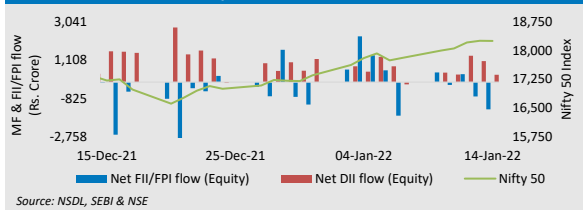


## Macro Economic Release

Indicators	Actual	Consensus	Previous
IIP Growth (Nov 2021)	1.40%	3.00%	4.00%
CPI Inflation (Dec 2021)	5.59%	5.80%	4.91%
WPI Inflation (Dec 2021)	13.56%	13.50%	14.23%
Trade Deficit (\$ billion) (Dec 2021)	21.68	22.00	22.91

Source: Refinitiv

## FII and DII Investment vs Nifty 50



## Macro economic Update

- Consumer price index-based inflation (CPI) rose to 5.59% in Dec 2021 as against 4.91% in the prior month. Consumer Food Price Index (CFPI) also rose 4.05% as compared to 1.87% in the previous month. The CPI is closer to Reserve Bank of India's (RBI) upper tolerance limit of 6%.
- Index of industrial production (IIP) witnessed a growth of 1.4% in Nov 2021 as compared to a growth of 4.0% in the previous month and contraction of 1.6% in the same period of the previous year. For the fiscal year till date, IIP witnessed a growth of 17.4% as compared to a contraction of 15.3% in the same period of the previous year. The manufacturing sector witnessed a growth of 0.9% in Nov 2021 as compared to contraction of 1.6% in the same period of the previous year.
- India's WPI based inflation eased marginally to 13.56% YoY in Dec 2021 from 14.23% in Nov 2021 and 13.83% in Oct 2021. WPI based rate of inflation in the same period of the previous year stood at 1.95%. The growth of WPI Food index stood at 9.24% in Dec 2021 as against 6.70% in Nov 2021 and 4.25% in Oct 2021.
- Government data showed that India's merchandise trade deficit widened to \$21.68 billion in Dec 2021 from \$15.72 billion in Dec 2020. The trade deficit thus widened by 37.92%. Merchandise exports grew 38.91% YoY to \$37.81 billion in Dec 2021 from \$27.22 billion in Dec 2020.

## Indian Equity Market Performance

Broad Indices	14-Jan-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	61,223	2.47	23.47	5.10
Nifty 50	18,256	2.49	25.08	5.20
S&P BSE 100	18,541	2.48	25.61	5.20
Nifty 500	15,730	2.49	30.33	4.90
Nifty Mid cap 50	8,890	2.80	39.10	5.69
Nifty Small cap 100	11,910	3.62	59.19	5.50

Sector Indices	14-Jan-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	26,295	2.81	13.84	5.95
S&P BSE Bankex	43,771	1.68	18.61	8.32
S&P BSE CD	45,834	0.74	49.98	2.38
S&P BSE CG	30,875	6.14	54.58	7.39
S&P BSE FMCG	13,933	-0.03	8.53	1.08
S&P BSE HC	25,767	0.52	15.55	-1.67
S&P BSE IT	38,442	3.18	43.05	1.58
S&P BSE METAL	20,345	2.47	63.17	5.71
S&P BSE Oil & Gas	18,873	2.35	23.13	7.80
S&P BSE Power	3,847	7.44	79.55	10.49
S&P BSE PSU	8,835	3.21	39.42	8.52
S&P BSE Realty	4,041	4.89	51.55	5.21
S&P BSE Teck	16,949	3.14	37.70	2.00

