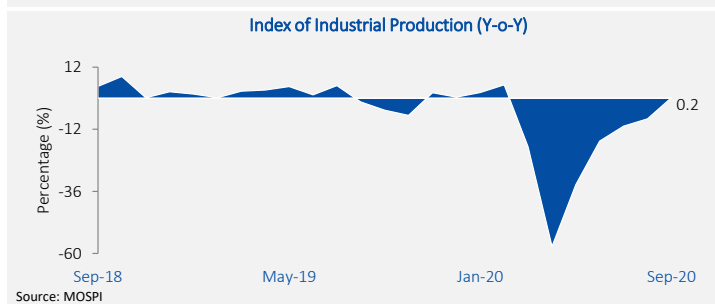
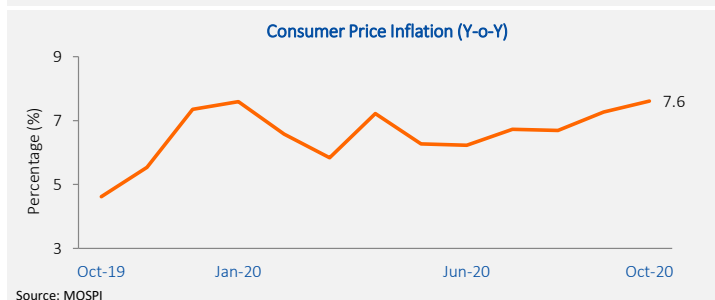
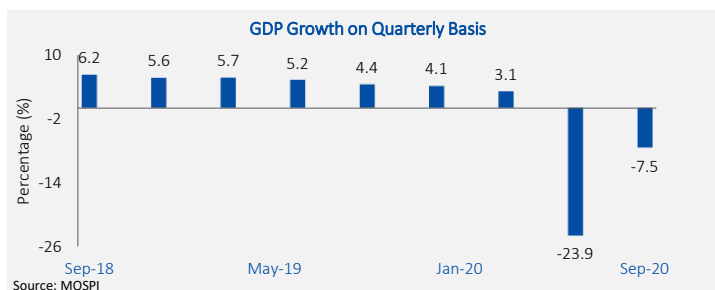


Macroeconomic Events

Key Indicator	Frequency	Period	Current	Previous
CPI	Monthly	Oct-20	7.61%	7.27%
WPI	Monthly	Oct-20	1.48%	1.32%
IIP	Monthly	Sep-20	0.20%	(8.00%)
GDP	Quarterly	Sep-20	(7.5%)	(23.90%)
Credit Growth	Fortnightly	Nov-20	5.70%	5.10%
Deposit Growth	Fortnightly	Nov-20	10.60%	10.10%
Export	Monthly	Oct-20	(5.12%)	5.95%
Import	Monthly	Oct-20	(11.53%)	(17.84%)
Trade Balance (Bn)	Monthly	Oct-20	(\$8.72)	(\$2.73)

Source: RBI, MOSPI CPI- Consumer Price Index, WPI- Wholesale Price Index IIP- Index of Industrial Production, GDP- Gross Domestic Product, Trade deficit- in Billion, All above indicators are in percentage change on Y-o-Y (Year-on-Year) basis, except Trade Deficit. For Credit and Deposit growth, previous means last fortnight of the previous month. Latest available data as on 30-Nov-2020.



Currency Market	Nov-20	Oct-20	Nov-19
USD / INR	73.80	73.97	71.73
Pound Sterling / INR	98.71	96.33	92.66
Euro / INR	88.02	86.97	78.98
Yen (Per ₹ 100)	70.97	70.87	65.51

Source: RBI

Funds Flow Trend (₹ in Crores)	MTD	QTD	CYTD
MFs			
Equity	(22,665)	(37,157)	(19,527)
Debt	13,129	45,104	193,100
FIs			
Equity	60,358	79,898	108,245
Debt	(1,806)	(164)	(108,951)

Source: SEBI; MF & FI data as on Nov 30, 2020.

