

## Indian Equity Markets

Sensex corrected by 1.45% after 3 consecutive months of gains led by profit booking across Global markets after diminished hope of a peak in Covid19 infections and of the vaccine in the near term.

Mid & Small Cap indices outperformed Large cap (-0.95%) by 0.3% and 3.71% respectively.

IT, Pharma, Energy sectors rallied sharply while Telecom, Finance & Utilities corrected.

FII's turned net sellers of ₹7,783 Cr in equities for the month.

## Debt Markets

RBI announced simultaneous purchase & sale of govt securities under OMO for ₹20,000 Cr.

RBI MPC Meet scheduled in Sept has been postponed.

Fiscal deficit until August stood at ₹8.70 lakh Cr, 109.3% budgeted target for the year.

Forex reserves touched a life-time high of \$545 bn as on 18<sup>th</sup> Sept.

Rupee touched a high of ₹73.9/\$ to close at ₹73.79/\$.

10Y G-sec yield rose to 6.02% from 5.95% while FIIs bought net ₹3,958 Cr in debt.

## Global Markets

Rising Covid19 cases, increased US-China tensions, delay in fresh fiscal stimulus and uncertainty relating to US Presidential elections led to correction in Global markets.

US FOMC decided to keep target range for the federal funds rate unchanged until labor market conditions have reached levels consistent with the Committee's assessments of maximum employment and inflation target.

US initial unemployment data reported 34,69,000 claims for the month of Sept.

Gold and Silver corrected by 4.48% & 17.85% to close at \$1,890/ounce and \$23.49 respectively.

Oil prices fell sharply by 9.56% to \$40.95/ barrel due to concerns over demand.

## Corporate Announcements

**Cipla** got final approval from the US FDA for generic version of Biogen IDEC's Tecfidera capsules.

**EIH** announces rights issue of 5.38 Cr shares at ₹65/ share, in the ratio of 8:85.

**HDFC** issued NCDs worth ₹5,000 Cr via private placement basis.

RBI exempted **ICICI Bank** shareholding above 30% in ICICI Lombard GI & ICICI Pru LI for 3 years.

**IndusInd bank** issued equity shares worth ₹2,495 Cr on Preferential basis to QIBs at ₹524/ share.

**ITC** approved amalgamation of Sunrise Foods Pvt Ltd and its Subsidiaries.

**PNB** reported a fraud of ₹1,203 Cr in the NPA account of Sintex Industries.

Silver Lake, KKR, Mubadala & General Atlantic to invest in **Reliance Retail Ventures**.

**RDIF & Dr. Reddy's** to cooperate on clinical trials and supply of 100 mn doses of Sputnik V vaccine.

**SBI** raises ₹4,000 Cr via AT1 bonds at a coupon of 7.74%.

SC orders status quo on raising capital over shares held by Mistry's in **Tata Sons** until 28<sup>th</sup> Oct.

## Market Outlook

Monsoon ended with 109% of Long Period Average making 2019 & 2020 as the 2 consecutive years with above normal rainfall indicating the prospect of revival in the rural economy.

Auto sales reported by major automakers showed double-digit gains in Sept20.

GST collections for Sept stood at ₹95,480 Cr, highest since Mar20.

Unlock 5 allowed reopening of Cinema halls & multiplexes from 15<sup>th</sup> Oct with 50% capacity in Non-Containment zones while Maharashtra & Tamil Nadu extended the lockdown till 31<sup>st</sup> Oct.

Covid19 infections in Sept alone accounted for 41.53% of the 63 lakh cases remain as a concern as more relaxations in Unlock 5 were announced ahead of the festive season prompting fears of more contagion in the absence of a reliable vaccine.

The immediate goal post for the Equity market performance will be decided by the upcoming events.

**Key Events to watch-out are** RBI MPC Meet, Q2 Earnings (starts with TCS on 7th Oct), SC decision on interest on interest during Moratorium and Bihar Assembly Election.

In line with our view, all the three commodities witnessed profit booking in Sept.

Silver, Gold and Oil corrected by 18%, 4% and 11% respectively.

Gold-Silver ratio is now at 80.46 vs 69.2 in Aug; Gold-Oil ratio is at 46.9 vs 43.7 in Aug.

Long term investors may continue to remain invested in Silver, Oil and Gold.

Benchmark	30-Sept-20	MTD	2020
SENSEX	38067.93	-1.45%	-7.72%
NIFTY	11226.5	-1.02%	-7.74%
10Y G-Sec	6.02%	1.1%	-8.3%

  

Top Gainers	Change	Top Losers	Change
HCL Tech	17.06%	Airtel	17.63%
TCS	10.42%	IndusInd bank	16.52%
Infosys	9.33%	ONGC	15.18%
Titan	8.94%	Axis bank	14.75%
RIL	7.47%	SBI	12.61%

BSE Sector Performance	MTD	2020
Basic Materials	1.08%	1.06%
Telecom	-15.66%	-7.24%
Utilities	-7.79%	-18.98%
Industrials	0.28%	-10.95%
Finance	-6.98%	-28.73%
Consumer Discretionary	2.36%	-2.07%
FMCG	-2.62%	-3.11%
Energy	3.76%	23.39%
Healthcare	7.68%	47.44%
IT	10.66%	29.1%

FII (Cr)	EQUITY	DEBT	DEBT-VRR	HYBRID	TOTAL
MTD	-7783	3958	406	2222	-1196
YTD	28347	-108787	17512	10433	-52498

Currencies	30-Sept-20	MTD	2020
USDINR	73.7978	0.28%	3.54%
EURINR	86.5688	-1.15%	8.37%
GBPINR	94.7347	-3.46%	1.34%

Global Indices	30-Sept-20	MTD	2020
DJIA	27781.7	-2.28%	-2.65%
NASDAQ	11167.51	-5.16%	24.46%
DAX	12760.73	-1.43%	-3.69%
FTSE	5866.1	-1.63%	-22.23%
CAC	4803.44	-2.91%	-19.65%
NIKKEI	23185.12	0.2%	-1.13%
HSI	23459.05	-6.82%	-16.78%
KOSPI	2327.89	0.07%	5.93%
RTSI	1178.51	-6.36%	-23.91%
SHANGHAI	3218.05	-5.23%	5.51%

Commodity (\$)	30-Sept-20	MTD	2020
Gold	1890	-4.48%	24.09%
Silver	23.49	-17.85%	31.08%
Brent	40.95	-9.56%	-37.95%

IPO	Issue Size	Price band	Listing Price
Happiest Minds	110 Cr	₹165-₹166	371
Route Mobile	600 Cr	₹345-₹350	651.1
CAMS	224 Cr	₹1229-₹1230	1518
Mazagon Dock	443 Cr	₹135-₹145	*
Angle Broking	600 Cr	₹305-306	*
UTI AMC	2,159 Cr	₹552- ₹554	*

\*Listing awaited

	31-Aug-20	30-Sep-20	% Chng		31-Aug-20	30-Sep-20	% Chng
Gold	1,978.60	1,890.00	-4%	Gold	1,978.6	1,890.0	-4%
Silver	28.59	23.49	-18%	WTI	45.3	40.2	-11%
G/S Ratio	69.20	80.46		G/O Ratio	43.70	46.99	

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