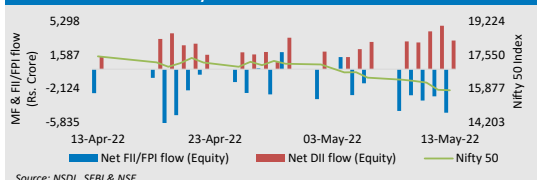


## Macro Economic Release

| Indicators                            | Actual | Consensus | Previous |
|---------------------------------------|--------|-----------|----------|
| Industrial Production (YoY) (Mar)     | 1.90%  | 1.70%     | 1.50%    |
| Consumer Price Inflation (YoY) (Apr)  | 7.79%  | 7.50%     | 6.95%    |
| Trade Deficit (\$ billion) (Apr 2022) | 20.11  | 20.07     | 18.51    |
| S&P Global India Comp. PMI (Apr 2022) | 57.6   | --        | 54.3     |

Source: Refinitiv

## FI and DI Investment vs Nifty 50



Source: NSDL, SEBI & NSE

## Indian Equity Market Performance

| Broad Indices       | 13-May-22 | % Change (Wow) | % Change (YoY) | % Change (YTD) |
|---------------------|-----------|----------------|----------------|----------------|
| S&P BSE Sensex      | 52,794    | -3.72          | 8.43           | -9.37          |
| Nifty 50            | 15,782    | -3.83          | 7.39           | -9.06          |
| S&P BSE 100         | 16,104    | -4.44          | 7.60           | -8.63          |
| Nifty 500           | 13,472    | -4.77          | 7.45           | -10.17         |
| Nifty Mid cap 50    | 7,352     | -6.01          | 6.47           | -12.59         |
| Nifty Small cap 100 | 8,797     | -7.98          | -1.06          | -22.08         |

| Sector Indices    | 13-May-22 | % Change (Wow) | % Change (YoY) | % Change (YTD) |
|-------------------|-----------|----------------|----------------|----------------|
| S&P BSE AUTO      | 23,748    | -0.89          | 5.61           | -4.31          |
| S&P BSE Bankex    | 38,241    | -4.11          | 3.64           | -5.36          |
| S&P BSE CD        | 36,710    | -5.78          | 16.51          | -18.00         |
| S&P BSE CG        | 25,079    | -4.73          | 18.28          | -12.77         |
| S&P BSE FMCG      | 13,482    | -1.71          | 5.86           | -2.20          |
| S&P BSE HC        | 22,318    | -2.61          | -8.47          | -14.84         |
| S&P BSE IT        | 29,967    | -3.48          | 13.75          | -20.81         |
| S&P BSE METAL     | 17,946    | -13.22         | -7.88          | -6.75          |
| S&P BSE Oil & Gas | 18,471    | -4.84          | 16.52          | 5.50           |
| S&P BSE Power     | 4,215     | -12.90         | 58.05          | 21.07          |
| S&P BSE PSU       | 8,183     | -6.82          | 11.98          | 0.51           |
| S&P BSE Realty    | 3,058     | -5.79          | 23.78          | -20.38         |
| S&P BSE Teck      | 13,554    | -2.86          | 14.24          | -18.43         |

Source: BSE & NSE

## Macro economic Update

- India's consumer price index-based inflation (CPI) rose to 7.79% in Apr 2022 as against 6.95% in Mar 2022. The CPI rose due to rising food and fuel prices. Consumer Food Price Index (CFPI) also rose 8.38% as compared to 7.68% in the previous month. Food inflation, that accounts for nearly half the consumer price index (CPI) basket, remained elevated due to higher vegetable and cooking oil prices globally. The CPI continued to remain above the upper limit of RBI's tolerance band.
- India's Index of industrial output (IIP) grew 1.9% YoY in Mar 2022 as against 24.2% rise in Mar 2021. Mining, manufacturing and electricity sector rose 4%, 0.9% and 6.1% in Mar 2022, respectively, as against growth of 6.1%, 28.4% and 22.5% in Mar 2021. For FY22, industrial output has clocked a growth of 11.3% as against contraction of 8.4% in FY21.
- According to data from the Commerce Ministry, India's merchandise exports rose 30.70% to \$40.19 billion in Apr 2022 on account of healthy performance by sectors such as petroleum products, electronic goods and chemicals. Similarly, imports grew 30.97% to \$60.30 billion in Apr 2022. Thus, trade deficit widened to \$20.11 billion in Apr 2022 as against trade deficit of \$15.29 billion in Apr 2021. Gold imports, however, dipped by about 72.35% to \$1.72 billion in Apr 2022 from \$6.24 billion in Apr 2021.

