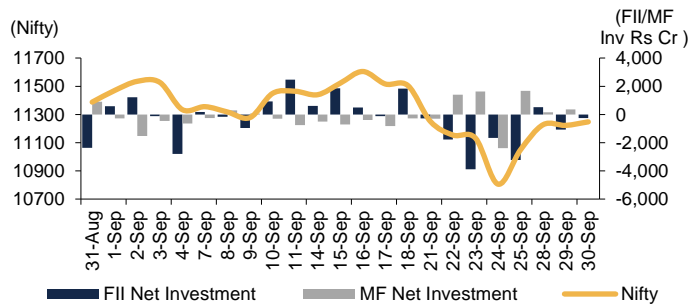


## Indian equity benchmark indices' returns

Broad Indices	Oct 1	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	38,697	3.50	9.27	1.02
Nifty 50	11,417	3.32	9.46	0.50
Nifty 500	9,462	3.34	10.60	2.44
S&P BSE 100	11,554	3.31	9.75	0.78
S&P BSE Midcap	14,813	3.32	13.26	6.67
S&P BSE Smallcap	14,970	3.28	20.45	15.52

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Oct 1	% chg week	% chg 3 Mth	% chg Year
S&P BSE Bankex	25,264	6.08	1.31	-21.97
S&P BSE CD	24,227	5.77	19.52	-6.36
S&P BSE Auto	18,010	3.86	18.06	7.89
S&P BSE Metal	8,366	3.34	15.71	-6.28
S&P BSE Power	1,663	3.14	6.66	-12.95
S&P BSE Realty Index	1,702	3.10	8.23	-10.47
S&P BSE CG	13,851	2.95	9.01	-25.14
S&P BSE Healthcare	19,886	2.47	22.99	60.92
S&P BSE IT	20,159	1.88	35.56	30.85
S&P BSE FMCG	11,110	1.28	-1.87	-4.66
S&P BSE Oil & Gas	12,257	-0.36	-3.98	-16.33

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Oct 1	Previous Week	1 month ago
Call Rate	3.25%	3.50%	3.50%
10 Yr G-Sec <sup>^</sup>	5.99%	6.03%	5.94%

<sup>^</sup>5.77% 2030 paper <sup>^</sup>Weighted Average Yield

## Currencies vs INR

Currency	Oct 1	Week ago	3 months ago	1 year ago
USD	73.15	73.62	75.60	71.08
GBP	94.16	94.02	93.79	87.42
Euro	85.82	86.01	84.97	77.53
Yen*	69.29	69.96	70.34	65.71

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Indian equity indices ended the week on a positive note with benchmarks - S&P BSE Sensex and Nifty 50 rising 3.5% and 3.3%, respectively.
- Sentiments were primarily boosted by robust domestic factory activity and GST collection numbers and as the government eased coronavirus-related restrictions on various businesses.
- Positive global cues including upbeat economic data from China and hopes of fresh US stimulus measures induced more buying in the market.
- Rally in banking, consumer durables and auto firms buoyed the market. S&P BSE Bankex, S&P BSE Consumer Durables and S&P BSE Auto jumped about 6%, 6% and 4%, respectively.
- Shares of IndusInd bank emerged the top gainer on the Nifty50, rising ~15% on week to settle at Rs 592.2 per share, benefitting from the positive sentiment surrounding banking stocks.
- However, further gains were restricted on worries about global economic recovery amid rising Covid-19 and pullback in oil & gas firms. S&P BSE Oil & Gas was the only sectoral decliner – down 0.4%.
- Shares of BPCL emerged the top laggard on the Nifty 50, down ~6% on week to settle at Rs 353.3 per share after the government extended bid submission deadline for the privatisation of the company to November 16.

