

Weekly Market Update

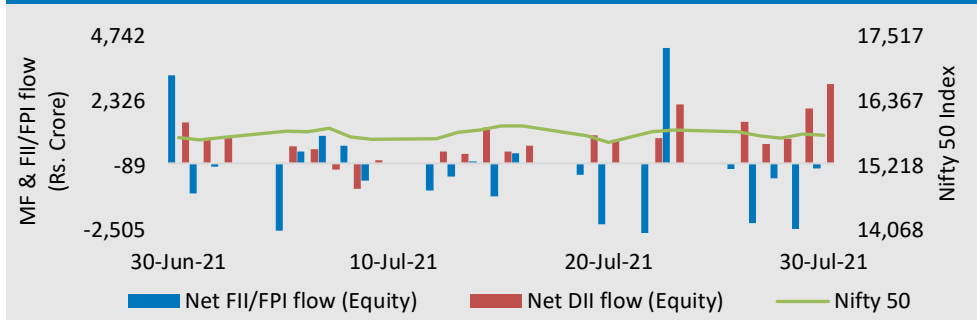
30 July, 2021

Macro Economic Release

Indicators	Actual	Consensus	Previous
Fiscal Deficit % of BE (Jun 2021)	18.20	NA	8.17
Fiscal Deficit FYTD (\$ billion) (Jun 2021)	27.42	NA	12.32
Infrastructure Growth (Jun 2021)	8.9%	NA	16.3%
Imports (\$ billion) (Jun 2021)	41.87	NA	38.55

Source: Refinitiv

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	30-Jul-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	52,587	-0.73	39.83	10.13
Nifty 50	15,763	-0.59	42.35	12.74
S&P BSE 100	16,108	-0.44	44.35	14.24
Nifty 500	13,664	-0.17	51.22	18.63
Nifty Mid cap 50	7,658	1.11	80.24	30.41
Nifty Small cap 100	10,522	1.11	110.00	48.46

Sector Indices	30-Jul-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	22,489	-1.35	36.38	8.06
S&P BSE Bankex	39,190	-1.61	59.31	9.20
S&P BSE CD	36,386	1.08	69.40	19.72
S&P BSE CG	23,672	-0.73	85.88	26.28
S&P BSE FMCG	13,481	-1.19	17.78	6.92
S&P BSE HC	26,156	-0.65	43.05	20.64
S&P BSE IT	30,847	0.88	69.01	27.21
S&P BSE METAL	21,012	8.40	168.50	81.14
S&P BSE Oil & Gas	15,442	-1.72	17.21	9.59
S&P BSE Power	2,617	-2.65	70.02	26.88
S&P BSE PSU	7,742	-0.02	57.40	33.92
S&P BSE Realty	3,183	-0.21	101.98	28.42
S&P BSE Teck	13,480	1.13	52.49	21.43

Source: BSE & NSE

Macro economic Update

- Government data showed that the index of eight core industries witnessed a growth of 8.9% YoY in Jun 2021 as against growth of 16.3% in the previous month and a contraction of 12.4% in the same period of the previous year. The steel sector witnessed growth of 25% in Jun followed by natural gas sector that rose 20.6% and refinery product sector that rose 7.4%. Only crude oil sector witnessed contraction of 1.8% in Jun.
- Government data showed that India's fiscal deficit for the period from Apr to Jun of 2021 came in at Rs. 2.74 lakh crore or 18.2% of the budget estimate for FY22 as compared to 83.2% in the corresponding period of the previous year. Revenue deficit came in at Rs. 1.70 lakh crore or 14.9% of the budget estimate as compared to 94.8% of the budget estimate in the corresponding period of the previous year.
- The International Monetary Fund (IMF) has reduced India's economic growth projection to 9.5% for FY22 from 12.5% estimated earlier in Apr 2021. As per the organization, downward revision is due to lack of access to vaccines and possibility of renewed waves of coronavirus.
- According to RBI data, digital payments grew by 30.19% in the year ended Mar 2021, demonstrating the country's adoption and deepening of cashless transactions. The newly created Digital Payments Index (RBI-DPI) grew to 270.59 at the end of Mar 2021, up from 207.84 the previous year.

