

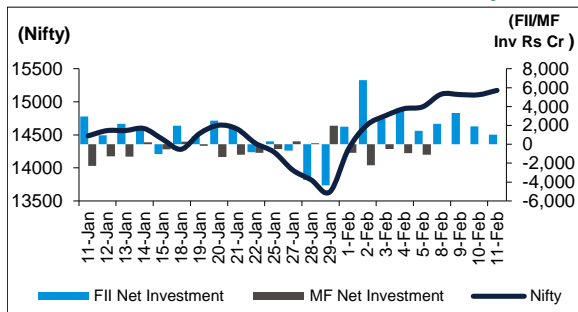


Indian equity benchmark indices' returns

Broad indices	Feb 12	% change for week	% change for YTD
S&P BSE SMALLCAP	19,622	2.75	8.42
S&P BSE Midcap	19,911	2.56	10.98
Nifty 500	12,509	1.86	8.60
S&P BSE 100	15,301	1.70	8.52
S&P BSE Sensex	51,544	1.60	7.94
Nifty 50	15,163	1.60	8.45
Sectoral indices	Feb 12	% change for week	% change for YTD
S&P BSE Realty Index	2,793	2.92	12.70
S&P BSE CD	32,705	2.87	7.61
S&P BSE IT	25,974	1.97	7.12
S&P BSE Metal	12,543	1.75	8.13
S&P BSE Auto	24,636	1.69	18.38
S&P BSE Bankex	40,836	1.33	13.79
S&P BSE Oil & Gas	14,806	1.28	5.08
S&P BSE Power	2,251	0.95	9.18
S&P BSE CG	21,795	0.59	16.27
S&P BSE Healthcare	21,776	-0.13	0.44
S&P BSE FMCG	12,508	-2.09	-0.80

Source: Bombay Stock Exchange, National Stock Exchange (NSE)

Fill and mutual fund investment vs Nifty



FII – Foreign institutional investor

Source: Securities and Exchange Board of India (SEBI), NSE

Fill and mutual fund weekly investment

Rs crore	Feb 5 – Feb 11	
	FII investment (equity)	MF investment (equity)*
Buy	43,842	3,170
Sell	34,042	4,288
Net	9,800	-1,118
YTD	39,449	-18,710

Source: SEBI, National Securities Depository Ltd (NSDL)

*Data till Feb 5

Domestic macro indicators

Indicators	Current	Previous
Monthly CPI inflation	4.06% (Jan-21)	4.59% (Dec-20)
Monthly WPI inflation	1.22% (Dec-20)	1.55% (Nov-20)
IIP	1.0% (Dec-20)	-2.1% (Nov-20)
GDP	-7.50% (Jul-Sep20)	-23.90% (Apr-Jun20)

CPI – Consumer Price Index, WPI – Wholesale Price Index, IIP – Index of Industrial Production

Source: CRISIL Centre for Economic Research

Indian equity market summary

- Indian equities sustained the previous week's positive momentum. S&P BSE Sensex and Nifty 50 rose 1.6% each.
- A positive global trend led by expectations of early rollout of the Covid-19 vaccine and additional stimulus support in the United States (US) boosted market sentiment.
- Buying interest in realty, consumer durables, information technology (IT) and metal stocks supported the market further. S&P BSE Realty (topmost sectoral gainer), S&P BSE Consumer Durables, S&P BSE IT and S&P BSE Metal rose around 3%, 3%, 2% and 1.8%, respectively.
- However, some gains were trimmed due to selling in defensive counters such as fast moving consumer goods (FMCG) and healthcare. S&P BSE FMCG (the biggest sectoral decliner) and S&P BSE Healthcare lost 2% and 0.1%, respectively.

Other major domestic news

- India's index of industrial production (IIP) grew 1% in December 2020 compared with a 2.1% contraction in November 2020.
- India's Consumer Price Index inflation eased to 4.06% in January 2021; the inflation growth was 4.59% in December 2020 and 7.6% in January 2020.
- According to the Ministry of Finance's (MoF) monthly economic review for January, measures announced in the Union Budget 2021-22, along with the Atmanirbhar Bharat package, should bring the Indian economy back on a strong and sustainable growth path.
- India placed the UAE on par with Mauritius and Singapore by classifying foreign portfolio investors (FPIs) from the country as eligible for taking up Category-I licence.
- The MoF said the Finance Bill has proposed amendments permitting the entry of FPIs into debt financing of emerging investment vehicles - real estate investment trusts (REITs) and infrastructure investment trusts (InvITs).
- The MoF allowed Assam, Haryana, Himachal Pradesh, and Punjab to borrow an additional Rs 5,034 crore for undertaking reforms to boost ease of doing business. It also permitted Rajasthan to borrow an additional Rs 2,731 crore after the state undertook reforms in the one nation, one ration card system.
- The government sought the Parliament's approval for gross additional expenditure of Rs 6.28 lakh crore, including an additional cash outgo of Rs 4.13 lakh crore, for the current financial year.
- The Reserve Bank of India (RBI) said resident individuals will be allowed to open a non-interest bearing foreign currency account (FCA) in international financial service centres (IFSCs).
- SEBI notified easier profitability criteria for becoming a mutual fund sponsor to facilitate innovation and expansion in the sector. Under the new norms, sponsors that do not fulfil profitability criteria at the time of making an application would also be considered eligible to sponsor a mutual fund.
- An Insurance Regulatory and Development Authority of India (IRDAI) panel made a case for the introduction of index-linked insurance products (ILIP) an apt alternative to the current conventional guaranteed products and unit-linked insurance policies.
- IRDAI allowed general and health insurance companies to launch four more categories of individual products, add-ons and riders of health policies to be filed under the use-and-file procedure.



