

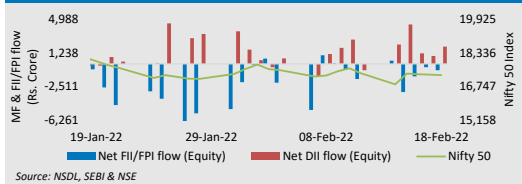
# Weekly Market Update

## Macro Economic Release

| Indicators                            | Actual | Consensus | Previous |
|---------------------------------------|--------|-----------|----------|
| CPI Inflation (Jan 2022)              | 6.01%  | 6.00%     | 5.66%    |
| WPI Inflation (Jan 2022)              | 12.96% | 12.70%    | 13.56%   |
| Trade Deficit (\$ billion) (Jan 2022) | 17.42  | 17.9      | 21.68    |
| Nikkei India Services PMI (Jan 2022)  | 51.5   | 53.0      | 55.5     |

Source: Refinitiv

## FI and DII Investment vs Nifty 50



## Indian Equity Market Performance

| Broad Indices       | 18-Feb-22 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|---------------------|-----------|----------------|----------------|----------------|
| S&P BSE Sensex      | 57,833    | -0.55          | 12.68          | -0.72          |
| Nifty 50            | 17,276    | -0.57          | 14.27          | -0.45          |
| S&P BSE 100         | 17,513    | -0.71          | 14.43          | -0.64          |
| Nifty 500           | 14,711    | -1.21          | 17.07          | -1.90          |
| Nifty Mid cap 50    | 7,997     | -2.50          | 15.44          | -4.92          |
| Nifty Small cap 100 | 10,331    | -3.39          | 28.27          | -8.49          |

| Sector Indices    | 18-Feb-22 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|-------------------|-----------|----------------|----------------|----------------|
| S&P BSE AUTO      | 25,912    | -0.79          | 6.07           | 4.41           |
| S&P BSE Bankex    | 43,063    | -2.33          | 4.56           | 6.57           |
| S&P BSE CD        | 42,469    | 0.63           | 32.41          | -5.13          |
| S&P BSE CG        | 28,432    | -0.42          | 28.69          | -1.11          |
| S&P BSE FMCG      | 13,401    | -0.78          | 8.93           | -2.78          |
| S&P BSE HC        | 23,833    | -2.17          | 10.00          | -9.05          |
| S&P BSE IT        | 34,220    | -0.15          | 34.36          | -9.58          |
| S&P BSE METAL     | 20,178    | -4.23          | 54.27          | 4.85           |
| S&P BSE Oil & Gas | 18,080    | -0.82          | 15.83          | 3.27           |
| S&P BSE Power     | 3,861     | -0.95          | 58.41          | 10.90          |
| S&P BSE PSU       | 8,612     | -2.76          | 20.91          | 5.78           |
| S&P BSE Realty    | 3,565     | -2.73          | 27.12          | -7.19          |
| S&P BSE Teck      | 15,301    | -0.04          | 30.35          | -7.91          |

Source: BSE &amp; NSE

## Macro economic Update

- India's Consumer price index-based inflation (CPI) rose to 6.01% in Jan 2022, the highest in 7 months as against 5.66% in the prior month. Consumer Food Price Index (CFPI) also rose 5.43% as compared to 4.05% in the previous month. The CPI has breached to Reserve Bank of India's (RBI) upper tolerance limit of 6%.
- India's Wholesale price index-based inflation (WPI) eased to 12.96% YoY in Jan 2022 from 13.56% in Dec 2021 and 14.87% in Nov 2021 on a slower rise in prices of manufactured products. WPI based rate of inflation in the same period of the previous year stood at 2.51%. The growth of WPI Food index stood at 9.55% in Jan 2022 as against 9.24% in Dec 2021 and 6.83% in Nov 2021.
- India's merchandise trade deficit widened to \$17.42 billion in Jan 2022 from \$14.49 billion in Jan 2021. The trade deficit thus widened by 20.23%. Merchandise exports grew 25.28% YoY to \$34.50 billion in Jan 2022 from \$27.54 billion in Jan 2021. Merchandise imports grew 23.54% YoY to \$51.93 billion in Jan 2022 from \$42.03 billion in Jan 2021.
- According to the Centre for Monitoring Indian Economy, in Jan 2022, India's unemployment rate fell significantly as 6.6 million people left the labour market, leading in a drop in both the unemployment rate and the labour force participation rate.