Domestic Equity Market Update

- Indian equity markets witnessed modest losses during the week, largely dragged by weak global cues. In the midst of the coronavirus concerns, government crackdown on education, property, and tech sectors in China weighed on investor sentiments.
- Additionally, disappointing earning result from one of the domestic index heavy weights also pushed the benchmark indices lower.
- Initial caution ahead of the U.S. Federal Reserve's highly anticipated policy meeting was put to rest after central bank kept key interest rates unchanged and said that the U.S. central bank is expecting to see "some strong job numbers" in coming months before tapering the bond buying program.
- Meanwhile, worries over fast spreading of delta variant coronavirus and regulatory actions in China continued to pull down sentiments of the market participants.
- On the BSE sectoral front, majority of the indices closed in the red. S&P BSE Power was the major loser, down 2.65%, followed by S&P BSE Oil & Gas and S&P BSE Bankex which slipped 1.72% and 1.61%, respectively.
- Power generation and transmission companies are battling with distribution companies on a regular basis on outstanding payments which have crossed approximately Rs. 1,25,000 crore.
- Oil & gas sectors remained under pressure owing to elevated global crude oil prices.
- Meanwhile, S&P BSE Metal was the top gainer, up 8.40%, followed by S&P BSE Teck and S&P BSE Consumer Durables, which went up 1.13% and 1.08%, respectively.

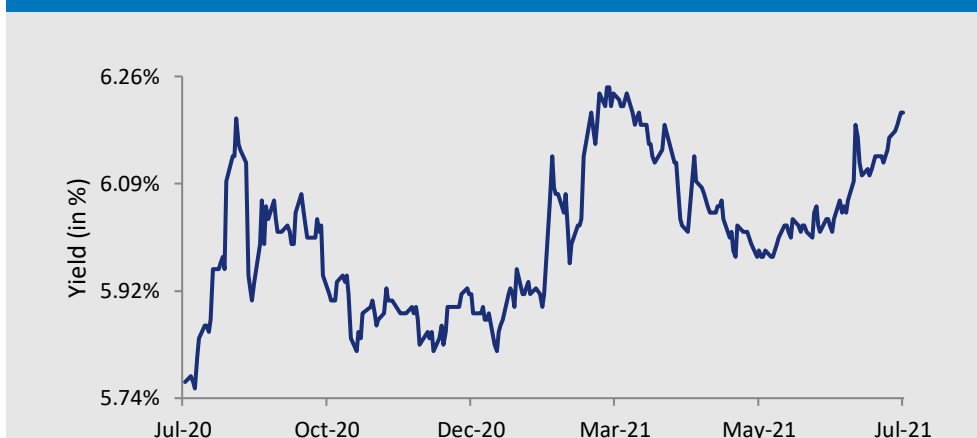
Indian Debt Market Indicators

Broad Indices	30-Jul-21	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.26%	3.20%	3.16%	3.26%	3.45%
T-Repo	3.20%	3.25%	3.22%	3.23%	3.18%
Repo	4.00%	4.00%	4.00%	4.00%	4.00%
Reverse Repo	3.35%	3.35%	3.35%	3.35%	3.35%
3 Month CP	3.70%	3.70%	3.62%	3.90%	3.65%
1 Year CP	4.40%	4.40%	4.50%	4.55%	4.45%
3 Month CD	3.41%	3.43%	3.62%	3.34%	3.33%
1 Year CD	4.02%	4.07%	4.16%	3.97%	3.75%

Source: CCIL, Refinitiv * As on Jul 23, 2021; ** As on Jul 16, 2021; @ As on Jun 25, 2021; @@ As on Jan 29, 2021; @@@ As on Jul 24, 2020

Broad Indices	30-Jul-21	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	4.59%	4.58%	4.83%	4.64%	5.24%
3 Year AAA Corporate Bond	5.39%	5.39%	5.30%	5.47%	5.76%
5 Year AAA Corporate Bond	6.40%	6.38%	6.28%	6.38%	6.35%
1 Year G-Sec	4.04%	4.04%	4.09%	3.90%	3.66%
3 Year G-Sec	4.62%	4.67%	4.89%	4.71%	4.42%
5 Year G-Sec	5.73%	5.69%	5.72%	5.30%	4.99%
10 Year G-Sec	6.20%	6.16%	6.05%	5.95%	5.83%
Forex Reserve (\$ in billion)	611.15*	612.73**	609.00@	590.18@@	522.63@@@