Indian debt market indicators

Indicators	Feb 12	Previous week	Trend
Call rate	3.30%	3.00%	↑
3-month CP	3.70%	3.90%	↓
1-year CP	4.75%	4.70%	↑
3-month CD	3.42%	3.47%	↓
1-year CD	4.25%	4.15%	↑
3-year AAA	5.30%	5.35%	↓
5-year AAA	6.00%	6.00%	↔
1-year G-Sec*	4.01%	4.03%	↓
3-year G-Sec*	4.84%	4.96%	↓
5-year G-Sec*	5.50%	5.58%	↓
10-year G-Sec*	5.98%	6.08%	↓
Forex reserves	\$ 583.95 billion (Feb 5)	\$ 590.19 billion (Jan 29)	↓

*Weighted average yield

Source: CRISIL fixed income database, RBI

Corporate bond spreads over G-secs

Spreads		AAA	AA+	AA	AA-	A+
Feb 12, 2021	3 yr	0.40%	1.60%	3.19%	4.16%	4.45%
	5 yr	0.42%	2.10%	3.69%	4.66%	5.18%
	10 yr	0.97%	2.65%	4.24%	5.21%	5.73%
Previous week	3 yr	0.35%	1.55%	3.14%	4.11%	4.40%
	5 yr	0.30%	1.98%	3.57%	4.54%	5.06%
	10 yr	0.85%	2.53%	4.12%	5.09%	5.61%

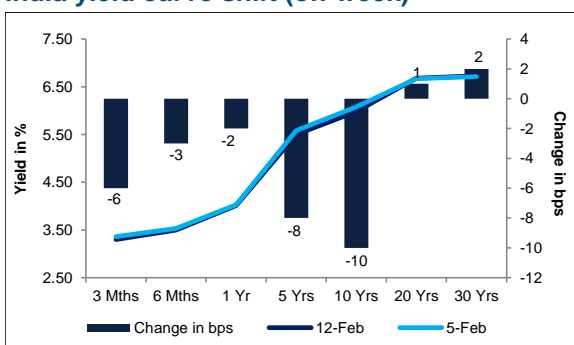
Source: CRISIL fixed income database

10-year benchmark G-sec movement



Source: CRISIL fixed income database

India yield curve shift (on-week)*



*Weighted average yield

Source: CRISIL fixed income database

Indian debt market summary

- The interbank call money rate settled at 3.30% on February 12 compared with 3% on February 5.
- To provide banks with opportunities to park surplus cash, the RBI announced that it would conduct a 14-day variable rate reverse repo auction on February 12 for a notified Rs 2 lakh crore. The central bank received offers totalling Rs 2.97 lakh crore at the auction.
- Government bond prices ended higher. The yield of the 10-year benchmark 5.85% 2030 paper settled at 5.99% on February 12 compared with 6.09% on February 5.
- Bonds gained after the RBI announced a special open market purchase of debt for a total notified Rs 20,000 crore, which was conducted on February 10. Sentiment was boosted following the outcome of the auction as the central bank purchased the notes at lower-than-expected rates.
- Some yield hardening was witnessed due to supply concerns after the RBI said it would conduct an additional bond auction apart from the scheduled weekly debt sale, wherein the papers for which bids were rejected in the previous week's bond auction would be sold, namely the 5.15% 2025 and the 5.85% 2030 papers.
- Robust demand seen for these papers in the auction supported prices.
- Hopes that the central bank would announce more open market operations also boosted bond prices.
- Prices fell in the last session following the outcome of the weekly debt auction. In the bond sale, the RBI auctioned the 4.48% 2023 paper, the 6.67% 2050 paper, the 6.22% 2035 paper, and a floating rate bond maturing in 2033 for a total notified Rs 26,000 crore. The 2035 paper was partially devolved on primary dealerships.
- The Indian rupee ended the week higher against the US dollar.
- Weakness in the greenback following the release of the latest US non-farm payrolls data, amid prospects of more fiscal stimulus measures in the US, aided the rupee.
- The rupee also appreciated tracking a rise in local equity indices and periodic gains in other Asian units.
- Dollar demand from state-owned banks erased some of the rupee's gains.
- Bets that the RBI would intervene to absorb foreign fund inflows into the local financial market also put the rupee under pressure.

