

Monthly Market Update November'20

Indian Equity Markets

Benchmark indices rallied sharply and outperformed major global indices led by rally in BFSI sector which constitutes 39.9% of index, FII inflow of ₹19,541 Cr in equities, better than expected Q2 Earnings, early green shoots of turnaround in economy measured in Auto sales and GST collection.

Large Cap (2.98%) outperformed Mid (1.36%) & Small Cap (0.14%) indices.

Except FMCG & Pharma, all sectors closed positively; Finance & IT were top gainers.

Debt Markets

RBI announced simultaneous purchase & sale of G-sec under OMO for ₹20,000 Cr.

RBI MPC kept policy repo rate unchanged at 4% and stance to remain accommodative.

Fiscal deficit until Sept stood at ₹9.13 lakh Cr, 114.8% budgeted target for the year.

Forex reserves touched a life-time high of \$560.53 bn as on 23rd Oct.

₹ depreciated by 0.42% to close at 74.11/\$, made a high of 72.95/\$ during the month.

10Y G-sec yield fell from 6.02% to 5.89% and FIIs bought net ₹1,641 Cr in debt.

Global Markets

Global indices corrected as second wave of Covid-19 fears dominated the sentiment with sharp rise in infections across US & Europe and weak Q3 Earnings despite 33.1% growth in US Q3 GDP vs -31.4% in Q2.

10 Y Treasury yield rose from 0.67% to 0.87% despite looming uncertainty around the U.S Election and a continued surge in cases of the coronavirus.

Gold corrected to \$1,880/ounce while Silver rallied by 0.6% to \$23.64.

Oil continued its correction for a second consecutive month, closed down by 8.5%.

OPEC+ are expected to raise their output by 2 million bpd in Jan as part of their production agreement.

Corporate Announcements

Axis Bank to acquire 17% stake in Max Life instead of 19% as advised by RBI.

Cipla launched 'ELIFast' (IgG ELISA test) for COVID-19 antibody detection.

Dr. Reddy received DCGI approval for Sptunik vaccine trail.

Infosys declared an interim dividend of ₹12 per equity share.

L&T declared Special Dividend of ₹18 per equity share.

ONGC raised ₹1,140 Cr via NCD on a private placement basis.

NTPC announced Buyback of shares worth ₹2,275 Cr at a price of ₹115 per share.

Mubadala, GIC & ADIA to invest ₹6,247Cr, ₹5,512Cr & ₹5,512Cr in **Reliance Retail**.

TCS announced Buyback worth ₹16,000 Cr at ₹3,000 per share.

Market Outlook

GST Collection in Oct stood at ₹1.05 Lakh Cr (highest since Feb20), rebound in Auto sales driven by festive season demand, Manufacturing PMI at 58.9 in Oct vs 56.8 in Sept indicates economic recovery.

While a Spike in CPI inflation to 7.34% and second wave of lockdown in Europe could potentially slowdown the recovery especially when Covid cases are increasing in India in the absence of an approved vaccine.

We expect market to be volatile in the near term due to upcoming events. Long-term investors should view any sharp correction in the market as an opportunity.

Key Events to watch-out are US Presidential Election, FOMC Meet, OPEC Meet, Q2 Earnings- Continued, SC decision on interest on interest & Bihar Assembly Election.

Gold and Oil corrected by 0.5% and 11% respectively while Silver remained flat.

Gold-Silver ratio is now at 79.5 vs 80.4 in Sept; Gold-Oil ratio is at 52.5 vs 46.9 in Sept.

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

Benchmark	30-Oct-20	MTD	2020
SENSEX	39614.07	4.06%	-3.97%
NIFTY	11647.85	3.75%	-4.28%
10Y G-Sec	5.89%	-2.09%	-10.21%

Top Gainers	Change	Top Losers	Change
Kotak Bank	22.04%	Reliance	8.03%
Axis Bank	16.23%	Sun Pharma	6.94%
Tata Steel	14.07%	ONGC	6.28%
UltraTech	13.02%	Bajaj Finserv	4.74%
Asian Paints	11.59%	ITC	3.78%

BSE Sector Performance	MTD	2020
Basic Materials	2.85%	3.94%
Telecom	2.98%	-4.48%
Utilities	1.86%	-17.47%
Industrials	1.86%	-9.29%
Finance	8.55%	-22.64%
Consumer Discretionary	0.37%	-1.71%
FMCG	-1.16%	-4.24%
Energy	-6.46%	15.42%
Healthcare	-2.73%	43.40%
IT	5.4%	36.08%

FII (Cr)	EQUITY	DEBT	DEBT-VRR	HYBRID	TOTAL
MTD	19541	1641	851	-207	21826
YTD	47888	-107146	18363	10226	-30672

Currencies	30-Oct-20	MTD	2020
USDINR	74.11	0.42%	3.98%
EURINR	86.9427	0.43%	8.84%
GBPINR	95.7905	1.11%	2.47%

Global Indices	30-Oct-20	MTD	2020
DJIA	26501.6	-4.61%	-7.14%
NASDAQ	10911.59	-2.29%	21.61%
DAX	11556.48	-9.44%	-12.77%
FTSE	5577.27	-4.92%	-26.05%
CAC	4594.24	-4.36%	-23.15%
NIKKEI	22977.13	-0.90%	-2.02%
HSI	24107.42	2.76%	-14.48%
KOSPI	2267.15	-2.61%	3.16%
RTSI	1066.6	-9.50%	-31.14%
SHANGHAI	3224.53	0.20%	5.72%

Commodity (\$)	30-Oct-20	MTD	2020
Gold	1879.9	-0.53%	23.43%
Silver	23.646	0.66%	31.95%
Brent	37.46	-8.52%	-43.24%

Q2 Earnings			
Company	PAT Growth	Company	PAT Growth
Axis	NA	Yes Bank	-119.11%
IOC	1,564%	Titan	-44.55%
INDUSINDBK	373.30%	L&T	-42.00%
ULTRATECH	113.48%	Bajaj Fin	-36.00%
BPCL	32.00%	Dr. Reddy	-30.22%

	30-Sep-20	30-Oct-20	% Chng		30-Sep-20	30-Oct-20	% Chng
Gold	1,890.00	1,879.90	-0.5%	Gold	1,890.0	1,879.9	-0.5%
Silver	23.49	23.65	0.7%	WTI	40.2	35.8	-11.0%
G/S Ratio	80.46	79.50		G/O Ratio	46.99	52.53	

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