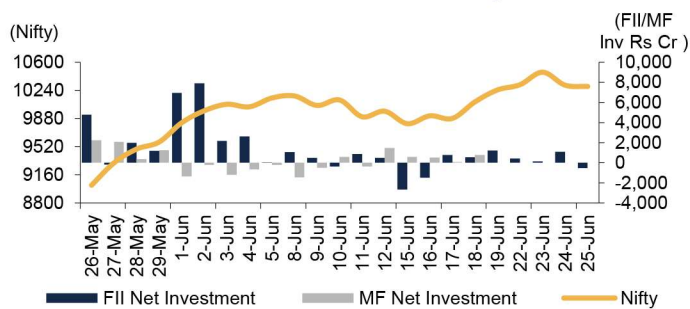


Indian equity benchmark indices' returns

Broad Indices	Jun 26	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	35,171	1.27	17.45	-11.17
Nifty 50	10,383	1.35	20.15	-12.36
Nifty 500	8,559	1.85	22.38	-11.61
S&P BSE 100	10,502	1.55	20.29	-12.16
S&P BSE Midcap	13,258	3.55	25.46	-10.41
S&P BSE Smallcap	12,630	2.88	33.37	-10.90

FII and mutual fund investment vs. Nifty



Sectoral Indices	Jun 26	% chg week	% chg 3 Mon	% chg Year
S&P BSE CG	13,152	4.68	17.06	-33.63
S&P BSE Power	1,617	4.64	18.65	-22.84
S&P BSE IT	15,125	4.03	18.47	-4.40
S&P BSE FMCG	11,145	3.64	15.36	-1.91
S&P BSE Metal	7,390	2.24	32.48	-34.39
S&P BSE Auto	15,278	1.82	32.92	-14.19
S&P BSE Healthcare	16,490	1.74	42.07	28.13
S&P BSE Oil & Gas	13,073	1.43	37.87	-12.01
S&P BSE Bankex	24,465	0.92	7.55	-30.12
S&P BSE CD	20,521	0.63	5.66	-20.64
S&P BSE Realty Index	1,630	-0.94	13.29	-24.25

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Jun 26	Previous Week	1 month ago
Call Rate	4.00%	2.90%	4.05%
10 Yr G-Sec*\$	5.90%	5.85%	5.97%

*5.79% 2030 paper \$Weighted Average Yield

Currencies vs INR

Currency	Jun 26	Week ago	3 months ago	1 year ago
USD	75.64	76.19	75.16	69.15
GBP	93.84	94.60	89.62	87.72
Euro	84.92	85.43	82.46	78.58
Yen*	70.73	71.26	68.40	64.28

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity benchmarks continued to rise for the second consecutive week. S&P BSE Sensex and Nifty 50 rose about 1.3% each.
- Market started on a positive note on tracking global cues including US President Donald Trump's clarification that the trade deal with China is fully intact.
- Sentiments strengthened further after the Drugs Controller General of India approved the manufacturing of coronavirus drugs.
- Buying interest in capital goods, power, information technology (IT), fast moving consumer goods (FMCG) also boosted the market. S&P BSE Capital Goods, S&P BSE Power, S&P BSE IT and S&P BSE FMCG jumped 4.7%, 4.6%, 4% and 3.6%, respectively.
- Shares of Hero Motocorp emerged the biggest gainer on the Nifty 50, rising 7.8% on week to settle at Rs 2540.45 per share on expectation of demand recovery post easing of lockdown restrictions.
- However, further rally was prevented on profit booking and concerns about rise in new coronavirus cases both domestically and globally.
- Downbeat Indian economic growth projection from the International Monetary Fund also affected the market.
- Shares of ICICI Bank emerged the biggest laggard on the Nifty 50 after reports emerged that the lender was mulling a stake sale of \$ 3 billion. The stock declined 4% on week to settle at Rs 349.1 per share.

2. Debt

- Government bond prices ended lower on-week. The yield of the 10 year benchmark 5.79% 2030 paper settled at 5.91% on June 26 as against 5.85% on June 19.
- Bond prices were weighed down by intermittent profit sales.
- The heavy supply of debt also prompted concern among market players.
- Hopes that the central bank would step in and provide support by absorbing some of the supply gave prices some support.

3. Forex

- The rupee ended higher against the US dollar aided by intermittent dollar sales by foreign banks.
- The local unit also gained tracking advances in local equity indices and supported by foreign fund inflows into the domestic financial market.
- An increase in investor risk appetite after US President Donald Trump said the trade deal with China was 'fully intact' augured well for the Indian currency.
- Some gains were erased as sentiment was dented by the rising number of Covid-19 cases worldwide.
- Sporadic dollar purchases by state-owned banks also put the rupee under some pressure.

International equity benchmark indices' returns

Indices	Jun 26	% chg week	% chg 3 mon	% chg Year
DJIA*	25,746	-0.49	21.44	-2.98
Nasdaq Composite*	10,017	0.71	35.65	26.64
FTSE 100*	6,147	-2.31	8.07	-17.11
Nikkei 225	22,512	0.15	20.61	6.76
Straits Times	2,605	-1.15	4.70	-21.11
Hang Seng	24,550	-0.38	5.13	-13.01
Shanghai Comp^	2,980	0.40	9.44	0.11

*As of Jun 25 ^As of Jun 24

International debt market indicators

Indicators	Jun 26	Jun 19
US 10-Year*	0.67	0.70
UK 10-Year*	0.16	0.23
German 10-Year*	-0.47	-0.42
Japan 10-Year	0.01	0.01
3-M USD Libor*	0.31%	0.31%
6-M USD Libor*	0.36%	0.41%
1-Y USD Libor*	0.57%	0.58%