Source: BSE & NSE

## Domestic Equity Market Update

- Indian equity markets struggled with the existing pandemic situation to end the week with moderate gains. With the rising omicron variant of coronavirus cases across the country, it is now decided to start administering the precautionary dose for the health workers and immuno-compromised senior citizens.
- After three months of continues selling pressure, foreign investors turned net buyers during the week which also provided some support to the market sentiment. Market participants are also expecting good corporate earnings for the quarter ended Dec 2021.
- However, gains were capped after government data showed retail price inflation jumped to 5.59% in Dec, although the same remained within the RBI's tolerance level for the sixth consecutive month. In a separate set of data released by the government, industrial production rose 1.4% in Nov 2021, which provided intermittent relief. Among the global cues, hawkish comments by U.S. Federal Reserve regarding interest rate hike to confront the inflation, further dampened market sentiments.
- On the BSE sectoral front, barring S&P BSE FMCG, all the major indices closed in the green. S&P BSE Power was the top gainer, up 7.44%, followed by S&P BSE Capital Goods and S&P BSE Realty which went up 6.14% and 4.89%, respectively.

## Indian Debt Market Indicators

Broad Indices	14-Jan-22	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.42%	3.26%	3.29%	3.21%	3.25%
T-Repo	3.45%	3.36%	3.33%	3.23%	3.00%
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	3.95%	4.05%	4.05%	3.75%	3.60%
1 Year CP	5.05%	5.00%	4.85%	4.40%	4.25%
3 Month CD	3.80%	3.72%	3.67%	3.61%	3.27%
1 Year CD	4.54%	4.66%	4.53%	4.16%	3.91%

Source: CCIL, Refinitiv. \* As on Jan 07, 2022; \*\* As on Dec 31, 2021; \*\*\* As on Dec 10, 2021; \*\*\*\* As on Jul 09, 2021; \*\*\*\*\* As on Jan 08, 2021

Broad Indices	14-Jan-22	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	4.73%	4.88%	4.69%	4.74%	4.73%
3 Year AAA Corporate Bond	5.74%	5.99%	5.69%	5.30%	5.52%
5 Year AAA Corporate Bond	6.55%	6.83%	6.46%	6.35%	6.48%
1 Year G-Sec	4.35%	4.39%	4.35%	3.99%	3.91%
3 Year G-Sec	5.30%	5.34%	5.10%	4.74%	4.67%
5 Year G-Sec	5.97%	5.99%	5.71%	5.69%	5.24%
10 Year G-Sec	6.58%	6.54%	6.36%	6.11%	5.92%
Forex Reserve (\$ in billion)	632.74*	633.61**	635.83***	611.90****	586.08*****

## 10 - Year benchmark G-Sec Movement



## Domestic Debt Market Update

- Bond yields rose amid cautiousness following a further rise in U.S. Treasury yields and concerns over rise in domestic inflationary pressures. Yields also rose after weekly government security auction witnessed devolvement on primary dealers.
- However, further losses were restricted after RBI included a new 10-year note in the weekly auction and also did not announce the rollover of a 3-day variable rate reverse repo auction.
- Yield on the 10-year benchmark paper (6.10% GS 2031) rose 4 bps to close at 6.58% from the previous week's close of 6.54%.
- Data from RBI showed that reserve money grew 13.0% on a yearly basis for the week ended Jan 7, 2022 compared to an increase of 14.3% in the same period of the previous year. The currency in circulation grew 7.8% on a yearly basis for the week ended Jan 7, 2022 compared to an increase of 21.8% in the same period of the previous year.
- According to the RBI's scheduled banks' statement of position in India, bank credit grew 9.16% while bank deposits grew 10.28% as on Dec 31, 2021.

