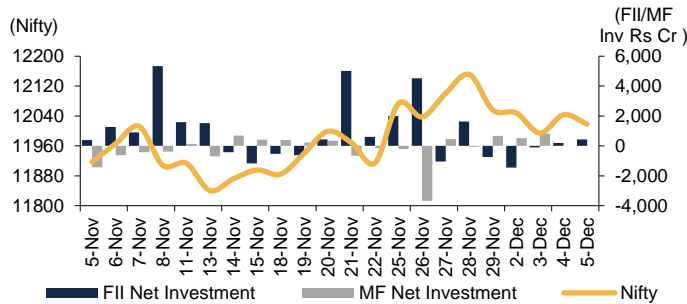


Indian equity benchmark indices' returns

Broad Indices	Dec 6	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	40,445	-0.85	9.37	14.54
Nifty 50	11,922	-1.12	8.91	12.45
Nifty 500	9,669	-1.47	8.40	8.85
S&P BSE 100	11,974	-1.39	8.32	10.51
S&P BSE Midcap	14,667	-2.77	9.75	-0.11
S&P BSE Smallcap	13,339	-1.63	5.91	-5.68

FII and mutual fund investment vs. Nifty



Sectoral Indices	Dec 6	% chg week	% chg 3 Mon	% chg Year
S&P BSE IT	15,176	2.02	-6.63	5.67
S&P BSE CD	24,976	0.42	8.96	23.96
S&P BSE Realty Index	2,169	0.13	11.30	22.15
S&P BSE Bankex	35,751	-1.21	16.69	22.54
S&P BSE FMCG	11,566	-1.35	6.17	1.74
S&P BSE Healthcare	13,349	-1.87	3.06	-2.40
S&P BSE CG	16,893	-2.83	-0.41	-6.62
S&P BSE Power	1,865	-3.11	-3.08	-1.90
S&P BSE Oil & Gas	14,651	-3.33	9.58	12.24
S&P BSE Auto	17,493	-3.35	9.61	-11.76
S&P BSE Metal	9,436	-3.51	7.73	-18.23

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Dec 6	Previous Week	1 month ago
Call Rate	4.90%	4.90%	5.05%
10 Yr G-Sec*	6.67%	6.47%	6.49%
3-M USD Libor^	1.89%	1.91%	1.90%
6-M USD Libor^	1.89%	1.90%	1.92%
1-Y USD Libor^	1.92%	1.95%	2.00%

*6.45% 2029 paper ^As of Dec 5

Currencies vs INR

Currency	Dec 6	Week ago	3 months ago	1 year ago
USD	71.19	71.74	71.73	70.89
GBP	93.53	92.57	88.25	90.32
Euro	79.01	78.90	79.06	80.37
Yen*	65.71	65.48	66.99	62.84

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity benchmarks fell sharply in the week with the S&P BSE Sensex and Nifty 50 declining 0.85% and 1.12%, respectively
- The market lost four weeks of positive momentum after the RBI unexpectedly kept the repo rate unchanged at 5.15% and lowered the gross domestic product (GDP) forecast to 5% for fiscal 2020
- Selling pressure in metal, banking and oil and gas shares also dented investor sentiment. The S&P BSE Metal index, S&P BSE Oil & Gas index and S&P BSE Bankex index fell 3.5%, 3.3% and 1.2%, respectively.
- Yes Bank was the biggest loser in the week within the Nifty 50 constituents, down 18% due to prevalent weak sentiments for the stock coupled with rating downgrades for the company.
- Auto stocks ended lower following weak auto sales numbers in November 2019; the S&P BSE Auto index fell 3.4%
- Globally, reports of the US planning to restore tariffs on steel imported from Brazil and Argentina, as well as weak economic cues from China weighed on the benchmarks
- Further losses were, however, capped due to gains in technology stocks and renewed optimism around a US-China trade deal. S&P BSE IT was the topmost sectoral gainer – up 2%.
- TCS and Infosys were among the top stock gainers on the Nifty 50, up around 3% for the week.

2. Debt

- Overall systemic liquidity continued to remain in a surplus state
- The call money rate settled at 4.90% on December 6 unchanged compared with November 29 closing.
- Government bond prices declined sharply as sentiments were dented after the RBI kept its key policy rate unchanged, fueling uncertainty regarding the timing of the next rate cut.
- The yield of the 10-year benchmark 7.26% 2029 paper fell 20 bps in the week to close at 6.67% on December 6.
- Losses were capped by positive sentiments earlier in the week of the central bank continuing its rate cutting spree.

- The release of domestic economic output numbers for the September quarter also moved sentiments for gilts in the week.
- In the weekly gilt auction, the banking regulator sold the 6.17% 2021 paper, the 7.27% 2026 paper, the 6.45% 2049 paper, the 7.62% 2039 paper and 7.63% 2059 paper, for a total notified Rs 16,000 cr

3. Forex

- The rupee ended higher against the US dollar aided by foreign banks' dollar sales and renewed hope regarding US-China trade negotiations.
- Gains were capped by losses made earlier in the week on release of weak domestic GDP data for the September quarter and US President Donald Trump hinting at the possibility of a delay in the trade deal with China

International equity benchmark indices' returns

Indices	Dec 6	% chg week	% chg 3 mon	% chg Year
DJIA*	27,678	-1.33	3.55	10.94
Nasdaq Composite*	8,571	-1.09	5.59	19.23
FTSE 100*	7,138	-2.84	-1.83	6.47
Nikkei 225	23,354	0.26	10.16	8.62
Straits Times	3,195	0.02	1.60	2.54
Hang Seng	26,498	0.58	-0.72	1.31
Shanghai Comp	2,912	1.39	-2.47	11.78