## Domestic Equity Market Update

- Indian equity markets oscillated between gains and losses and finally settled in the red for the week. Initially, escalated conflicts between Russia and Ukraine added negative sentiments in the market across the globe.
- Rise of crude oil prices and looming worries over imminent aggressive interest rate hike by Federal Reserve further pushed the benchmark indices lower.
- Although investors found intermittent relief after Russia ordered to withdraw some of its troops from Ukraine borders, nonetheless cautious amid renewed fears of a Russian invasion of Ukraine, kept bourses under pressure.
- Market sentiments dampened with the fresh economic worries as UK inflation has indicated towards further rate hike.
- On the BSE sectoral front, barring S&P BSE Consumer Durables, all the indices closed in the red. S&P BSE Metal was the major loser down 4.23% followed by S&P BSE Realty and S&P BSE Bankex which slipped 2.73% and 2.33%, respectively.
- Weak global cues weighed on major sectors amid concerns that Russia could invade Ukraine.

## Indian Debt Market Indicators

| Broad Indices | 18-Feb-22 | Week Ago | Month Ago | 6 Months Ago | Year Ago |
|---------------|-----------|----------|-----------|--------------|----------|
| Call Rate     | 3.29%     | 3.28%    | 3.61%     | 3.20%        | 3.21%    |
| T-Repo        | 3.36%     | 3.28%    | 3.66%     | 3.12%        | 2.48%    |
| 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    | 4.20%     | 4.25%    | 4.00%     | 3.60%        | 3.65%    |
| 1 Year CP     | 5.15%     | 5.15%    | 5.05%     | 4.35%        | 4.60%    |
| 3 Month CD    | 3.86%     | 3.91%    | 3.80%     | 3.35%        | 3.27%    |
| 1 Year CD     | 4.71%     | 4.91%    | 4.60%     | 3.96%        | 3.95%    |

Source: CIL, Refinitiv. \* As on Feb 11, 2022; \*\* As on Feb 04, 2022; @ As on Jan 14, 2022; @@@ As on Aug 13, 2021; @@@@ As on Feb 12, 2021

| Broad Indices                 | 18-Feb-22 | Week Ago | Month Ago | 6 Months Ago | Year Ago  |
|-------------------------------|-----------|----------|-----------|--------------|-----------|
| 1 Year AAA Corporate Bond     | 4.79%     | 4.85%    | 4.72%     | 4.51%        | 4.72%     |
| 3 Year AAA Corporate Bond     | 5.75%     | 5.84%    | 5.79%     | 5.32%        | 5.76%     |
| 5 Year AAA Corporate Bond     | 6.57%     | 6.70%    | 6.57%     | 6.22%        | 6.77%     |
| 1 Year G-Sec                  | 4.38%     | 4.40%    | 4.38%     | 3.83%        | 4.08%     |
| 3 Year G-Sec                  | 5.50%     | 5.52%    | 5.33%     | 4.87%        | 4.88%     |
| 5 Year G-Sec                  | 5.90%     | 5.88%    | 6.06%     | 5.66%        | 5.70%     |
| 10 Year G-Sec                 | 6.66%     | 6.70%    | 6.63%     | 6.23%        | 6.13%     |
| Forex Reserve (\$ in billion) | 630.19*   | 631.95** | 634.96@   | 619.36@@     | 583.70@@@ |

## 10 - Year benchmark G-Sec Movement



## Domestic Debt Market Update

- Bond yields fell after the Reserve Bank of India (RBI) following a review of the cash balance position of the Government of India decided to cancel the auction of all the securities scheduled to be held on Feb 18, 2022.
- Market sentiments were further boosted after global crude oil prices came off multi year highs even though the same continued to remain at elevated levels
- Yield on the 10-year benchmark paper (6.54% GS 2032) fell 4 bps to close at 6.66% from the previous week's close of 6.70%.
- Data from RBI showed that India's foreign exchange reserves fell to \$630.19 billion as on Feb 11, 2022 from \$631.95 billion in the previous week.
- RBI announced the auction of 91 days, 182 days and 364 days Treasury Bills for a notified amount of Rs. 5,000 crores, Rs. 10,000 crores and Rs. 11,000 crores, respectively. The auction would be carried out on Feb 23, 2022.
- RBI announced the auction of government securities for seven states for a notified amount of Rs. 12,200 crores. The auction would be carried out on Feb 22, 2022.

## Global Commodity Update

| Commodities                 | 18-Feb-22 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|-----------------------------|-----------|----------------|----------------|----------------|
| NYMEX Crude Oil (\$/barrel) | 90.35     | -3.60          | 50.71          | 19.88          |
| Brent Crude Oil (\$/barrel) | 93.61     | -1.53          | 47.39          | 20.18          |
| Gold (\$/ounce)             | 1,897.87  | 2.04           | 6.89           | 3.80           |
| Silver (\$/ounce)           | 23.96     | 1.67           | -11.31         | 2.97           |

