

Weekly Market Update

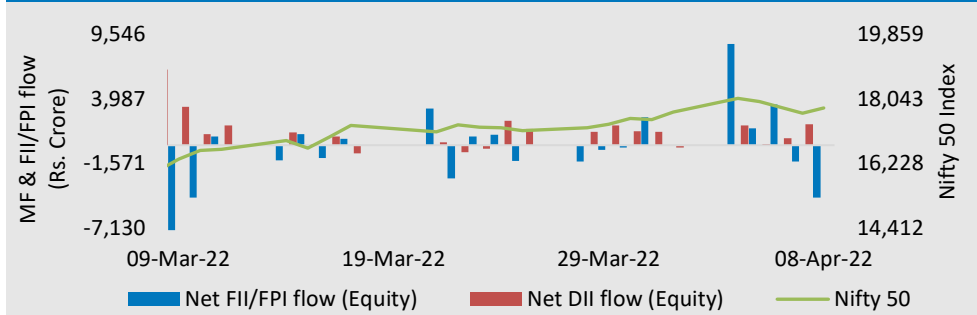
08 April, 2022

Macro Economic Release

Indicators	Actual	Consensus	Previous
S&P Global India Mfg. PMI (Mar 2022)	54.0	55.2	54.9
S&P Global India Serv. PMI (Mar 2022)	53.6	52.5	51.8
Forex Reserve (\$ in billion) (Apr 01, 2022)	606.48	NA	617.65
Fiscal Deficit % of BE (Feb 2022)	82.75	NA	58.95

Source: Refinitiv

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Macro economic Update

- The Monetary Policy Committee (MPC) in its first monetary policy review of FY23 kept key policy repo rate unchanged at 4.0%. The MPC also decided to remain accommodative while focusing on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.
- The RBI has decided to restore the width of the liquidity adjustment facility (LAF) corridor to 50 bps, the position that prevailed before the coronavirus (Covid-19) pandemic. The floor of the corridor will now be provided by the newly instituted standing deposit facility (SDF), which replaces Fixed Rate Reverse Repo. The SDF rate will be 25 bps below the policy repo rate. It allows the RBI to absorb liquidity from commercial banks without giving government securities as a collateral to the banks.
- According to S&P Global, India's Manufacturing Purchasing Managers' Index (PMI) fell to 54.0 in Mar 2022 from 54.9 in Feb 2022. In Mar, India's manufacturing sector fell as production expanded slowly and new export orders declined.
- S&P Global India Services Purchasing Managers' Index rose to 53.6 in Mar 2022 from 51.8 in Feb 2022. India's services activity expanded as an easing of Covid-19 restrictions boosted demand, but elevated inflationary pressures clouded business confidence. Similarly, composite index increased to 54.3 in Mar from 53.5 in Feb.

Indian Equity Market Performance

Broad Indices	08-Apr-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	59,447	0.29	19.50	2.05
Nifty 50	17,784	0.64	19.57	2.48
S&P BSE 100	18,195	1.37	20.59	3.23
Nifty 500	15,342	1.69	22.33	2.31
Nifty Mid cap 50	8,588	3.36	23.71	2.10
Nifty Small cap 100	10,897	2.69	27.91	-3.48

Sector Indices	08-Apr-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	24,789	1.72	10.44	-0.11
S&P BSE Bankex	43,296	1.64	16.78	7.15
S&P BSE CD	43,266	1.98	30.74	-3.35
S&P BSE CG	28,844	3.68	35.82	0.33
S&P BSE FMCG	14,111	4.44	9.00	2.37
S&P BSE HC	24,962	2.47	12.39	-4.74
S&P BSE IT	35,698	-2.13	27.85	-5.67
S&P BSE METAL	23,495	4.26	43.81	22.08
S&P BSE Oil & Gas	19,766	2.66	31.86	12.90
S&P BSE Power	4,545	8.97	80.80	30.55
S&P BSE PSU	9,217	3.79	36.97	13.22
S&P BSE Realty	3,767	-0.01	41.72	-1.92
S&P BSE Teck	15,899	-2.34	27.13	-4.31

Source: BSE & NSE

Domestic Equity Market Update

- Indian equity markets eked out small gains after struggling against strong headwinds arising from weak global cues. Concerns over aggressive interest rate hike by U.S. Federal Reserve in near future dented investors' sentiment.
- Minutes from the Fed's March meeting showed that the U.S. central bank intends to begin reducing its \$9 trillion balance sheet in coming months, eventually reducing its holdings of Treasuries and mortgage-backed securities by \$95 billion per month.
- Lockdown restriction in China, following fresh COVID-19 cases, too weighed on market sentiments.
- Nonetheless, investors heaved a sigh of relief as the Reserve Bank of India decided to keep the interest rates unchanged and maintained 'accommodative' stance despite liquidity unwinding by global central banks.
- The RBI also announced revised inflation and GDP growth forecasts in-line with market expectations. News of merger in the finance sector too helped bourses shrug off the weakness.
- On the BSE sectoral front, majority of the sectors closed in the green. S&P BSE Power was the top gainer, up 8.97%, followed by S&P BSE FMCG and S&P BSE Metal, which went up 4.44% and 4.26%, respectively.
- Power sector went up with buying interest supported by announcement of one of the largest private sector power utilities in India regarding commissioning of a 300-megawatt project in Dholera, Gujarat by its wholly owned subsidiary.

