

# Weekly Market Update

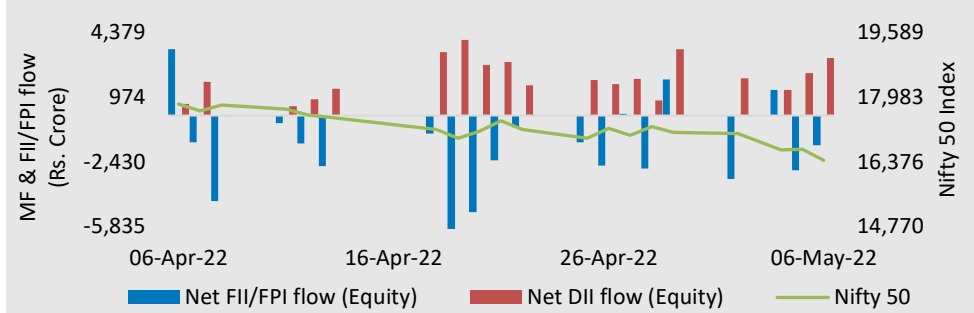
06 May, 2022

## Macro Economic Release

Indicators	Actual	Consensus	Previous
S&P Global India Mfg. PMI (Apr 2022)	54.7	53.8	54.0
S&P Global India Serv. PMI (Apr 2022)	57.9	54.0	53.6
S&P Global India Comp. PMI (Apr 2022)	57.6	--	54.3
Forex Reserve (Apr 2022)	597.73	NA	600.42

Source: Refinitiv

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI &amp; NSE

## Indian Equity Market Performance

Broad Indices	06-May-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	54,836	-3.90	12.02	-5.87
Nifty 50	16,411	-4.04	11.45	-5.43
S&P BSE 100	16,852	-4.11	12.68	-4.39
Nifty 500	14,146	-4.31	13.15	-5.67
Nifty Mid cap 50	7,822	-4.25	14.51	-7.00
Nifty Small cap 100	9,559	-6.80	10.18	-15.32

Sector Indices	06-May-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	23,962	-4.95	8.79	-3.45
S&P BSE Bankex	39,880	-3.98	6.48	-1.31
S&P BSE CD	38,963	-8.68	22.74	-12.97
S&P BSE CG	26,324	-3.82	27.61	-8.44
S&P BSE FMCG	13,717	-2.60	8.04	-0.49
S&P BSE HC	22,916	-5.85	-4.70	-12.55
S&P BSE IT	31,049	-2.94	15.86	-17.96
S&P BSE METAL	20,680	-4.50	10.78	7.45
S&P BSE Oil & Gas	19,412	-0.44	27.01	10.87
S&P BSE Power	4,839	1.33	90.49	38.99
S&P BSE PSU	8,781	-0.76	27.57	7.86
S&P BSE Realty	3,246	-8.02	33.87	-15.49
S&P BSE Teck	13,952	-2.70	16.17	-16.03

Source: BSE &amp; NSE

## Macro economic Update

- According to S&P Global, India's Manufacturing Purchasing Managers' Index (PMI) rose to 54.7 in Apr 2022 from 54.0 in Mar 2022. India's manufacturing sector grew in Apr owing to stronger gains in output and factory orders, as well as increased growth in international sales.
- India S&P Global India Services Purchasing Managers' Index rose to 57.9 in Apr 2022 from 53.6 in Mar 2022. India's services activity expanded on strong demand, prompting firms to add jobs for the first time since Nov, however, sky-rocketing inflation remained a major concern. The composite index rose to 57.6 in Apr from 54.3 in Mar.
- In a surprise move, the Reserve Bank of India hiked the repo rate by 40 bps to 4.40% with immediate effect. The cash reserve ratio (CRR) was also increased by 50 basis points to 4.5%, starting May 21, 2022. The current standing deposit facility rate is 4.15%, whereas the marginal standing deposit facility rate and the bank rate are both 4.65%.
- According to the preliminary reports from the commerce ministry, exports rose 24.22% to USD 38.19 billion in Apr 2022 owing to strong performance by sectors like petroleum products, electronic goods and chemicals. Imports rose 26.55% to USD 58.26 billion. The trade deficit in Apr 2022 widened to USD 20.07 billion as against USD 15.29 billion in the year-ago period.

