Loans up to Rs 50 cr for start-ups would be treated as PSL exposure for banks.
- RBI revised long format audit report (LFAR) norms with a view to improving efficacy of internal audit and risk management systems.
- SEBI tightened its grip on board composition at market infrastructure institutions (MIIs).
- SEBI decided to implement system-driven disclosures for members of promoter group, directors and designated persons of a listed company.

2. International

- US consumer borrowing rose by \$12.3 bn in July from the prior month, marking a 3.6% increase.
- US producer price index for final demand rose by 0.3% in August after climbing by 0.6% in July.
- Eurozone GDP decreased an annualized 14.7% in Q2 2020 compared to a 3.2% contraction in Q1 2020.
- European Central Bank kept key interest rates and the size of asset purchases unchanged, and reiterated that it stands ready to make adjustments to its tools when needed; the main refinance rate was retained at a record low 0% and the deposit rate was kept at -0.50%
- Japan's GDP contracted an annualized 28.1% in the April-June period compared with an initial estimate of a 27.8% contraction.

Week ahead

Day	Events
Monday, September 14, 2020	<ul style="list-style-type: none"> • Eurozone Industrial Production, July 2020 • India Consumer Price Inflation, August 2020 • India Wholesale Price Inflation, August 2020
Tuesday, September 15, 2020	<ul style="list-style-type: none"> • US Industrial Production, August • US NY Empire State Manufacturing Index, September • US Import / Export Prices, August • UK ILO Unemployment Rate, July
Wednesday, September 16, 2020	<ul style="list-style-type: none"> • US Federal Reserve Interest Rate Decision • US Retail Sales, August • US Business Inventories, July
Thursday, September 17, 2020	<ul style="list-style-type: none"> • US Philly Fed Business Activity Index, September • US Housing Starts / Building Permits, August
Friday, September 18, 2020	<ul style="list-style-type: none"> • US University of Michigan Consumer Sentiment, September • US Leading Index, August • UK Retail Sales, August

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