## Domestic Equity Market Update

- Indian equity markets settled in the negative territory with investors' confidence shattered by elevated U.S. inflation, underscoring the urgency of the Federal Reserve's push to put down inflation.
- Bourses were weighed down by worries over higher interest rate, which might bring global economy to a standstill.
- China's covid lockdown and Russia's war against Ukraine continued to keep markets under pressure.
- Back home, inflationary concerns loomed large after domestic retail inflation rose to 7.79% in Apr. This is the fourth consecutive month that the CPI data has breached the Reserve Bank of India's (RBI) upper margin of 6%. Meanwhile, India's factory output witnessed a growth of 1.9% in Mar-22.
- Market sentiments also soured after one of the global investment banks slashed India's growth forecast to 7.6 % from 7.9 % for FY 2023 due to a slowdown in global growth, higher commodity prices and risk aversion in global capital markets.
- On the BSE sectoral front, all the major sectors closed in the red. S&P BSE Metal was the major loser, down 13.22%, followed by S&P BSE Power and S&P BSE Realty, which fell 12.90% and 5.79%, respectively.
- Investors seem to take short position in the metal space which had earlier got high valuations.

## Indian Debt Market Indicators

| Broad Indices | 13-May-22 | Week Ago | Month Ago | 6 Months Ago | Year Ago |
|---------------|-----------|----------|-----------|--------------|----------|
| Call Rate     | 4.08%     | 3.33%    | 3.33%     | 3.21%        | 3.31%    |
| T-Repo        | 4.05%     | 4.10%    | 3.52%     | 3.25%        | 3.26%    |
| Repo          | 4.40%     | 4.40%    | 4.00%     | 4.00%        | 4.00%    |
| Reverse Repo  | 3.35%     | 3.35%    | 3.35%     | 3.35%        | 3.35%    |
| 3 Month CP    | 5.40%     | 5.25%    | 4.25%     | 4.05%        | 3.60%    |
| 1 Year CP     | 6.50%     | 6.00%    | 5.45%     | 4.70%        | 4.40%    |
| 3 Month CD    | 5.04%     | 4.75%    | 3.98%     | 3.52%        | 3.37%    |
| 1 Year CD     | 6.20%     | 6.09%    | 5.39%     | 4.32%        | 4.14%    |

Source: CCL, Refinitiv \* As on May 06, 2022; \*\* As on Apr 29, 2022; ® As on Apr 08, 2022; ®® As on Nov 12, 2021; ®®® As on May 07, 2021

| Broad Indices                 | 13-May-22 | Week Ago | Month Ago | 6 Months Ago | Year Ago  |
|-------------------------------|-----------|----------|-----------|--------------|-----------|
| 1 Year AAA Corporate Bond     | 6.41%     | 6.02%    | 5.47%     | 4.52%        | 4.54%     |
| 3 Year AAA Corporate Bond     | 7.18%     | 6.90%    | 6.35%     | 5.51%        | 5.08%     |
| 5 Year AAA Corporate Bond     | 8.08%     | 7.66%    | 7.06%     | 6.33%        | 6.26%     |
| 1 Year G-Sec                  | 5.71%     | 5.49%    | 4.99%     | 4.17%        | 3.80%     |
| 3 Year G-Sec                  | 6.81%     | 6.93%    | 6.19%     | 5.12%        | 4.72%     |
| 5 Year G-Sec                  | 7.07%     | 7.27%    | 6.68%     | 5.84%        | 5.55%     |
| 10 Year G-Sec                 | 7.32%     | 7.45%    | 7.22%     | 6.37%        | 6.01%     |
| Forex Reserve (\$ in billion) | 595.95*   | 597.73** | 604.00®   | 640.11®®     | 589.46®®® |

## 10 - Year benchmark G-Sec Movement



Source: Refinitiv

## Domestic Debt Market Update

- Bond yields fell in the first half of week as global crude oil prices came down to some extent. Reports that the government is in discussion with the Reserve Bank of India (RBI) to either buy back government bonds or conduct open market operations in the next fortnight to put a check on rising bond yields also contributed to the upside. A fall in U.S. Treasury yields too boosted market sentiments.
- However, gains were restricted after consumer inflation in Apr 2022 reached to a near-8 year high, which increased probability of aggressive rate hikes ahead.
- Yield on the 10-year benchmark paper (6.54% GS 2032) fell 13 bps to close at 7.32% as compared to the previous week's close of 7.45%.
- Reserve Bank of India (RBI) conducted the auction of four government securities namely 4.56% GS 2023, 7.10% GS 2029, 6.54% GS 2032 and 6.95% GS 2061 for a notified amount of Rs. 33,000 crores, which was completely accepted. The cut off price/implicit yield at cut-off stood at Rs. 97.70/6.1533%, Rs. 99.24/ 7.2400%, Rs. 94.59/ 7.3290% and Rs. 91.52/ 7.6317%, respectively.

