

# Weekly Market Update

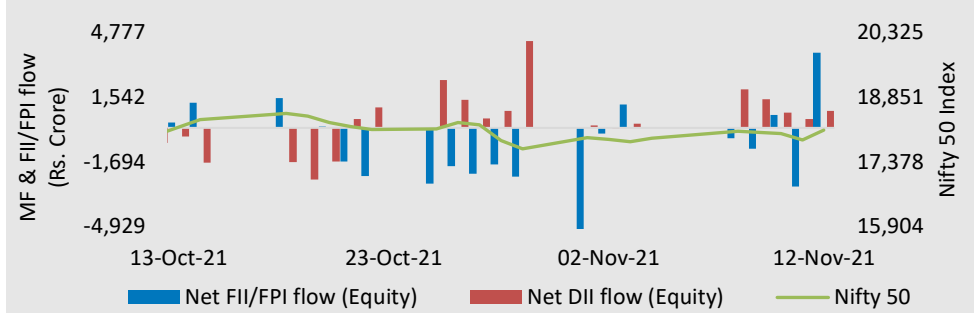
12 November, 2021

## Macro Economic Release

Indicators	Actual	Consensus	Previous
CPI Inflation (Oct 2021)	4.48%	4.32%	4.35%
IIP Growth (Sep 2021)	3.1%	4.8%	11.9%
Markit India Services PMI (Oct 21)	58.4	55.7	55.2
Markit India Manufacturing PMI (Oct 21)	55.9	54	53.7

Source: Refinitiv

## FII and DII Investment vs Nifty 50



## Indian Equity Market Performance

Broad Indices	12-Nov-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	60,687	1.53	39.97	27.09
Nifty 50	18,103	1.53	42.64	29.47
S&P BSE 100	18,438	1.80	44.67	30.76
Nifty 500	15,579	1.94	50.63	35.25
Nifty Mid cap 50	8,927	2.30	76.09	52.00
Nifty Small cap 100	11,178	2.56	86.46	57.71

Sector Indices	12-Nov-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	26,333	3.10	40.80	26.53
S&P BSE Bankex	44,235	-1.56	36.38	23.26
S&P BSE CD	45,288	2.90	77.78	49.01
S&P BSE CG	29,105	4.59	83.47	55.27
S&P BSE FMCG	14,262	1.50	23.63	13.11
S&P BSE HC	25,158	-0.08	28.54	16.04
S&P BSE IT	35,351	3.24	63.82	45.79
S&P BSE METAL	20,260	-0.99	119.20	74.66
S&P BSE Oil & Gas	19,089	4.46	48.24	35.48
S&P BSE Power	3,553	3.72	91.45	72.32
S&P BSE PSU	8,859	0.30	76.05	53.24
S&P BSE Realty	4,311	-0.94	128.80	73.95
S&P BSE Teck	15,799	3.32	58.35	42.32

Source: BSE &amp; NSE

## Macro economic Update

- The consumer price index based inflation rose marginally to 4.48% in Oct 2021 as against 4.35% in the prior month due to rise in food prices. Consumer Food Price Index (CFPI) also rose 0.85% as compared to 0.68% in the previous month. Within food items, vegetables fell 19.43% in Oct as against 22.47% decline in the previous month. However, the inflation rate in fuels rose 14.35% in the reported month as against 13.63% rise in Sep 2021.
- The index of industrial production (IIP) rose 3.1% YoY in Sep 2021 compared with 1% rise in Sep 2020. Manufacturing output grew 2.7% in Sep 2021 as compared with 0.4% growth in Sep 2020. Mining grew 8.6% in Sep 2021 as compared with 1.4% growth in Sep 2020. Electricity grew 0.9% as against 4.9% in Sep 2020. The cumulative growth during Apr-Sep (FY22) stood at 23.5% compared to a contraction of 20.8% during the same period a year ago.
- The Prime Minister of India has launched two innovative, customer-centric initiatives of the Reserve Bank of India (RBI), the retail direct scheme and the integrated ombudsman scheme. The RBI Retail Direct Scheme aims to improve retail investors' access to the government securities market. The Reserve Bank-Integrated Ombudsman Scheme intends to strengthen the grievance redress procedure for customer complaints against the central bank's regulated firms.