Indian Debt Market Indicators

Broad Indices	08-Apr-22	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.33%	3.56%	3.28%	3.21%	3.13%
T-Repo	3.34%	3.64%	3.50%	3.11%	2.78%
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	4.25%	4.20%	4.30%	3.70%	3.70%
1 Year CP	5.45%	5.30%	5.35%	4.50%	4.60%
3 Month CD	4.00%	3.89%	4.12%	3.46%	3.34%
1 Year CD	5.20%	4.71%	4.99%	4.12%	3.91%

Broad Indices	08-Apr-22	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	5.49%	5.04%	5.15%	4.45%	4.74%
3 Year AAA Corporate Bond	6.32%	5.91%	6.20%	5.38%	5.43%
5 Year AAA Corporate Bond	6.88%	6.58%	6.97%	6.25%	6.32%
1 Year G-Sec	4.86%	4.32%	4.60%	4.07%	4.05%
3 Year G-Sec	5.96%	5.67%	5.80%	4.99%	4.84%
5 Year G-Sec	6.47%	6.10%	6.22%	5.81%	5.57%
10 Year G-Sec	7.12%	6.84%	6.90%	6.32%	6.03%
Forex Reserve (\$ in billion)	606.48*	617.65**	631.92@	639.52@@	576.87@@@

Source: CCIL, Refinitiv * As on Apr 01, 2022; ** As on Mar 25, 2022; @ As on Mar 04, 2022; @@ As on Oct 08, 2021; @@@ As on Apr 02, 2021

10 - Year benchmark G-Sec Movement



Source: Refinitiv

Domestic Debt Market Update

- Bond yields rose during the week under review and closed at its highest level in nearly three years after the MPC in its monetary policy review modified its monetary stance, after keeping an accommodative tone for almost three years. The MPC decided unanimously "to remain accommodative while focusing on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth."
- Market sentiments were further dampened after the MPC sharply raised its inflation projection for the current financial year to 5.7%, from the earlier projection of 4.5% and downgraded its growth projections for this fiscal to 7.2% from the earlier projection of 7.8%.
- Yield on the 10-year benchmark paper (6.54% GS 2032) surged 28 bps to close at 7.12% as compared to the previous week's close of 6.84%. This was the biggest weekly rise in bond yields in almost four years since the week ended Apr 20, 2018.
- Data from RBI showed that India's foreign exchange reserves fell for a fourth straight week to over nine-month low of \$606.48 billion as on Apr 1, 2022 from \$617.65 billion in the previous week.

Global Commodity Update

Commodities	08-Apr-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	97.70	-1.05	63.43	29.63
Brent Crude Oil (\$/barrel)	102.50	-1.80	61.90	31.60
Gold (\$/ounce)	1,945.85	1.12	10.82	6.42
Silver (\$/ounce)	24.75	0.57	-2.67	6.37

Source: Refinitiv

Global Equity Market Performance

Country/Region	Indices	08-Apr-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	2,472.20	-1.56	7.06	-6.57
U.K.	FTSE	7,670	1.75	10.48	3.86
France	CAC 40	6,548	-2.04	6.20	-8.46
Germany	DAX	14,284	-1.13	-6.05	-10.08
Japan	Nikkei 225	26,986	-2.46	-9.17	-6.27
China	Shanghai Composite	3,252	-0.94	-6.62	-10.66
Hong Kong	Hang Seng	21,872	-0.76	-24.60	-6.52
Singapore	Straits Times	3,383	-1.05	6.18	8.31
Russia	RTS Index	1,080	4.49	-25.02	-32.32
Brazil	Sao Paulo Se Bovespa	118,322	-2.67	0.01	12.88

Source: Refinitiv

Currencies Update

Currency	08-Apr-22	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	75.94	75.97	76.89	75.11	74.57
GBP	98.96	99.62	100.75	102.24	102.41
Euro	82.59	83.97	83.80	86.88	88.83
100 Yen	61.07	62.01	66.46	66.91	68.25

Source: Refinitiv

Global Bond Yield Update

Indicators	08-Apr-22	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	2.70	2.39	1.84	1.61	1.63
U.K. 10 Year Bond yield (%)	1.75	1.61	1.45	1.16	0.75
German 10 Year Bond yield (%)	0.71	0.56	0.11	-0.15	-0.33
Japan 10 Year Bond yield (%)	0.23	0.22	0.16	0.08	0.09