## Global Commodity Update

| Commodities                 | 13-May-22 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|-----------------------------|-----------|----------------|----------------|----------------|
| NYMEX Crude Oil (\$/barrel) | 109.99    | -0.02          | 72.48          | 45.93          |
| Brent Crude Oil (\$/barrel) | 111.32    | -1.31          | 66.15          | 42.92          |
| Gold (\$/ounce)             | 1,811.15  | -3.81          | -0.84          | -0.94          |
| Silver (\$/ounce)           | 21.07     | -5.68          | -22.14         | -9.45          |

Source: Refinitiv

## Currencies Update

| Currency    | 13-May-22 | Week Ago | Month ago | 6 Months Ago | Year Ago |
|-------------|-----------|----------|-----------|--------------|----------|
| U.S. Dollar | 77.47     | 76.96    | 76.10     | 74.34        | 73.47    |
| GBP         | 94.99     | 94.94    | 99.80     | 99.72        | 103.23   |
| Euro        | 80.65     | 81.20    | 82.83     | 85.12        | 88.74    |
| 100 Yen     | 59.95     | 58.93    | 60.55     | 65.28        | 67.11    |

Source: Refinitiv

## Global Equity Market Performance

| Country/Region | Indices              | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|----------------|----------------------|----------------|----------------|----------------|
| U.S.           | Russell 1000         | 2,210.60       | -4.14          | -16.45         |
| U.K.           | FTSE                 | 7,418.15       | 6.53           | 0.46           |
| France         | CAC 40               | 6,362.68       | 1.18           | -11.05         |
| Germany        | DAX                  | 14,027.93      | -7.71          | -11.69         |
| Japan          | Nikkei 225           | 26,427.65      | -3.72          | -8.21          |
| China          | Shanghai Composite   | 3,084.28       | -10.07         | -15.26         |
| Hong Kong      | Hang Seng            | 19,898.77      | -28.21         | -14.95         |
| Singapore      | Straits Times        | 3,191.16       | 2.17           | 2.16           |
| Russia         | RTS Index            | 1,132.23       | -26.81         | -29.05         |
| Brazil         | Sao Paulo Se Bovespa | 106,924.18     | -11.42         | 2.01           |

Source: Refinitiv

## Global Bond Yield Update

| Indicators                    | 13-May-22 | Week ago | Month ago | 6 Months Ago | Year ago |
|-------------------------------|-----------|----------|-----------|--------------|----------|
| U.S. 10 Year Bond yield (%)   | 2.93      | 3.14     | 2.70      | 1.57         | 1.67     |
| U.K. 10 Year Bond yield (%)   | 1.74      | 2.00     | 1.81      | 0.92         | 0.90     |
| German 10 Year Bond yield (%) | 0.95      | 1.14     | 0.78      | -0.26        | -0.11    |
| Japan 10 Year Bond yield (%)  | 0.25      | 0.25     | 0.24      | 0.07         | 0.10     |

Source: Refinitiv

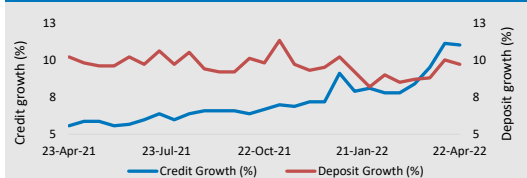
## Global Economic Calendar

| Economic Events                              | Release date | Actual | Consensus | Previous |
|--|--------------|--------|-----------|----------|
| Eurozone Sentix Investor Confidence(May)     | 9-May        | -22.60 | -20.80    | -18.00   |
| Germany ZEW Survey – Economic Sentiment(May) | 10-May       | -34.30 | -42.00    | -41.00   |
| China Consumer Price Index (YoY)(Apr)        | 11-May       | 2.10%  | 1.80%     | 1.50%    |
| U.K. Gross Domestic Product (QoQ)(Q1) PREL   | 12-May       | 0.80%  | 1.00%     | 1.30%    |

Source: FX Street, Refinitiv

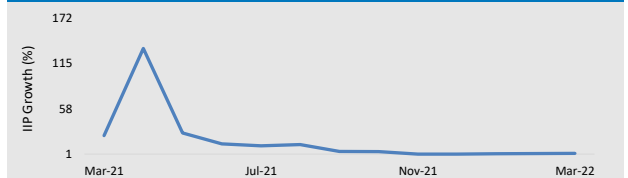
## Macro Economic Performance of India

### Credit growth vs Deposit growth



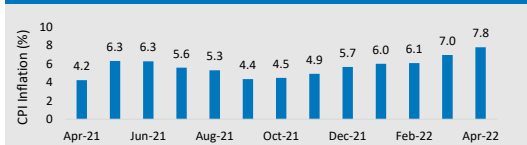
Source: Refinitiv

### IIP Growth (%)



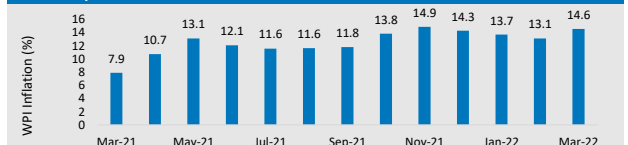
Source: Refinitiv

### Retail inflation movement



Source: Refinitiv

### Wholesale price inflation movement



Source: Refinitiv

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