## Domestic Equity Market Update

- Indian equity markets witnessed sharp decline during the week. Recently, Reserve Bank of India joined global central banks in raising interest rates as it hiked the key repo rate by 40 bps, triggering strong sell off in the equity markets. The move had severely dented investors' confidence as borrowing costs are set to rise for producers and consumers alike.
- Weak global cues also dragged bourses with Bank of England hiking interest rates to a 13-year high of 1% and warned of looming risks of a recession. The central bank also sharply raised its inflation estimates to 10% for the year due to the Russia-Ukraine conflict and lockdowns in China.
- Meanwhile, Fed's announcement of its widely expected decision to raise interest rates by 50 basis points generated mixed reaction. While investors found some relief after Fed Chief indicated that the central bank does not plan to raise interest rates as aggressively as some had feared, a section of the market participants remained worried over probable foreign fund outflow from domestic market as a result of this decision.
- However strong GST collection number and improved auto sales number restricted the downside. Additionally, encouraging India manufacturing and service PMI data for Apr-22 provided underlying support to the market sentiments.
- On the BSE sectoral front, barring S&P BSE Power, all the major sectors closed in the red. S&P BSE Consumer Durables was the major loser, down 8.68%, followed by S&P BSE Realty and S&P BSE Healthcare, which fell 8.02% and 5.85%, respectively. Sectors were affected by RBI's stance on 40 bps rate hike.

## Indian Debt Market Indicators

Broad Indices	06-May-22	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.33%	3.33%	3.26%	3.43%	3.24%
T-Repo	4.10%	3.76%	3.34%	3.50%	3.22%
Repo	4.40%	4.00%	4.00%	4.00%	4.00%
Reverse Repo	3.35%	3.35%	3.35%	3.35%	3.35%
3 Month CP	5.25%	4.25%	4.05%	4.25%	3.55%
1 Year CP	6.00%	5.40%	5.35%	4.70%	4.35%
3 Month CD	4.75%	3.86%	3.80%	3.70%	3.35%
1 Year CD	6.09%	5.30%	4.98%	4.33%	4.14%

Source: CCIL, Refinitiv \* As on Apr 29, 2022; \*\* As on Apr 22, 2022; @ As on Apr 01, 2022; @@ As on Nov 05, 2021; @@@ As on Apr 30, 2021

Broad Indices	06-May-22	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	6.02%	5.44%	5.25%	4.46%	4.50%
3 Year AAA Corporate Bond	6.90%	6.49%	6.10%	5.57%	5.20%
5 Year AAA Corporate Bond	7.66%	7.20%	6.77%	6.41%	6.23%
1 Year G-Sec	5.49%	4.81%	4.69%	4.19%	3.83%
3 Year G-Sec	6.93%	6.22%	5.73%	5.00%	4.74%
5 Year G-Sec	7.27%	6.68%	6.19%	5.84%	5.52%
10 Year G-Sec	7.45%	7.14%	6.92%	6.36%	5.97%
Forex Reserve (\$ in billion)	597.73*	600.42**	606.48@	640.87@@	588.02@@@

## 10 - Year benchmark G-Sec Movement



Source: Refinitiv

## Domestic Debt Market Update

- Bond yields surged during the week under review and witnessed the biggest weekly rise in over five years after the Monetary Policy Committee unexpectedly kicked off its rate hike cycle to put a check on rise in domestic inflationary pressures. Higher U.S. Treasury yields and global crude oil prices also weighed on the market sentiment.
- Yield on the 10-year benchmark paper (6.54% GS 2032) jumped 31 bps to close at 7.45% as compared to the previous week's close of 7.14%. This was the biggest weekly rise in bond yields since the week ended Feb 10, 2017.
- Reserve Bank of India (RBI) conducted the auction of four government securities namely 5.74% GS 2026, GOI FRB 2028, 6.67% GS 2035 and 6.99% GS 2051 for a notified amount of Rs. 32,000 crores, which was completely accepted. The cut off price/implicit yield at cut-off stood at Rs. 94.45/7.2008%, Rs. 98.55/5.3010%, Rs. 92.10/7.6114% and Rs. 91.54/7.7198%, respectively.
- Data from RBI showed that India's foreign exchange reserves fell below \$600 billion for the first time in eleven months and also witnessed its eighth consecutive weekly decline.