Source: Refinitiv

## Currencies Update

| Currency    | 18-Feb-22 | Week Ago | Month ago | 6 Months Ago | Year Ago |
|-------------|-----------|----------|-----------|--------------|----------|
| U.S. Dollar | 74.67     | 75.32    | 74.56     | 74.28        | 72.58    |
| GBP         | 101.48    | 102.13   | 101.36    | 102.17       | 101.40   |
| Euro        | 84.53     | 85.48    | 84.44     | 86.98        | 87.74    |
| 100 Yen     | 64.90     | 65.25    | 65.05     | 67.66        | 68.67    |

Source: Refinitiv

## Global Equity Market Performance

| Country/Region | Indices              | 18-Feb-22 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|----------------|----------------------|-----------|----------------|----------------|----------------|
| U.S.           | Russell 1000         | 2,403.83  | -1.71          | 8.21           | -9.15          |
| U.K.           | FTSE                 | 7,514     | -1.92          | 13.55          | 1.75           |
| France         | CAC 40               | 6,930     | -1.17          | 20.97          | -3.12          |
| Germany        | DAX                  | 15,043    | -2.48          | 8.32           | -5.30          |
| Japan          | Nikkei 225           | 27,122    | -2.07          | -10.30         | -5.80          |
| China          | Shanghai Composite   | 3,491     | 0.80           | -5.02          | -4.09          |
| Hong Kong      | Hang Seng            | 24,328    | -2.32          | -20.49         | 3.97           |
| Singapore      | Straits Times        | 3,429     | 0.00           | 17.88          | 9.77           |
| Russia         | RTS Index            | 1,391     | -5.36          | -3.83          | -12.81         |
| Brazil         | Sao Paulo Se Bovespa | 112,880   | -0.61          | -5.30          | 7.69           |

Source: Refinitiv

## Global Bond Yield Update

| Indicators                    | 18-Feb-22 | Week ago | Month ago | 6 Months Ago | Year ago |
|-------------------------------|-----------|----------|-----------|--------------|----------|
| U.S. 10 Year Bond yield (%)   | 1.93      | 1.92     | 1.88      | 1.26         | 1.30     |
| U.K. 10 Year Bond yield (%)   | 1.38      | 1.55     | 1.22      | 0.57         | 0.62     |
| German 10 Year Bond yield (%) | 0.21      | 0.29     | -0.02     | -0.48        | -0.34    |
| Japan 10 Year Bond yield (%)  | 2.80      | 2.79     | 2.76      | 2.85         | 3.31     |

Source: Refinitiv

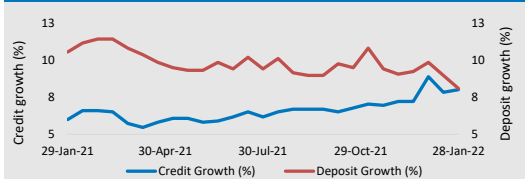
## Global Economic Calendar

| Economic Events                                | Release date | Actual | Consensus | Previous |
|------------------------------------------------|--------------|--------|-----------|----------|
| U.K. ILO Unemployment Rate (3M)(Dec)           | 15-Feb       | 4.10%  | 4.10%     | 4.10%    |
| China Consumer Price Index (YoY)(Jan)          | 16-Feb       | 0.90%  | 1%        | 1.5%     |
| U.S. Housing Starts (MoM)(Jan)                 | 17-Feb       | 1.638M | 1.7M      | 1.708M   |
| Japan National Consumer Price Index (YoY)(Jan) | 18-Feb       | 0.50%  | 0.60%     | 0.80%    |

Source: FX Street; Refinitiv

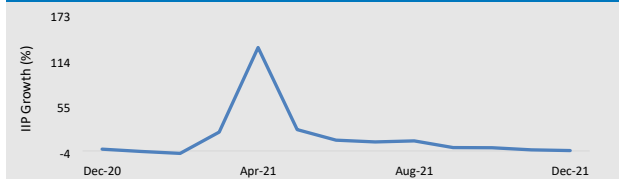
## Macro Economic Performance of India

### Credit growth vs Deposit growth



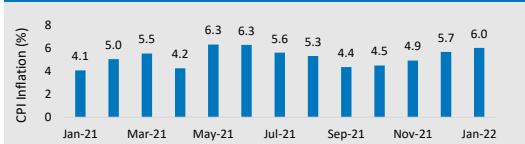
Source: Refinitiv

### IIP Growth (%)



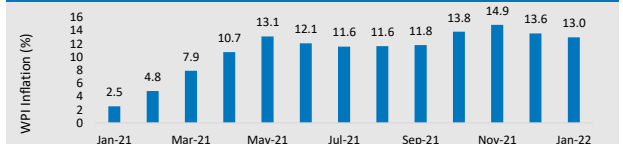
Source: Refinitiv

### Retail inflation movement



Source: Refinitiv

### Wholesale price inflation movement



Source: Refinitiv

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