10 - Year benchmark G-Sec Movement



Source: Refinitiv

Domestic Debt Market Update

- Bond yields rose slowly and steadily following increase in global crude oil prices and as market participants stayed largely focused on U.S. monetary policy trajectory. Meanwhile, the Reserve Bank of India (RBI) on behalf of central government at the weekly debt auction accepted Rs. 35,000 crore worth of securities against scheduled Rs. 32,000 crore.
- Yield on the 10-year benchmark paper (6.10% GS 2031) rose 4 bps to close at 6.20% as compared to the previous week's close of 6.16% after moving in a narrow range of 6.16% to 6.23%.
- RBI conducted the auction of four government securities- 5.63% GS 2026, GOI FRB 2033, 6.64% GS 2035 and 6.67% GS 2050 for a cumulative amount of Rs. 32,000 crore, which was oversubscribed with devolvement on primary dealers. The cut-off stood at Rs. 99.53/5.7433%, Rs. 100.32/4.7432%, Rs. 98.18/6.8441% and Rs. 93.86/7.1731%, respectively. Green shoe amount of Rs. 1,000 crore and Rs. 2,000 crore were accepted on GOI FRB 2033 and 6.64% GS 2035, respectively, and 5.63% GS 2026 security saw devolvement on primary dealers of Rs. 7,465.147 crore.

Global Commodity Update

Commodities	30-Jul-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	73.76	2.20	82.94	52.40
Brent Crude Oil (\$/barrel)	76.31	3.01	76.52	47.54
Gold (\$/ounce)	1,813.58	0.68	-7.45	-4.37
Silver (\$/ounce)	25.46	1.19	8.13	-3.41

Source: Refinitiv

Currencies Update

Currency	30-Jul-21	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	74.34	74.43	74.36	72.88	74.88
GBP	103.34	102.28	102.82	99.83	98.03
Euro	88.24	87.60	88.15	88.44	88.70
100 Yen	67.75	67.31	66.92	69.60	71.48

Source: Refinitiv

Global Equity Market Performance

Country/Region	Indices	30-Jul-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	2,469.17	-0.41	36.86	16.42
U.K.	FTSE	7,032	0.07	17.40	8.85
France	CAC 40	6,613	0.67	36.26	19.12
Germany	DAX	15,544	-0.80	25.56	13.31
Japan	Nikkei 225	27,284	-0.96	22.13	-0.59
China	Shanghai Composite	3,397	-4.31	3.36	-2.18
Hong Kong	Hang Seng	25,961	-4.98	5.06	-4.66
Singapore	Straits Times	3,167	0.31	25.18	11.36
Russia	RTS Index	1,626	1.87	31.92	17.18
Brazil	Sao Paulo Se Bovespa	121,801	-2.60	15.99	2.34

Source: Refinitiv

Global Bond Yield Update

Indicators	30-Jul-21	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	1.23	1.28	1.47	1.09	0.54
U.K. 10 Year Bond yield (%)	0.57	0.59	0.72	0.33	0.09
German 10 Year Bond yield (%)	-0.46	-0.41	-0.20	-0.52	-0.55
Japan 10 Year Bond yield (%)	0.01	0.02	0.05	0.05	0.02

Source: Refinitiv

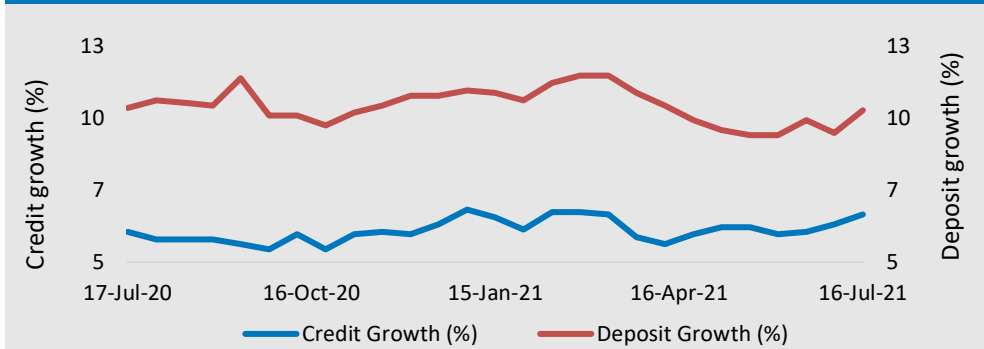
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. New Home Sales-Units Jun 2021	26-Jul	0.68 M	0.80 M	0.72 M
U.S. Durable Goods Jun 2021	27-Jul	0.01	0.02	0.03
U.S. GDP Annualized(Q2) PREL	29-Jul	6.50%	8.50%	6.30%
Eurozone GDP (QoQ)(Q2) PREL	30-Jul	2.00%	1.50%	-0.30%