## Global Commodity Update

Commodities	06-May-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	110.01	5.78	69.66	45.96
Brent Crude Oil (\$/barrel)	112.80	3.17	65.27	44.82
Gold (\$/ounce)	1,882.96	-0.71	3.73	2.98
Silver (\$/ounce)	22.34	-1.76	-18.15	-3.99

Source: Refinitiv

## Currencies Update

Currency	06-May-22	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	76.96	76.52	75.93	74.17	73.60
GBP	94.94	96.19	99.22	100.09	102.20
Euro	81.20	80.66	82.72	85.79	88.79
100 Yen	58.93	58.93	61.33	65.39	67.46

Source: Refinitiv

## Global Equity Market Performance

Country/Region	Indices	06-May-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	2,265.14	-0.50	-3.95	-14.39
U.K.	FTSE	7,388	-2.08	4.41	0.05
France	CAC 40	6,258	-4.22	-1.55	-12.51
Germany	DAX	13,674	-3.00	-10.02	-13.92
Japan	Nikkei 225	27,004	0.58	-7.94	-6.21
China	Shanghai Composite	3,002	-1.49	-12.78	-17.53
Hong Kong	Hang Seng	20,002	-5.16	-30.15	-14.51
Singapore	Straits Times	3,292	-1.94	3.75	5.38
Russia	RTS Index	1,088	0.60	-29.83	-31.82
Brazil	Sao Paulo Se Bovespa	105,135	-2.54	-12.33	0.30

Source: Refinitiv

## Global Bond Yield Update

Indicators	06-May-22	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	3.14	2.94	2.60	1.45	1.56
U.K. 10 Year Bond yield (%)	2.00	1.91	1.71	0.85	0.79
German 10 Year Bond yield (%)	1.13	0.94	0.65	-0.28	-0.23
Japan 10 Year Bond yield (%)	0.25	0.22	0.23	0.07	0.10

Source: Refinitiv

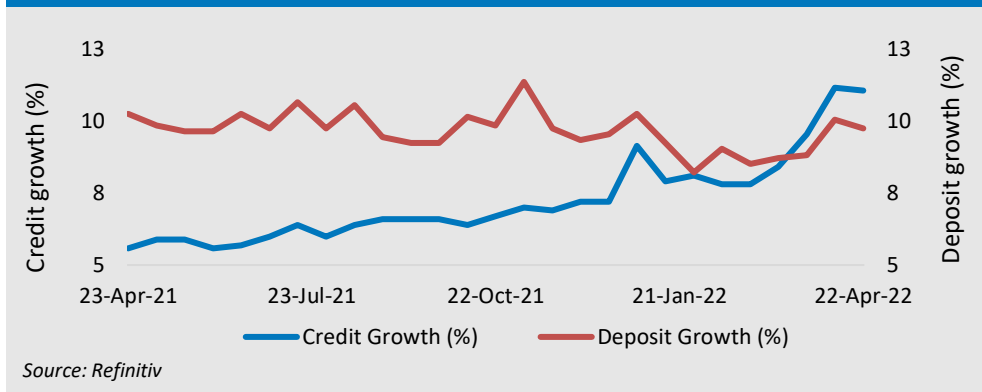
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. ISM Manufacturing PMI(Apr)	2-May	55.40	57.60	57.10
U.S. Factory Orders MM Mar 2022	3-May	2.20%	1.10%	0.10%
U.S. Fed Funds Target Rate 05 May	4-May	0.88%	0.88%	0.38%
U.S. Initial Jobless Claims W 30 Apr	5-May	200.00 K	182.00 K	181.00 K