## Domestic Equity Market Update

- Indian equity markets managed to end the week in the green after witnessing intermittent weakness. Bourses commenced the week on a positive note with buying interest supported by upbeat U.S. Oct payrolls report.
- The congressional passage of a long-delayed U.S. \$1 trillion infrastructure bill boosted the risk appetite, although a broader social safety net plan remains subtle.
- Gains were subdued soon after, mirroring the weak global cues amid intensified inflation worries. Brent crude price hike, coupled with China's broad-based inflation data dented investors' sentiment.
- Additionally, higher than expected U.S. consumer prices also upset market participants. They remained concerned of the fact that higher U.S. inflation may reinforce Federal Reserve to tighten the monetary policies soon.
- However, markets regained momentum on the last trading day of the week, as more corporate earnings result poured in and continued strongly into the green. The domestic bourses also reflected its Asian and global peers as they re-emerged from the shock of a surprisingly strong U.S. inflation reading.
- On the BSE sectoral front, majority of the indices closed in the green. S&P BSE Capital Goods was the top gainer, up 4.59%, followed by S&P BSE Oil & Gas and S&P BSE Power which rose 4.46% and 3.72%, respectively. Meanwhile, S&P BSE Bankex was the major loser, down 1.56%, followed by S&P BSE Metal and S&P BSE Realty, which slipped 0.99% and 0.94%, respectively.

## Indian Debt Market Indicators

Broad Indices	12-Nov-21	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.21%	3.43%	3.18%	3.31%	3.18%
T-Repo	3.25%	3.50%	3.06%	3.26%	2.64%
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	4.05%	4.25%	3.65%	3.60%	3.30%
1 Year CP	4.70%	4.70%	4.50%	4.40%	4.15%
3 Month CD	3.52%	3.70%	3.48%	3.37%	3.12%
1 Year CD	4.32%	4.33%	4.12%	4.14%	3.71%

Source: CCIL, Refinitiv \* As on Nov 05, 2021; \*\* As on Oct 29, 2021; @ As on Oct 08, 2021; @@ As on May 07, 2021; @@@ As on Nov 06, 2020

Broad Indices	12-Nov-21	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	4.43%	4.46%	4.42%	4.53%	5.02%
3 Year AAA Corporate Bond	5.48%	5.57%	5.46%	5.05%	5.35%
5 Year AAA Corporate Bond	6.30%	6.41%	6.31%	6.26%	6.47%
1 Year G-Sec	4.18%	4.19%	4.12%	3.80%	3.40%
3 Year G-Sec	5.13%	5.00%	4.99%	4.72%	4.55%
5 Year G-Sec	5.84%	5.84%	5.83%	5.55%	5.16%
10 Year G-Sec	6.37%	6.36%	6.33%	6.01%	5.90%
Forex Reserve (\$ in billion)	640.87*	642.02**	639.52@	589.46@@	568.49@@@

## 10 - Year benchmark G-Sec Movement



## Domestic Debt Market Update

- Bond yields fell initially during the week under review after the central government reduced the excise duty on gasoline and diesel to check inflation after fuel prices surged to record levels. However, gains were wiped out following increase in yields on U.S. Treasury after the consumer price index in U.S. jumped 6.2% in Oct 2021 from a year earlier, hitting the highest level since 1990. This led to concerns among market participants that the U.S. Federal Reserve may increase interest rates earlier than expected which may lead to foreign fund outflow from the Indian economy.
- Yield on the 10-year benchmark paper (6.10% GS 2031) inched up 1 bps to close the week at 6.37% compared to the previous week's close of 6.36%.
- Data from Reserve Bank of India (RBI) showed that India's foreign exchange reserves fell to \$640.87 billion as on Nov 5, 2021 from \$642.02 billion in the previous week.
- On Nov 12, 2021, RBI conducted the auction of four government securities namely 4.26% GS 2023, NEW GS 2026, 6.67% GS 2035 and NEW GS 2051 for a notified amount of Rs. 24,000 crore, for which the full amount was accepted. The cut off price/Implicit Yield at cut-off for stood at Rs. 99.65/4.5029%, 5.7400%, Rs. 98.90/6.7927% and 6.9900% respectively.