Source: FX Street; Refinitiv

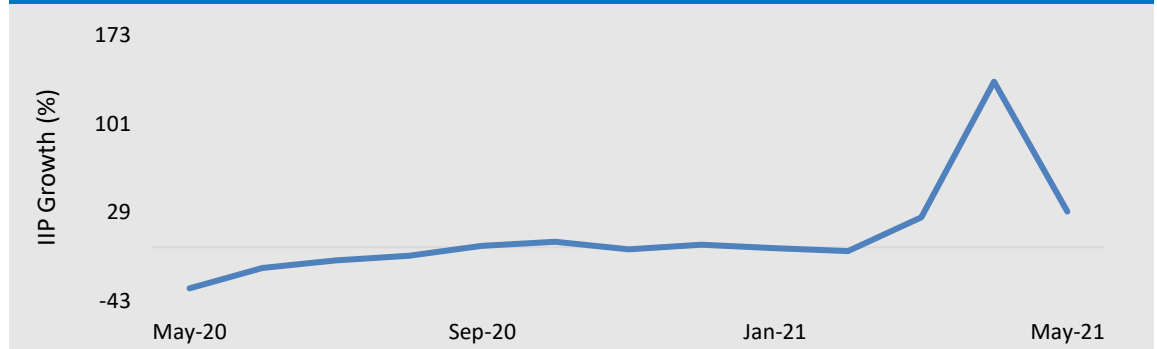
Macro Economic Performance of India

Credit growth vs Deposit growth



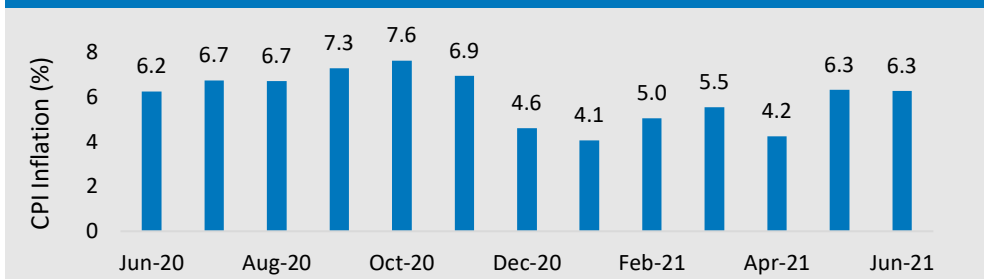
Source: Refinitiv

IIP Growth (%)



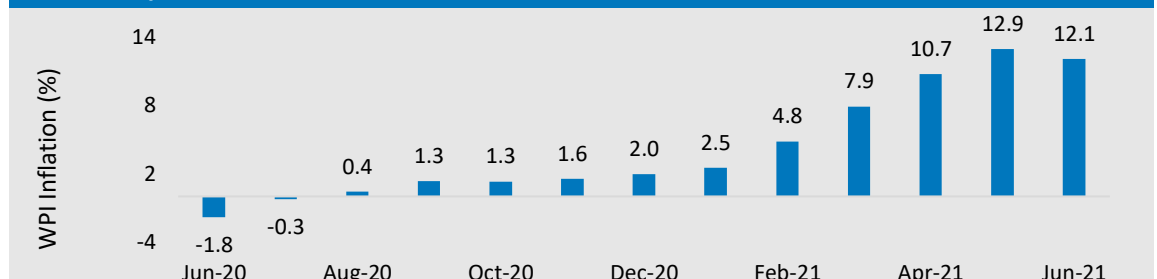
Source: Refinitiv

Retail inflation movement



Source: Refinitiv

Wholesale price inflation movement



Source: Refinitiv

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