Currencies versus rupee

Currency	Feb 12	Week ago	3 months ago	1 year ago
USD	72.74	72.92	74.63	71.33
GBP	100.43	99.84	98.40	92.63
Euro	88.15	87.35	88.16	77.88
100 Yen	69.35	69.03	70.86	64.86

Source: CRISIL



Global equity benchmark indices' returns

Country/Region	Indices	Feb 12	% change for week	% change for YTD
US	DJIA*	31,431	0.91	2.69
	Nasdaq Composite*	14,026	1.22	8.83
	Russell 3000 Growth*	2,065	0.85	5.76
UK	FTSE 100*	6,529	0.61	1.06
France	CAC 40*	5,670	0.19	2.13
Germany	XetraDax*	14,041	-0.11	2.35
Japan	Nikkei 225	29,520	2.57	7.56
Singapore	Straits Times*	2,925	0.63	2.87
Hong Kong	Hang Seng*	30,174	3.02	10.81
China	Shanghai Comp^	3,655	4.54	5.24

Source: Websites of respective stock exchanges; *As of Feb 11
^ As of Feb 10

Macro indicators

Indicators	Current	Previous
US Consumer Prices	0.3% (Jan 2021)	0.2% (Dec 2020)
Eurozone Sentix Investor Confidence	-0.2 (Feb 2021)	1.3 (Jan 2021)
China Consumer Prices	-0.3% (Jan 2021)	0.2% (Dec 2020)
China Producer Prices	0.3% (Jan 2021)	-0.4% (Dec 2020)
Japan Eco-Watchers Current Conditions Index	31.2 (Jan 2021)	34.3 (Dec 2020)

Source: CRISIL internal research

Major global bond yields

Indicators	Feb 12	Feb 5
US 10-year*	1.16	1.17
UK 10-year*	0.47	0.49
German 10-year*	-0.46	-0.44
Japan 10-year	0.06	0.05

Source: Bloomberg.com; *As of Feb 11

Commodity prices

Commodity	Feb 12	% change for week	% change for YTD
NYMEX crude oil (\$ per barrel)*	58.24	2.45	20.03
Brent crude oil (\$ per barrel)*	61.14	3.03	18.03
Gold (Rs per 10 gm)	47193.00	0.31	-5.62
Silver (Rs per kg)	68353.00	1.29	1.59

Source: Respective commodity exchanges; *As of Feb 11

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Global market summary

- Hoping for further stimulus package from the US, most global equities ended in positive territory. US treasury prices were volatile with prices falling earlier due to optimism about stimulus talks and upbeat earnings and rising later on weak domestic economic cues. Crude oil prices rose due to output curbs from major oil producers, along with an unexpected fall in US crude oil supplies.
- US stocks advanced on optimism that US lawmakers will soon pass a Covid-19 aid package, which along with vaccine rollout would boost economic recovery.
- A rally in technology and energy stocks also buoyed the market.
 - US non-farm payroll employment edged up by 49,000 jobs in January after plunging by a revised 227,000 jobs in December; the unemployment rate slid to 6.3% in January from 6.7% in December.
 - US Consumer Price Index (CPI) rose 0.3% in January after edging up by a revised 0.2% in December.
- Britain's FTSE index rose 0.6% led by gains in energy and mining stocks and expectation of an additional US stimulus package.
- However, an intermittent fall in exporters' stocks following a stronger pound chipped off some gains.
- Other European equities posted mixed performance amid a slew of regional corporate earnings reports. France's CAC 40 rose 0.2%, while Germany's Dax fell 0.1%.
 - European lawmakers approved an \$815 billion recovery package of loans and grants to help member states recover faster from the Covid-19 pandemic.
- Asian equities registered strong performance. Japan's Nikkei advanced 2.6% buoyed by encouraging domestic corporate earnings and optimism about global economic recovery.
- Hong Kong's Hang Seng index surged 3% as better-than-expected Chinese producer prices and loans data boosted hopes of swift economic recovery.
- Expectations of a US stimulus package and Beijing's latest market reforms supported the sentiment.
- China's Shanghai Composite soared 4.5% in the holiday-curtailed week following upbeat domestic loans data and Beijing's latest stock market reforms.
 - Chinese banks extended a record 3.58 trillion yuan new loans in January compared with December's 1.26 trillion yuan.
 - China's Producer Price Index (PPI) rose 0.3% on-year in January compared with a 0.4% decline in December, while CPI fell 0.3% on-year in January compared with a 0.2% rise in December.

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