## Global Commodity Update

Commodities	12-Nov-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	80.65	-0.62	97.19	66.63
Brent Crude Oil (\$/barrel)	81.95	-0.68	89.44	58.45
Gold (\$/ounce)	1,864.04	2.60	-0.62	-1.71
Silver (\$/ounce)	25.29	4.61	4.35	-4.07

Source: Refinitiv

## Currencies Update

Currency	12-Nov-21	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	74.34	74.17	75.47	73.53	74.68
GBP	99.72	100.09	102.52	103.32	97.94
Euro	85.12	85.79	86.99	88.76	88.15
100 Yen	65.28	65.39	66.42	67.04	71.03

Source: Refinitiv

## Global Equity Market Performance

Country/Region	Indices	12-Nov-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	2,626.35	-0.28	33.00	23.83
U.K.	FTSE	7,348	0.60	15.92	13.74
France	CAC 40	7,091	0.72	32.24	27.74
Germany	DAX	16,094	0.25	23.30	17.31
Japan	Nikkei 225	29,610	-0.01	16.02	7.89
China	Shanghai Composite	3,539	1.36	6.00	1.90
Hong Kong	Hang Seng	25,328	1.84	-3.22	-6.99
Singapore	Straits Times	3,228	-0.43	19.05	13.53
Russia	RTS Index	1,784	-3.45	44.07	28.60
Brazil	Sao Paulo Se Bovespa	106,335	1.44	3.73	-10.66

Source: Refinitiv

## Global Bond Yield Update

Indicators	12-Nov-21	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	1.57	1.45	1.57	1.70	0.89
U.K. 10 Year Bond yield (%)	0.92	0.85	1.15	0.89	0.35
German 10 Year Bond yield (%)	-0.26	-0.28	-0.10	-0.13	-0.53
Japan 10 Year Bond yield (%)	0.07	0.07	0.09	0.08	0.03

Source: Refinitiv

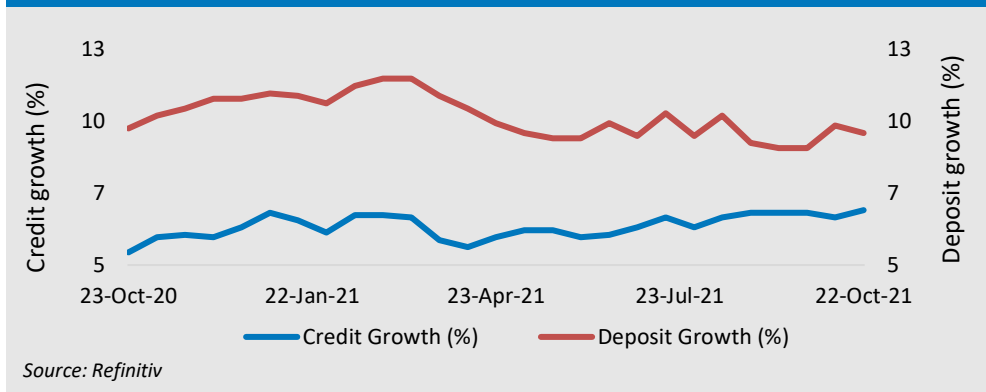
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Euro Zone Sentix Index Nov 2021	8-Nov	18.30	15.50	16.90
Germany ZEW Economic Sentiment Nov 2021	9-Nov	31.70	20.00	22.30
U.S. CPI MM, SA Oct 2021	10-Nov	0.90%	0.60%	0.40%
U.K. Manufacturing Output MM Sep 2021	11-Nov	0.10%	0.20%	0.30%

