

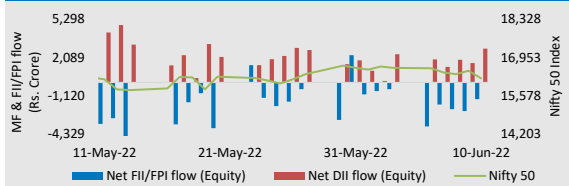
# Weekly Market Update

## Macro Economic Release

Indicators	Actual	Consensus	Previous
S&P Global Manufacturing PMI(May)	54.60	54.20	54.70
S&P Global Services PMI(May)	58.90	57.50	57.90
GDP Growth Rate(YoY)Q1	4.10%	4.00%	5.40%
Industrial Production (YoY) (Apr)	7.10%	5.10%	2.20%

Source: Refinitiv

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI &amp; NSE

## Indian Equity Market Performance

Broad Indices	10-Jun-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	54,303	-2.63	3.83	-6.78
Nifty 50	16,202	-2.31	2.95	-6.64
S&P BSE 100	16,471	-2.17	2.65	-6.55
Nifty 500	13,782	-2.10	1.96	-8.10
Nifty Mid cap 50	7,586	-1.64	-0.05	-9.81
Nifty Small cap 100	8,955	-2.77	-7.66	-20.67

Sector Indices	10-Jun-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	25,957	0.76	8.20	4.59
S&P BSE Bankex	39,736	-2.28	-0.35	-1.66
S&P BSE CD	36,315	-3.35	2.30	-18.88
S&P BSE CG	26,597	-1.94	15.29	-7.49
S&P BSE FMCG	13,716	-2.10	2.84	-0.50
S&P BSE HC	22,031	-0.07	-12.75	-15.93
S&P BSE IT	29,539	-2.78	4.44	-21.95
S&P BSE METAL	17,619	-2.74	-6.39	-8.45
S&P BSE Oil & Gas	18,965	0.64	10.80	8.32
S&P BSE Power	4,067	-0.62	34.48	16.81
S&P BSE PSU	8,495	0.36	6.96	4.35
S&P BSE Realty	3,187	-1.57	10.69	-17.04
S&P BSE Teck	13,373	-2.42	6.26	-19.52

Source: BSE &amp; NSE

## Macro economic Update

- The Monetary Policy Committee (MPC) in its policy review increased key policy repo rate by 50 bps to 4.90%. This was the second consecutive rate hike after 40 bps rate hike in May 2022. Consequently, the standing deposit facility (SDF) rate stands adjusted to 4.65% while the marginal standing facility (MSF) rate and the Bank Rate stood at 5.15% each. The MPC also decided to remain focused on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.
- India's Index of industrial output (IIP) grew 7.1% YoY in Apr 2022 due to growth in capital goods and consumer durables sector. The manufacturing sector reported a growth of 6.3%, while electricity and mining grew 11.8% and 7.8%, respectively. According to use-based classification, capital goods segment witnessed a growth of 14.7%, while consumer durables expanded 8.5% in Apr.
- According to Society of Indian Automobile Manufacturers (SIAM), passenger vehicle sales rose to 251,052 units in May 2022 as compared to 88,045 units sold in May 2021. Automobile sales in the local market nearly tripled in May 2022 on a low foundation as operations were hampered last year owing to the outbreak of the second wave of the pandemic.

## Domestic Equity Market Update

- Indian equity markets settled for the week in the negative territory. The outcome of the Monetary Policy Committee's (MPC) meeting played spoilsport. The Committee increased key policy repo rate by 50 bps to 4.90%. This was the second consecutive rate hike after 40 bps rate hike in May 2022.
- The MPC also decided to remain focused on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.
- Additionally, upward inflation forecast for FY23 by RBI also contributed to the downside.
- Concerns over the impact of aggressive monetary policy tightening by the central banks of other major economies on global economic growth kept investors wary.
- Market sentiments soured as World Bank reduced India's economic growth forecast for the current fiscal to 7.5% as rising inflation, supply chain disruptions and geopolitical tensions taper recovery.
- On the BSE sectoral front, barring S&P BSE Auto, S&P BSE Oil & Gas and S&P BSE PSU, all the major sectors closed in the red.
- S&P BSE Consumer Durables was the major loser, down 3.35%, followed by S&P BSE IT and S&P BSE Metal, which went down 2.78% and 2.74%, respectively.
- Domestic inflationary concerns weighed on all the major sectors.

## Indian Debt Market Indicators

Broad Indices	10-Jun-22	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	4.54%	4.12%	4.09%	3.28%	3.09%
T-Repo	4.54%	4.06%	4.04%	3.30%	3.23%
Repo	4.90%	4.40%	4.40%	4.00%	4.00%
Reverse Repo	3.35%	3.35%	3.35%	3.35%	3.35%
3 Month CP	5.30%	5.35%	5.25%	4.05%	3.62%
1 Year CP	6.55%	6.55%	6.00%	4.85%	4.40%
3 Month CD	5.18%	5.00%	4.94%	3.72%	3.41%
1 Year CD	6.50%	6.42%	6.06%	4.58%	4.28%

Source: CIL, Refinitiv \* As on Jun 03, 2022; \*\* As on May 27, 2022; @ As on May 06, 2022; @@@ As on Dec 10, 2021; @@@@ As on Jun 04, 2021