Source: FX Street; Refinitiv

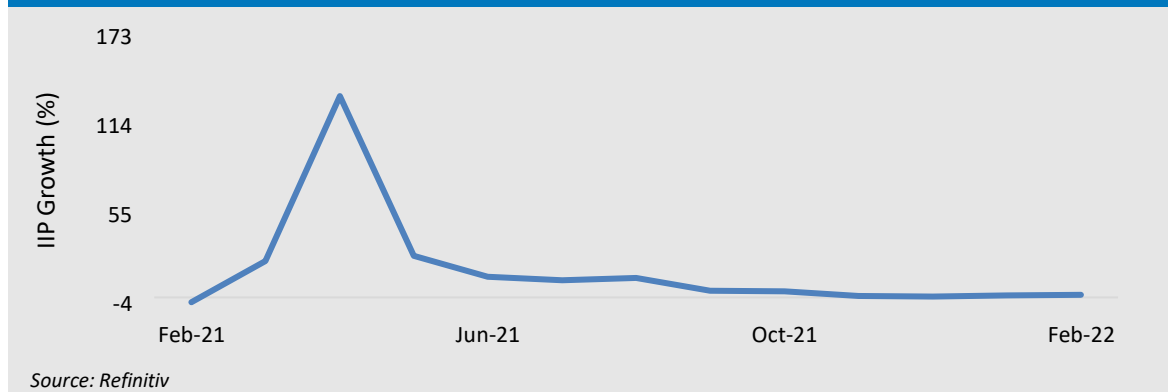
## Macro Economic Performance of India

### Credit growth vs Deposit growth



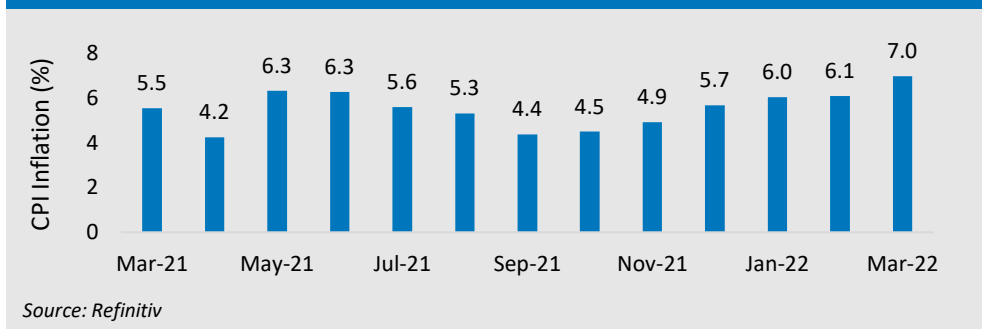
Source: Refinitiv

### IIP Growth (%)



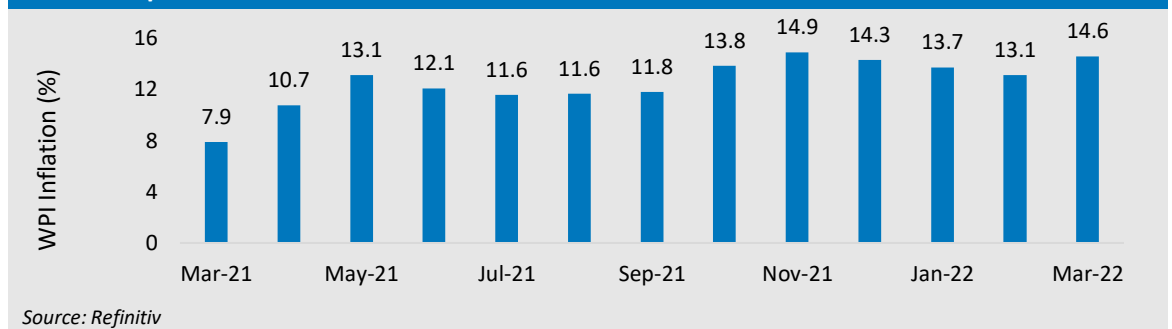
Source: Refinitiv

### Retail inflation movement



Source: Refinitiv

### Wholesale price inflation movement



Source: Refinitiv

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