Source: FX Street; Refinitiv

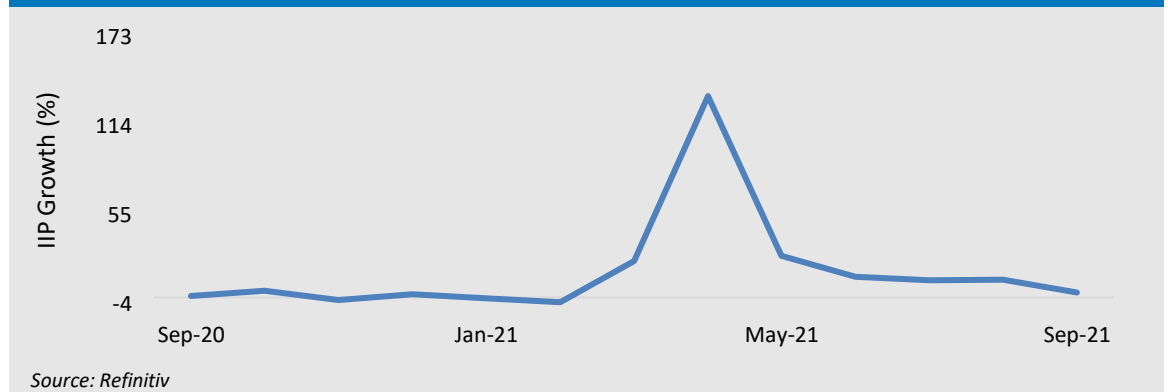
## Macro Economic Performance of India

### Credit growth vs Deposit growth



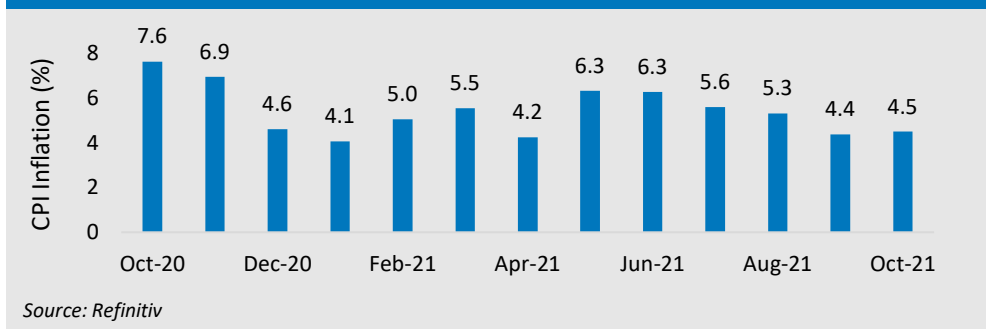
Source: Refinitiv

### IIP Growth (%)



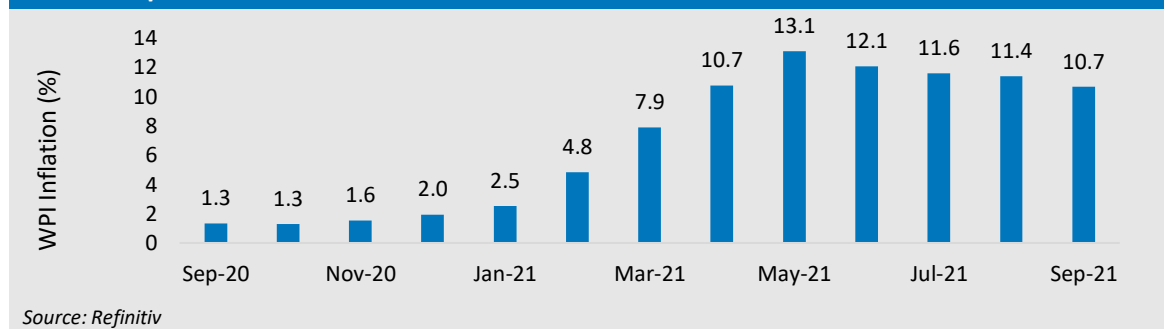
Source: Refinitiv

### Retail inflation movement



Source: Refinitiv

### Wholesale price inflation movement



Source: Refinitiv

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