*As of Jun 25

Commodities

Commodity	Jun 26	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)*	41.05	-2.70	55.85	-38.26
Gold (\$ per troy ounce)*	1756.55	1.26	7.45	25.11
Silver (\$ per ounce)*	17.53	0.03	21.61	14.91
Indian gold (Rs per 10 gm)	48117.00	1.26	17.39	42.00
Indian Silver (Rs per Kg)	48280.00	0.44	30.94	28.24

*As of Jun 25

Source: Respective commodity exchanges, LBMA, MCX

B. International

1. Equity

- Global equities ended in the red as a jump in new Covid-19 cases across many countries raised fears of a second wave of the pandemic.
- US stocks ended mixed with Dow Jones falling 0.5% and Nasdaq rising 0.7%.
- Market was supported earlier due to gains in technology stocks and optimism regarding additional stimulus measures from the government.
- Upbeat housing data boosted the sentiments further.
- US new home sales spiked by 16.6% to an annual rate of 676,000 in May from a significantly downwardly revised rate of 580,000 in April.
- US durable goods orders spiked by 15.8% in May after plunging by a revised 18.1% in April.
- More gains were seen as financial stocks rallied after the Federal Deposit Insurance Commission said they are planning to allow banks to more easily make large investments into venture capital and funds.
- However, most of the gains were erased, especially from the Dow Jones, on worries that rising coronavirus cases in many states will hamper the economic recovery.
- Britain's FTSE lost 2.3% as spike in new coronavirus cases escalated fear of second wave of the pandemic thereby affecting the global economy.
- Some losses were recouped following upbeat domestic retail sales data and after Prime Minister Boris Johnson announced more steps to relax coronavirus induced lockdown.
- UK retail sales rose 12% month-on-month in May, in contrast to an 18% decrease in April.
- Asian equities also posted mixed performance. Japan's Nikkei index rose 0.2% led by gains in technology stocks and on tracking intermittent rally in US equities.
- However, market was affected owing to a spike in coronavirus cases.
- Hong Kong's Hang Seng index fell 0.4% due to fear of second wave of coronavirus pandemic and fall in energy stocks.
- China's Shanghai Composite rose 0.4% in the holiday shortened week due to US President Donald Trump's reassurance that the trade deal between China and the US remains in place.

2. Commodity

- Crude oil prices declined this week due to higher supply from the US and demand growth tension.
- Indian gold ended higher in this week as global economic growth concerns on the back of rising coronavirus cases back home and globally escalated safe haven demand.
- Indian silver prices rose this week owing to increasing demand for industry metals and silver coins.

• News summary

1. Domestic

- Moody's expected India's GDP contracting 3.1% in 2020 and rebounding 6.9% next year.
- Ministry of Statistics & Programme Implementation (MOSPI) said India has retained its position as the third-largest economy in the world in terms of purchasing power parity (PPP), behind the US and China.
- Finance Ministry said economic activity has increased, with agriculture leading the revival.
- IMF slashed India's growth forecast for the current fiscal to -4.5% from 1.9% growth estimated in April owing to an extended Covid-19 lockdown and slower economic revival.
- Prime Minister Narendra Modi launched a rural jobs scheme called the Gareeb Kalyan Rojgar Abhiyaan.
- Finance ministry proposed putting restrictions on foreign investment in pension funds from any of India's bordering countries.
- Government decided to bring 1,482 urban cooperative banks and 58 multi-state cooperative banks, under the supervisory powers of the RBI.
- Government announced a Rs 15000 cr Animal Husbandry Infrastructure Development Fund (AHIDF) for promoting private participation in the dairy and animal husbandry sector.
- RBI asked banks to carry out detailed stress tests due to the impact of Covid-19 pandemic on their books.
- RBI asked banks and NBFCs to increase awareness campaigns against frauds.
- RBI asked banks and non-banking financial companies (NBFCs) to adhere to the fair practices code guidelines while lending through digital platforms.
- SEBI extended the deadline for brokers to submit reports on client funding and daily margin till July 31.

2. International

- US real gross domestic product tumbled by 5% in the first quarter of 2020, unchanged from the estimate provided last month; GDP growth was 2.1% in the fourth quarter of 2019.
- US new home sales spiked by 16.6% to an annual rate of 676,000 in May from a significantly downwardly revised rate of 580,000 in April.
- US existing home sales plunged by 9.7% to an annual rate of 3.91 mn in May after plummeting by 17.8% to a rate of 4.33 mn in April.
- Eurozone manufacturing PMI was 46.9 in June compared to 39.4 in May, while services PMI was 47.3 in June compared to 30.5 in May. The composite PMI was 47.5 in June compared to 31.9 in May.

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Week ahead

Day	Events
Monday, June 29, 2020	<ul style="list-style-type: none"> • US Pending Home Sales, May 2020 • China Official Manufacturing & Non-Manufacturing PMI, June 2020
Tuesday, June 30, 2020	<ul style="list-style-type: none"> • Eurozone Consumer Prices, June 2020 • UK GDP, Q1 2020 • China Caixin Manufacturing PMI, June 2020 • India Fiscal Deficit, May 2020 • India Core Sector Growth, May 2020
Wednesday, July 1, 2020	<ul style="list-style-type: none"> • US ADP Employment Report, June 2020 • US ISM Manufacturing Index, June 2020 • US Markit Manufacturing PMI, June 2020 • UK Markit Manufacturing PMI, June 2020
Thursday, July 2, 2020	<ul style="list-style-type: none"> • US Nonfarm Payrolls & Unemployment Rate, June 2020 • US Trade Balance, May 2020 • Eurozone Unemployment Rate, May 2020 • UK Gfk Consumer Confidence, June 2020
Friday, July 3, 2020	<ul style="list-style-type: none"> • Eurozone Markit Services & Composite PMI, June 2020



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