#### 2. Debt

- Government bond prices ended higher. The yield on the 10-year benchmark 5.77% 2030 paper settled at 6.00% on October 1 compared with 6.04% on September 25
- Bonds began the week under pressure as sentiment remained subdued following the devolvement seen in the previous week's gilt auction
- Bonds remained largely range-bound intraweek in the absence of strong triggers. Market players awaited the release of the government borrowing calendar for the second half of fiscal 2021 for further cues
- Some market players built positions ahead of the September quarter end, thereby supporting bond prices
- Prices rose further, following the release of the borrowing calendar

#### 3. Forex

- The rupee settled higher against the US dollar, aided by exporters' quarter-end dollar sales and expectation of dollar inflows into the local financial market
- Upbeat risk appetite amid hopes of a fiscal stimulus package in the US also augured well for the local unit
- Importers' month-end dollar demand in the first half of the week erased some rupee gains

## International equity benchmark indices' returns

Indices	Oct 1	% chg week	% chg 3 Mth	% chg Year
DJIA*	27,782	2.24	7.63	4.55
Nasdaq Composite*	11,168	2.33	11.02	41.21
FTSE 100*	5,866	0.40	-4.92	-20.30
Nikkei 225*	23,185	-0.08	4.02	5.94
Straits Times	2,501	1.15	-4.19	-20.51
Hang Seng*	23,459	0.96	-3.96	-10.09
Shanghai Comp*	3,218	-0.04	7.82	10.77

\*As of Sep 30

## International debt market indicators

Indicators	Oct 1	Sep 25
US 10-Year*	0.68	0.66
UK 10-Year*	0.22	0.19
German 10-Year*	-0.53	-0.53
Japan 10-Year	0.01	0.01
3-M USD Libor*	0.23%	0.22%
6-M USD Libor*	0.26%	0.27%
1-Y USD Libor*	0.36%	0.37%

\*As of Sep 30

## Commodities

Commodity	Oct 1	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	42.30	0.91	0.64	-28.17
Gold (\$ per troy ounce)*	1886.90	1.46	6.54	28.06
Silver (\$ per ounce)*	23.73	4.84	30.21	38.66
Indian gold (Rs per 10 gm)	50249.00	1.33	3.12	35.07
Indian Silver (Rs per Kg)	58910.00	2.77	18.81	33.46

\*As of Sep 30

Source: Respective commodity exchanges, LBMA, MCX

## B. International

### 1. Equity

- Majority of the global equity indices ended higher in the week following encouraging Chinese economic data and hopes of fresh US stimulus package.
- US stocks rose in the week on fresh hopes for a new pandemic relief package and upbeat domestic private sector jobs data.
- US ADP said private sector employment spiked by 749,000 jobs in September after jumping by an upwardly revised 481,000 jobs in August.
- US Conference Board's consumer confidence index increased to a reading of 101.8 in September from 86.3 in August.
- Gains in technology, banking and travel stocks brought in more gains in the market.
- Further rally was prevented due to fall in technology stocks and as investors trimmed positions ahead of the first US Presidential debate between the Republican President Donald Trump and Democratic challenger Joe Biden.
- Britain's FTSE index rose slightly as gains on tracking upbeat Chinese industrial profits data and rally in stocks of HSBC and Diageo were cut short by sell-off in consumer stocks and weak domestic economic growth data.
- UK GDP declined 21.5% on year in Q2 2020 compared to 2.1% decline in Q1 2020.
- Asian equities posted mixed performance. Japan's Nikkei index ended flat as losses due to wariness ahead of the first presidential debate between the as US President Donald Trump and Democrat Joe Biden were offset by upbeat domestic economic data.
- Hong Kong's Hang Seng index rose 1% following encouraging economic data from China and rally in financial and real estate stocks.
- China's Shanghai Composite ended flat in the holiday curtailed week as gains due to strong domestic economic data were erased by profit booking.
- China's industrial profits rose 19.1% year-on-year in August to 612.81 bn yuan, compared with 19.6% increase in July.
- China official manufacturing purchasing managers index (PMI) came in at 51.5 in September, up from 51.0 in August.

