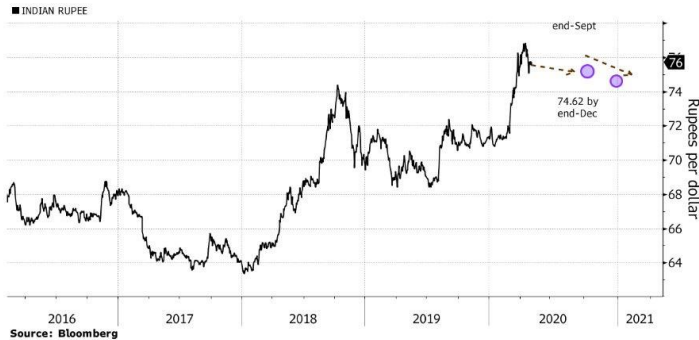


Highlights

Getting Better

Rupee seen advancing in coming months on improving current-account deficit



The Indian rupee rebounded about 2% from April's record low as crude oil prices tanked. Cheaper oil could translate into USD 40 billion of savings for India, balancing the country's current account. A Bloomberg survey of analysts is forecasting that it could rise another 1% by year-end to reach 74.74. (Source: Bloomberg)

Fuel consumption in India is showing signs of rebounding after the worst monthly sales in more than 12 years. Demand in May is expected to be 25% higher than April as planting season begins, with demand for fuel from tractors and water pumps, and the easing of the world's biggest lockdown which will see more trucks back on the road. Indian Oil Corp., India's biggest refiner has started boosting run rates with signs of a pick-up in demand and plans to operate its refineries at 80% capacity by end of May. Although India's lockdown was extended to May 17, it had relaxed the lockdown in rural areas and in districts that were free of infection to allow farmers and some industries to resume operations. Further easing also allowed industrial establishments in urban areas, including special economic zones to operate, as well as manufacturing units for essential goods, including drugs, pharmaceuticals and medical devices and IT hardware production. (Source: Bloomberg)

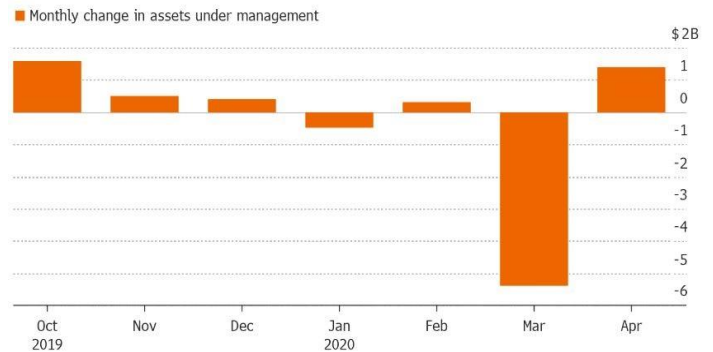
India has reached out to more than 1,000 U.S. companies and overseas missions to offer incentives for manufacturers seeking to move out of China. China's handling of the Covid-19 outbreak, is expected to worsen global trade ties as companies look to diversify their supply chains outside of China. India is prioritizing medical equipment suppliers, food processing units, textiles, leather and auto part makers among more than 550 products covered in the discussions. Even though overall costs are still higher than China, India's pool of affordable skilled labor and

land options would be more economically attractive for US and Japanese companies. The Indian government has also offered an assurance to consider specific requests on changes to labor laws and the postponement of a digital transactions tax introduced in this year's budget to attract investors. (Source: BloombergQuint)

India is deploying commercial jets, military transport planes and naval warships to bring back 1.8 million Indian citizens stranded across the world in what's set to be the biggest-ever peacetime repatriation exercise in history. In the U.A.E. alone, almost 200,000 Indians have applied to return. The plan to evacuate citizens follows India's move to partially ease movement restrictions for the world's second-most populous nation after 40 days of strict stay-at-home orders. Evacuees will have to pay their own fare. (Source: Bloomberg)

Guess Who's Back

Assets under management for India equity ETFs surged in April



Source: Bloomberg

Bloomberg

India stocks rose following speculation of further fiscal stimulus after the government increased its borrowing target by over 50%. India's revised borrowing program signals greater fiscal expenditure to support Asia's third-largest economy through the pandemic which will help boost appetite further for Indian equities. Assets under management in India's equity exchange-traded funds had increased by the most in half a year during April. Stimulus measures and a partial easing of the India's lockdown helped lift the market higher as Indian equities recovered USD 1.4 billion of the USD 5.4 billion lost during March's market plunge. Retail investors continued to flock to the stock markets for a second month supporting the market with USD 45 million in net inflows. (Source: Bloomberg)

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