Source: Refinitiv

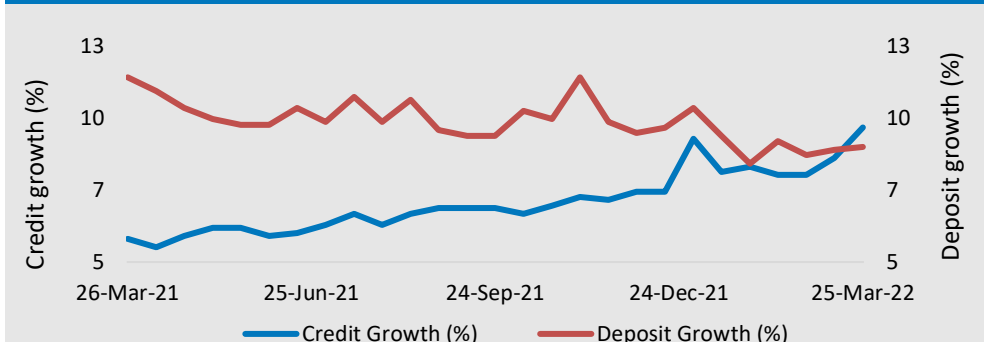
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. Factory Orders (MoM)(Feb)	4-Apr	-0.50%	-0.50%	1.50%
U.S. ISM Services PMI(Mar)	5-Apr	58.30	58.00	56.50
Eurozone S&P Global Composite PMI(Mar)	5-Apr	54.90	54.50	54.50
China Caixin Services PMI(Mar)	6-Apr	42.00	53.00	50.20

Source: FX Street; Refinitiv

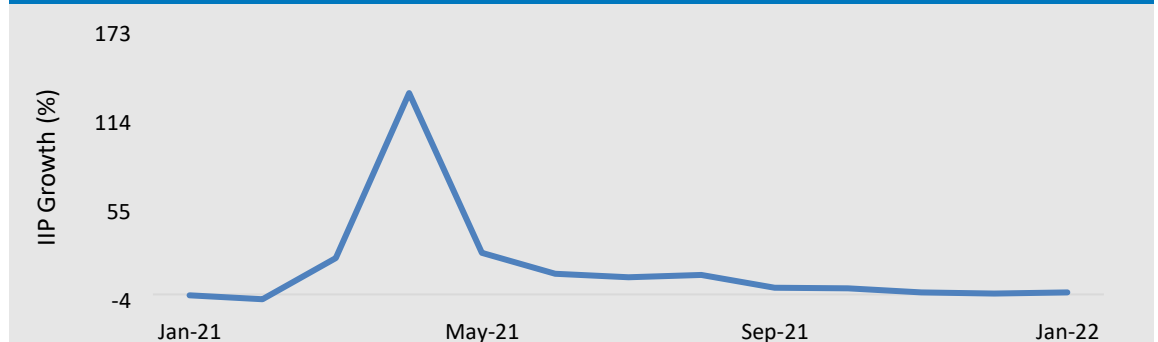
Macro Economic Performance of India

Credit growth vs Deposit growth



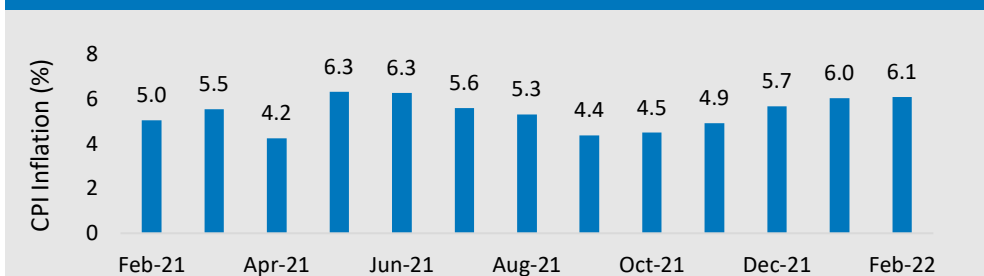
Source: Refinitiv

IIP Growth (%)



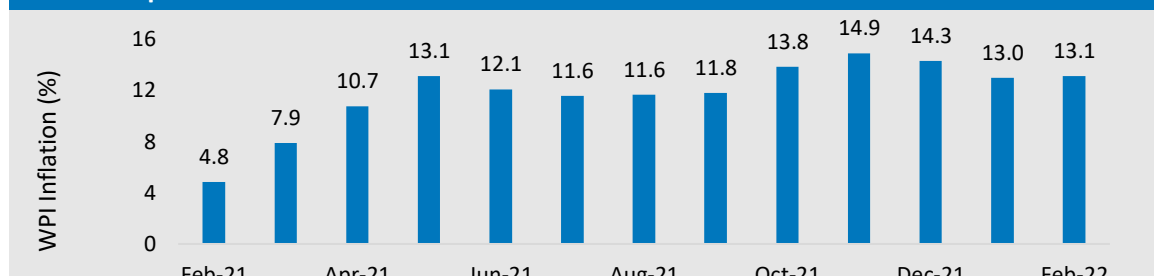
Source: Refinitiv

Retail inflation movement



Source: Refinitiv

Wholesale price inflation movement



Source: Refinitiv

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