### 2. Commodity

- Crude oil prices ended little changed in the week as earlier decline due to demand growth concerns following spike in the covid-19 cases were set off by gains on the back of an unexpected fall in the US crude oil supply.
- Indian gold ended higher this week due to rising safe haven demand for the asset on the back of spike in the Covid-19 cases.
- Indian silver prices rose this week owing to hopes of demand for coins and industrial metal.

## • News summary

### 1. Domestic

- India's current account surplus rose to \$19.8 bn or 3.9% of GDP in the June quarter compared with \$0.6 bn surplus in March quarter as merchandise imports declined amid the Covid-19 pandemic.
- India's fiscal deficit during April-August 2020 period stood at Rs 8.70 lakh cr, or 109.3% of the budgeted target for the current fiscal year. Fiscal deficit was Rs 7.96 lakh cr or 78.7% of the budgeted estimate in the year-ago period.
- India's eight core infrastructure sectors dropped by 8.5% in August from 8% contraction in July, mainly due to decline in production of steel, refinery products and cement. The production of eight core sectors had contracted 0.2% in August 2019.
- S&P Global Ratings affirmed its 'BBB-' long-term and 'A-3' short-term unsolicited foreign and local currency sovereign ratings on India, and said the outlook on the long-term rating remains stable. It also expects the Indian economy to contract 9% in current fiscal and rebound 10% in the next fiscal.
- President Ram Nath Kovind gave his approval to the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020, The Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Bill, 2020, and The Essential Commodities (Amendment) Bill 2020.
- RBI deferred meetings of its monetary policy committee scheduled on September 29, 30 and October 1 and said that the revised dates will be notified later.
- SEBI granted exemption from reverse book building process for delisting of listed subsidiaries, where it becomes the wholly-owned subsidiary of the listed parent; to be eligible for this exemption, the holding and subsidiary should be in the same line of business, and should be listed for at least three years.

### 2. International

- US gross domestic product fell at a rate of 31.4% in the April-June quarter compared to a 5% decline in Q1 2020.
- UK GDP declined 21.5% on year in Q2 2020 compared to 2.1% decline in Q1 2020.
- China official manufacturing purchasing managers index (PMI) came in at 51.5 in September, up from 51.0 in August, while the non-manufacturing PMI came in at 55.9 in September, up from 55.2 in August.
- Bank of Japan's "Tankan" survey showed that the index for big manufacturers' sentiment improved to -27 in September from -34 in June.

**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.

## Week ahead

Day	Events
Monday, October 5, 2020	<ul style="list-style-type: none"> <li>• US ISM Services Index, September 2020</li> <li>• US Markit Services &amp; Composite PMI, September 2020</li> <li>• UK Markit Services &amp; Composite PMI, September 2020</li> </ul>
Tuesday, October 6, 2020	<ul style="list-style-type: none"> <li>• US Trade Balance, August 2020</li> <li>• UK Markit Construction PMI, September 2020</li> <li>• India Nikkei Services PMI, September 2020</li> </ul>
Wednesday, October 7, 2020	<ul style="list-style-type: none"> <li>• US Federal Open Market Committee Meeting Minutes</li> <li>• US Consumer Credit Change, August 2020</li> <li>• UK RICS Housing Prices Balance, September 2020</li> </ul>
Thursday, October 8, 2020	<ul style="list-style-type: none"> <li>• Japan Eco Watchers Survey, September 2020</li> </ul>
Friday, October 9, 2020	<ul style="list-style-type: none"> <li>• US Wholesale Inventories, August 2020</li> <li>• UK GDP, August 2020</li> <li>• UK Trade Balance, August 2020</li> <li>• UK Industrial Production, August 2020</li> </ul>



## ATTRACTIVE INTEREST RATES ON OUR TERM DEPOSITS

[Know More](#)