MTD- Month to Date, QTD- Quarter to Date and CYTD- Calendar Year to Date

Key Events- Brief Outline

GDP contracted 7.5% in the second quarter of FY21

Gross domestic product (GDP) of the Indian economy at constant (2011-12) prices witnessed a contraction of 7.5% in the second quarter of FY21 as compared to a contraction of 23.9% in the preceding quarter and a growth of 4.4% in the same period of the previous year. All the sectors witnessed contraction in economic activity barring the manufacturing sector, agriculture sector and electricity, gas, water supply and other utility services sector. The manufacturing sector witnessed a growth of 0.6% in Q2FY21 as compared to a contraction of 39.3% in the preceding quarter and a contraction of 0.6% in the same period of the previous year. The agriculture sector witnessed a growth of 3.4% in Q2FY21 same as that of the preceding quarter and a growth of 3.5% in the same quarter of the previous year.

Fiscal deficit at 119.7% of the budget estimate for FY21

India's fiscal deficit for the period from Apr to Oct of 2020 came in at ₹ 9.53 lakh crore or 119.7% of the budget estimate for FY21 as compared to 102.4% in the corresponding period of the previous year. Revenue deficit came in at ₹ 7.72 lakh crore or 126.7% of the budget estimate as compared to 112.5% of the budget estimate in the corresponding period of the previous year.

Infrastructure output contracted 2.5% in Oct 2020

India's infrastructure output contracted 2.5% in Oct 2020 as compared to a contraction of 0.1% in Sep 2020 and a contraction of 5.5% in the same period of the previous year. The refinery products sector witnessed the maximum contraction of 17.0% followed by natural gas sector and crude oil sector which contracted 8.6% and 6.2% respectively. The sectors which witnessed expansion over the month are coal, fertilizers, cement and electricity sector which grew 11.6%, 6.3%, 2.8% and 10.5% respectively.

Consumer inflation accelerated to 7.61%

Consumer price index (CPI) based inflation accelerated for the second consecutive month to 7.61% YoY in Oct 2020 from 7.27% in Sep 2020 due to elevated food prices. Consumer Food Price Index (CFPI) rose to 11.07% YoY in Oct 2020 from 10.68% in the prior month. Vegetables and pulses inflation stood at 22.51% and 18.34% respectively.

Industrial Production inched up 0.2% in Sep 2020

The Index of Industrial Production (IIP) inched up 0.2% YoY in Sep 2020 after falling in the previous six months and 4.6% fall in Sep 2019. Marginal rise in output was mainly on account of higher output in mining and power sectors. Mining and power output increased 1.4% and 4.9%, respectively. The manufacturing sector showed a fall of 0.6%.

Wholesale inflation touched 8-month high

Wholesale Price Index (WPI) based inflation accelerated for the third straight month and touched 8-month high at 1.48% in Oct 2020 from 1.32% in the previous month led by manufactured items. WPI for Aug 2020 was revised to 0.41% from 0.16% earlier. Manufactured products inflation accelerated to 2.12% in Oct 2020 from 1.61% in Sep 2020 while food inflation eased to 6.37% from 8.17%.

India's manufacturing PMI rose in Oct 2020

Data from a private survey showed that the headline seasonally adjusted IHS Markit India Manufacturing Purchasing Managers' Index (PMI) rose from 56.8 in Sep 2020 to 58.9 in Oct 2020. The growth was led by the intermediate goods category, but significant expansions was also witnessed in the consumer and investment goods sub-sectors.

Monthly Market Update

December 2020



Haq, ek behtar zindagi ka.

Equity & Fixed Income Overview

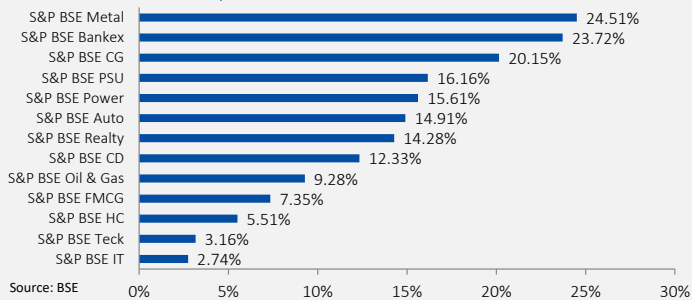
Key Rates (%)	Nov-20	Oct-20	Nov-19
Reverse Repo	3.35%	3.35%	4.90%
Repo	4.00%	4.00%	5.15%
Cash Reserve Ratio (CRR)	3.00%	3.00%	4.00%
Statutory Liquidity Ratio (SLR)	18.00%	18.00%	18.50%
Bank Rate	4.25%	4.25%	5.40%
10-Year G-Sec	5.89%	5.88%	6.47%
1-Year AAA Corp. Bond	4.75%	4.99%	6.64%
3-Year AAA Corp. Bond	5.29%	5.43%	7.12%