*As of Dec 5

International debt market indicators

Indicators	Dec 6	Nov 29
US 10-Year*	1.80	1.78
UK 10-Year*	0.77	0.70
German 10-Year*	-0.29	-0.36
Japan 10-Year	-0.01	-0.07

*As of Dec 5

Commodities

Commodity	Dec 6	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)*	63.39	1.54	3.01	5.54
Gold (\$ per troy ounce)*	1475.95	1.08	-3.13	18.78
Silver (\$ per ounce)*	16.87	-0.56	-7.03	17.32
Indian gold (Rs per 10 gm)	38032	0.41	-0.40	22.44
Indian Silver (Rs per Kg)	44062	-0.54	-6.12	20.70

*As of Dec 5

Source: Respective commodity exchanges, LBMA, MCX

B. International

1. Equity

- Mixed performance was witnessed across global equities amid varying cues about US-China trade talks. US treasuries fell following release of few positive domestic indicators and renewed optimism about US-China trade deal.
- US stocks retreated on the back of weak domestic manufacturing data, concerns regarding US-China trade talks and reports of US mulling to restore tariffs on steel imported from Brazil and Argentina.
- Britain's FTSE dipped nearly 3% mainly due to resurfacing global trade concerns and weak economic data from US.
- Market fell further on the back of a decline in shares of Glencore and as a stronger pound hit exporters' shares.
- Asian equities posted positive performance. Japan's Nikkei index rose 0.3% owing to a rally in exporters' shares amid a weaker yen and strong Chinese economic data.
- Hong Kong's Hang Seng index advanced 0.6% on tracking encouraging Chinese factory activity data and renewed US-China trade optimism.
- Market was affected earlier on reports that US may impose tariffs on imports from Brazil and Argentina and a possible delay in US-China trade deal.
- China's Shanghai Composite advanced 1.4% buoyed by upbeat domestic economic data and hopes about Sino-US trade deal.

2. Commodity

- Crude oil prices rose sharply this week due unexpected fall in US supply and optimism regarding US-China trade deal.
- Indian gold prices rose marginally tracking global prices as demand for the safe haven asset rose on uncertainty regarding US-China trade deal.
- Indian silver prices fell this week due to decrease in demand from industrial units and coin traders.

C. News summary

1. Domestic

- RBI's Monetary Policy Committee (MPC) kept policy repo rate under the liquidity adjustment facility (LAF) and reverse repo rate under the LAF unchanged at 5.15% and 4.90%, respectively. It also maintained the marginal standing facility (MSF) rate and the Bank Rate at 5.40%.
- India's manufacturing Purchasing Managers' Index (PMI) rose to 51.2 in November compared to 50.6 in October.
- India's services Purchasing Managers Index (PMI) expanded to 52.7 in November compared to 49.2 in October.
- RBI revises GDP forecast downward for FY20 to 5% from 6.1% estimated in October 2019 policy, while the CPI inflation projection revised upwards to 5.1-4.75% for H2:2019-20.
- Finance Minister said the government will come out with a slew of infrastructure projects this month as part of a plan to invest Rs 100 lakh cr in the sector to boost the economy.
- GST collections rose to Rs 1.03 lakh cr in November compared with Rs 95380 cr in October.
- Cabinet gave nod for launch of Bharat Bond Exchange Traded Fund (ETF) which will invest into basket of bonds issued by CPSE/CPSP/CPFI/any Government organisation.
- RBI unveiled new draft guidelines for on-tap licensing of small finance banks (SFBs); permitted payment banks to convert into SFBs after five years of operations.
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2. International

- US ADP employment report showed that private sector employment increased by 67,000 from October to November.
- US ISM manufacturing index edged down to 48.1 in November from 48.3 in October, while non-manufacturing index fell to 53.9 in November from 54.7 in October.
- US trade balance narrowed down to \$47.2 bn in October compared to a downwardly revised \$51.1 bn in September.
- Eurozone economy grew 1.2% year-on-year in the third quarter, same as that in the previous quarter.
- Eurozone retail sales fell 0.6% month-on-month in October, compared with a 0.2% dip in September.
- China's official manufacturing PMI rose to 50.2 in November 49.3 in October, while non-manufacturing PMI rose to 54.4 from October's 52.8.

D. Week ahead

Day	Events
Monday, December 9, 2019	<ul style="list-style-type: none"> ● Eurozone Sentix Investor Confidence, December ● China's Consumer Price Index, November ● China's Producer Price Index, November ● Japan's Eco Watchers Survey: Current & Outlook, November
Tuesday, December 10, 2019	<ul style="list-style-type: none"> ● US Nonfarm Productivity, Q3 2019 ● Eurozone ZEW Survey - Economic Sentiment, December ● UK Monthly GDP, October ● UK Trade Balance, October ● UK Industrial Production, October ● China New Loans, November ● Japan's Producer Price Index, November ● Japan's Machinery Orders, October
Wednesday, December 11, 2019	<ul style="list-style-type: none"> ● US Federal Open Market Committee (FOMC) Rate Decision ● US Consumer Price Index, November ● US Monthly Budget Statement, November ● US Crude Oil Inventories, December 7
Thursday, December 12, 2019	<ul style="list-style-type: none"> ● US Producer Price Index, November ● US Initial Jobless Claims, December 6 ● European Central Bank Monetary Policy Meeting ● Eurozone Industrial Production, October ● UK RICS Housing Price Balance, November ● Japan's Tankan Survey, Q4 2019 ● India's Consumer Price Index Inflation, November ● India's Index of Industrial Production, October ● India's Trade Deficit, November
Friday, December 13, 2019	<ul style="list-style-type: none"> ● US Retail Sales, November ● US Import & Export Price Index, November ● US Business Inventories, October ● Japan's Industrial Production, October ● India's Forex Reserves, December 7

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