Broad Indices	10-Jun-22	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	6.57%	6.60%	6.14%	4.64%	4.64%
3 Year AAA Corporate Bond	7.43%	7.51%	7.05%	5.63%	5.18%
5 Year AAA Corporate Bond	8.33%	8.34%	7.92%	6.42%	6.23%
1 Year G-Sec	6.06%	6.23%	5.47%	4.14%	3.83%
3 Year G-Sec	6.98%	7.01%	6.82%	5.12%	4.59%
5 Year G-Sec	7.30%	7.29%	7.18%	5.71%	5.50%
10 Year G-Sec	7.52%	7.46%	7.30%	6.37%	6.02%
Forex Reserve (\$ in billion)	601.06*	601.36**	595.95@	635.83@@	605.01@@@

## 10 - Year benchmark G-Sec Movement



Source: Refinitiv

## Domestic Debt Market Update

- Bond yields rose during the week following rise in global crude oil prices and U.S. treasury yields, and on fresh bond supply on Friday due to weekly auction of government securities.
- However, losses were restricted as the RBI led-Monetary Policy Committee (MPC) increased the repo rate as per market expectation, but did not announced any other liquidity withdrawal measure or raising banks' cash reserve ratio (CRR).
- Yield on the 10-year benchmark paper (6.54% GS 2032) rose 6 bps to close at 7.52% as compared to the previous week's close of 7.46%.
- 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. 97.45/6.4143%, Rs. 98.38/7.4033%, Rs. 93.38/7.5195% and Rs. 89.37/7.8237%, respectively.
- RBI conducted the auction of state development loans of four state governments for a notified amount of Rs. 12,000 crores, which was completely accepted. The cut off yield stood in the range of 7.86% to 8.07%.

## Global Commodity Update

Commodities	10-Jun-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	120.44	0.18	71.89	59.80
Brent Crude Oil (\$/barrel)	121.68	0.65	68.11	56.22
Gold (\$/ounce)	1,870.96	1.09	-1.43	2.33
Silver (\$/ounce)	21.87	-0.18	-21.80	-6.01

Source: Refinitiv

## Currencies Update

Currency	10-Jun-22	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	78.12	77.59	77.20	75.69	73.07
GBP	96.19	96.90	95.13	100.44	103.56
Euro	82.14	83.17	81.27	85.62	88.92
100 Yen	58.10	59.29	59.18	66.75	66.83

Source: Refinitiv

## Global Equity Market Performance

Country/Region	Indices	10-Jun-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	2,144.01	-5.07	-10.13	-18.97
U.K.	FTSE	7,318	-2.86	3.24	-0.91
France	CAC 40	6,187	-4.60	-5.49	-13.50
Germany	DAX	13,762	-4.83	-11.62	-13.37
Japan	Nikkei 225	27,824	0.23	-3.92	-3.36
China	Shanghai Composite	3,285	2.80	-9.03	-9.75
Hong Kong	Hang Seng	21,806	3.43	-24.12	-6.80
Singapore	Straits Times	3,182	-1.55	0.61	1.86
Russia	RTS Index	1,269	5.78	-24.36	-20.49
Brazil	Sao Paulo Se Bovespa	105,481	-5.06	-18.91	0.63

Source: Refinitiv

## Global Bond Yield Update

Indicators	10-Jun-22	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	3.16	2.94	2.99	1.48	1.44
U.K. 10 Year Bond yield (%)	2.44	2.15	1.85	0.74	0.75
German 10 Year Bond yield (%)	1.50	1.27	1.00	-0.35	-0.25
Japan 10 Year Bond yield (%)	0.26	0.24	0.26	0.06	0.05

Source: Refinitiv

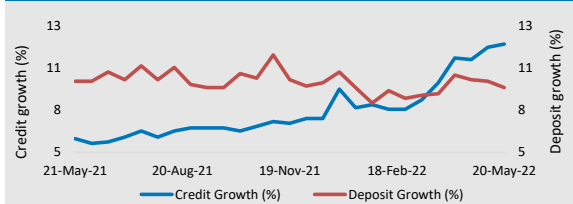
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
China Caixin Services PMI May 2022	6-Jun	41.40	47.30	36.20
Germany Factory Orders (MoM)(Apr)	7-Jun	2.70%	0.50%	-4.20%
Euro Zone GDP Revised QQ Q1 2022	8-Jun	0.60%	0.30%	0.30%
U.S. Consumer Price Index (YoY)(May)	10-Jun	8.60%	8.30%	8.30%

Source: FX Street, Refinitiv

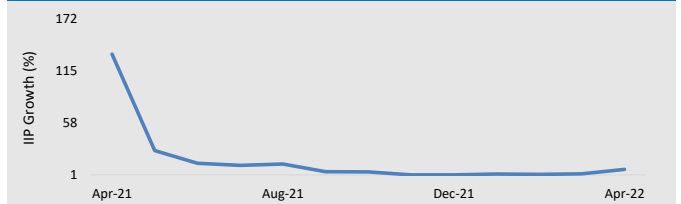
## Macro Economic Performance of India

### Credit growth vs Deposit growth



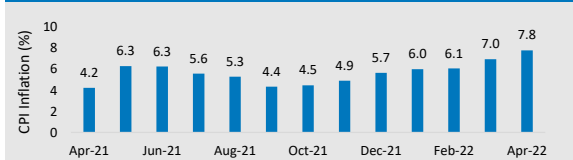
Source: Refinitiv

### IIP Growth (%)



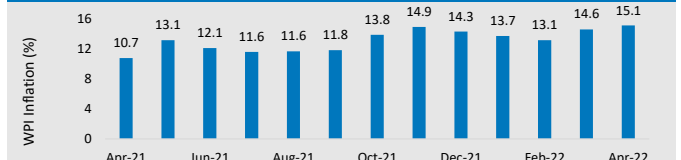
Source: Refinitiv

### Retail inflation movement



Source: Refinitiv

### Wholesale price inflation movement



Source: Refinitiv

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