Indices	Country	YTD	1 Month	1 Year	3 Years
United States					
Nasdaq 100	US	40.48	11.00	45.99	92.73
Nasdaq Composite	US	35.96	11.80	40.77	77.46
Asia Pacific					
Jakarta SE Composite	Indonesia	(10.91)	9.44	(6.64)	(5.71)
FTSE Straits Times	Singapore	(12.94)	15.76	(12.15)	(18.28)
Korea SE Kospi	South Korea	17.91	14.30	24.11	4.64
Hang Seng	Hong Kong	(6.56)	9.27	(0.02)	(9.72)
Nikkei 225	Japan	11.74	15.04	13.48	16.32
S&P BSE Sensex	India	7.02	11.45	8.23	33.18
Shanghai SE Composite	China	11.20	5.19	18.10	2.25
Europe					
FTSE 100	UK	(16.92)	12.35	(14.71)	(14.47)
CAC 40	France	(7.69)	20.12	(6.55)	2.71
FSE DAX	Germany	0.32	15.01	0.41	2.05

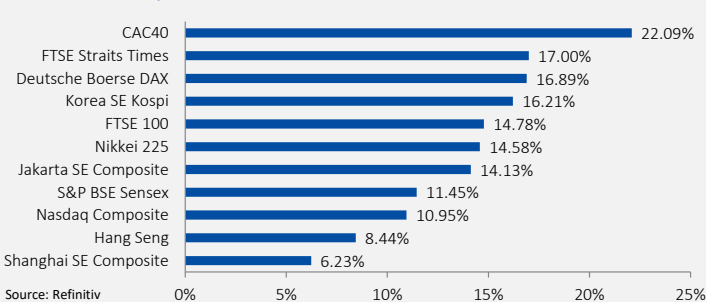
Fixed Income Market Commentary

- Bond yields rose marginally after moving in a range during the month. Overall market remained muted during most part of the month due to absence of any major trigger and hence market participants preferred to remain on the side-lines.
- Events that triggered yield movement during the month were open market operations (OMOs), weekly government auction, announcement of new 10-year Gilt paper, rise in consumer inflation and fall in the US Treasury yields. RBI conducted three auctions of simultaneous buy of higher duration and selling of lower duration papers of 10,000 crore each (both for buy and sell of securities) during the month.
- The Monetary Policy Committee (MPC) on Dec 4, 2020 maintained status quo as per market expectation and decided to continue with its accommodative stance as long as necessary – at least during the current financial year and into the next financial year – to revive growth of the Indian economy and mitigate the impact of COVID-19 pandemic on the economy, while ensuring that inflation remains within the target going forward.
- Bond yields moving ahead are likely to be dictated by inflation & growth numbers, frequency of OMOs to be conducted by RBI, measures used by RBI to reduce liquidity and intervention in the forex market.
- The development surrounding the COVID-19 pandemic might also be closely tracked as the development of a vaccine and its availability across all pockets of the country is likely to kick-start the recovery of the domestic economy.

Monthly Sectoral Performance as on November 30 2020



Monthly Performance of different markets as on Nov 30, 2020 in INR



Equity Market Commentary

- Indian equity markets surged, with S&P BSE Sensex and Nifty 50 surpassing 44,000 and 13,000 index levels respectively have touched the all-time highs during the month. Both the benchmarks S&P BSE Sensex and Nifty 50 rose over 12% during the month.
- Positive developments on the COVID-19 vaccine, favourable outcome of the US presidential election, and growing optimism are some of the factors which contributed to the rally. Continued FPI/FII inflow in domestic equities also aided the market's rally.
- Better-than-expected earnings in Sep quarter by India Inc. continued to boost the sentiments. Nonetheless, further gains were restricted by persisting worries over rising coronavirus cases worldwide.
- The economic activity remained in contraction during the Sep-20 quarter, however activities have improved over Jun-20 quarter. However, slow credit intermediation might hamper the pace of recovery on account of prevailing high liquidity conditions and inflation rate breaching the MPC's upper tolerance limit of 6%.
- The policy stance of the new US President elect regarding the international trade ties with other nations would be closely watched. Positive cues from improving economic activities and its sustenance would also be watched. Earnings revival of corporates in coming quarters will also be key for further growth in the equity markets.

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