## Global Commodity Update

Commodities	14-Jan-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	84.26	6.79	56.91	11.80
Brent Crude Oil (\$/barrel)	86.32	5.65	53.02	10.82
Gold (\$/ounce)	1,817.22	1.20	-1.58	-0.61
Silver (\$/ounce)	22.95	2.92	-10.11	-1.37

Source: Refinitiv

## Currencies Update

Currency	14-Jan-22	Week ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	74.15	74.27	76.04	74.46	73.07
GBP	101.39	100.90	100.66	103.19	100.01
Euro	84.64	84.36	85.60	88.12	88.82
100 Yen	64.91	64.26	66.85	67.70	70.38

Source: Refinitiv

## Global Equity Market Performance

Country/Region	Indices	14-Jan-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	2,577.52	-0.39	19.81	-2.58
U.K.	FTSE	7,543	0.77	10.89	2.15
France	CAC 40	7,143	-1.06	25.73	-0.14
Germany	DAX	15,883	-0.40	13.54	-0.01
Japan	Nikkei 225	28,124	-1.24	-2.00	-2.32
China	Shanghai Composite	3,521	-1.63	-1.25	-3.26
Hong Kong	Hang Seng	24,383	3.79	-14.44	4.21
Singapore	Straits Times	3,282	2.39	9.40	5.07
Russia	RTS Index	1,486	-3.84	-0.98	-6.89
Brazil	Sao Paulo Se Bovespa	106,928	4.10	-13.41	2.01

Source: Refinitiv

## Global Bond Yield Update

Indicators	14-Jan-22	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	1.79	1.77	1.44	1.35	1.13
U.K. 10 Year Bond yield (%)	1.15	1.18	0.73	0.63	0.30
German 10 Year Bond yield (%)	-0.05	-0.03	-0.36	-0.31	-0.55
Japan 10 Year Bond yield (%)	0.15	0.14	0.05	0.01	0.04

Source: Refinitiv

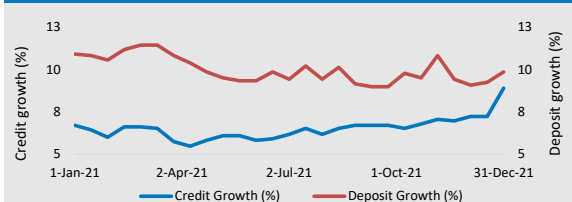
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
China M2 Money Supply YY Dec 2021	10-Jan	9.00%	8.70%	8.50%
U.S. NFIB Business Optimism Index Dec 2021	11-Jan	98.90	98.60	98.40
U.S. CPI MM, SA Dec 2021	12-Jan	0.50%	0.40%	0.80%
U.S. Initial Jobless Claims W 08 Jan	13-Jan	230K	200K	207K

Source: FX Street; Refinitiv

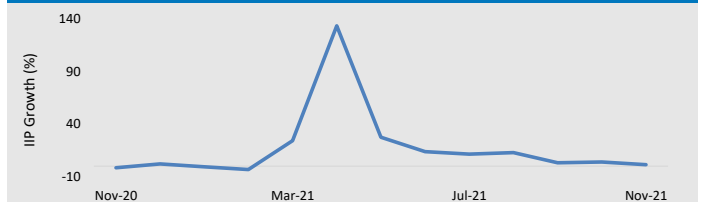
## Macro Economic Performance of India

### Credit growth vs Deposit growth



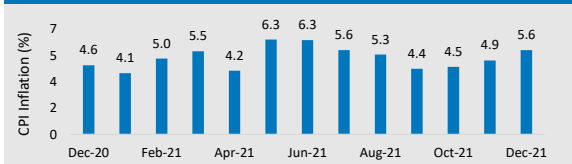
Source: Refinitiv

### IIP Growth (%)



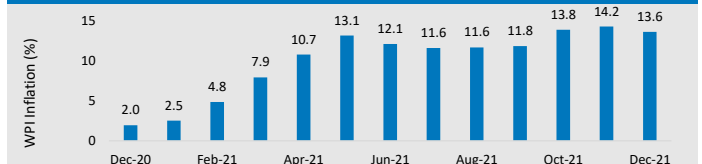
Source: Refinitiv

### Retail inflation movement



Source: Refinitiv

### Wholesale price inflation movement



Source: Refinitiv

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