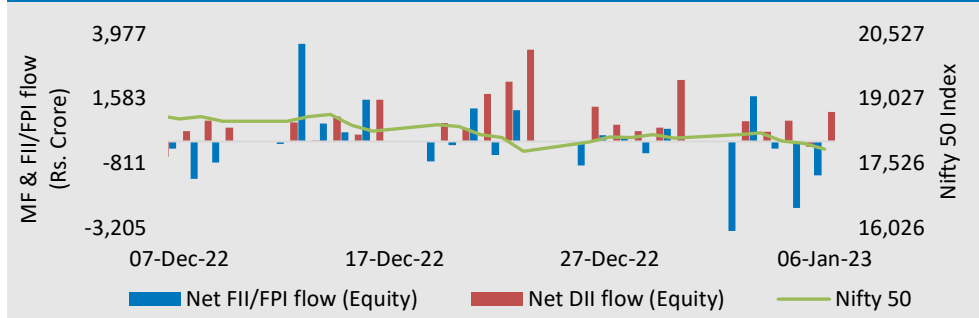


## Macro Economic Release

Indicators	Actual	Consensus	Previous
S&P Global India Serv. PMI (Dec 2022)	58.5	55.5	56.4
S&P Global India Mfg. PMI (Dec 2022)	57.8	54.3	55.7
Forex Reserve (Dec 2022)	562.85	NA	562.81
Fiscal Deficit % of BE (Nov 2022)	58.88	NA	45.64

Source: Refinitiv

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

## Indian Equity Market Performance

Broad Indices	06-Jan-23	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	59,900	-1.55	0.50	-1.55
Nifty 50	17,859	-1.36	0.64	-1.36
S&P BSE 100	18,182	-1.32	0.94	-1.32
Nifty 500	15,272	-1.14	-0.12	-1.14
Nifty Mid cap 50	8,752	0.01	1.82	0.01
Nifty Small cap 100	9,656	-0.77	-15.67	-0.77

Sector Indices	06-Jan-23	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	29,011	0.30	13.29	0.30
S&P BSE Bankex	48,053	-1.75	12.35	-1.75
S&P BSE CD	39,753	0.08	-12.90	0.08
S&P BSE CG	33,401	0.18	13.93	0.18
S&P BSE FMCG	16,132	0.36	16.44	0.36
S&P BSE HC	23,010	-0.10	-10.52	-0.10
S&P BSE IT	28,012	-2.30	-24.57	-2.30
S&P BSE METAL	20,669	-0.89	4.68	-0.89
S&P BSE Oil & Gas	20,509	0.49	12.48	0.49
S&P BSE Power	4,313	-1.56	20.87	-1.56
S&P BSE PSU	10,009	-0.09	17.60	-0.09
S&P BSE Realty	3,401	-1.33	-11.71	-1.33
S&P BSE Teck	13,097	-2.36	-20.16	-2.36

Source: BSE & NSE

## Macro economic Update

- According to the advanced estimates of National Income for FY23 revealed by the National Statistical Office (NSO), Indian economy is expected to grow at 7% in FY23 as compared to 8.7% in FY22. The decline will mainly be due to poor performance of the manufacturing sector. The output of the manufacturing sector is estimated to decelerate to 1.6% in FY23 as against a growth of 9.9% in FY22. The growth in nominal GDP during FY23 is estimated at 15.4% as compared to 19.5% in FY22.
- According to S&P Global, India's Manufacturing Purchasing Managers' Index rose to 57.8 in Dec 2022 from 55.7 in Nov 2022. The manufacturing sector in India finished 2022 on a strong note as new orders and output growth surged and business conditions improved at the strongest rate in more than two years.
- S&P Global India Services Purchasing Managers' Index rose to 58.5 in Dec 2022 from 56.4 in Nov 2022. The service sector improved as services firms witnessed a quicker upturn in new business that boosted output growth. The overall S&P Global India Composite PMI Output Index rose to 59.4 in Dec 2022 from 56.7 in Nov 2022.
- The Federation of Automobile Dealers Associations (FADA) said that following two months of growth, auto retail sales in India decreased by 5% in Dec 2022, mostly as a result of an 11% drop in two-wheeler sales. Other than two-wheelers, all other categories were in the green in Dec.

## Domestic Equity Market Update

- Domestic equities commenced the new year on a positive note as upbeat domestic macroeconomic data and optimism that India Inc. will come out with upbeat quarterly earning numbers for the quarter ended Dec 2022 boosted market sentiments. GST collections grew 15% in Dec 2022 while India manufacturing PMI rose to its highest level in over 2 years in the same month.
- However, the trend reversed as markets developed cold feet ahead of the release of U.S. Federal Reserve's meeting minutes for Dec 2022. Market sentiments were further dampened after minutes released indicated that the U.S. Federal Reserve will continue to raise interest rates to contain inflation. Markets were in for a surprise as markets had anticipated a pause in rate hikes by the U.S. Federal Reserve.
- Losses were extended on renewed concerns over the ongoing geopolitical tension between Russia and Ukraine. The Russian President had offered a ceasefire, which was rejected by his Ukrainian counterpart.
- Domestic equities continued to remain under pressure after the Reserve Bank of India (RBI) governor expressed concerns over the inflationary situation in South Asia which dented the confidence of the market participants. The RBI governor was of the view that inflation needed to be brought under control as South Asian economies face sustained price pressures.
- Relentless selling by foreign institutional investors (FIIs) also provided no respite as FIIs chased lower valuations by selling in overvalued domestic equity markets. High valuations of domestic equities also contributed to the market downside.
- On the BSE sectoral front, S&P BSE Teck fell the most by 2.36% followed by S&P BSE IT which fell 2.30%. IT stocks remained under pressure on worries over global economic slowdown due to rising interest rates and falling demand. Market participants also exercised caution ahead of the release of corporate earning numbers for the quarter ended Dec 2022.

## Indian Debt Market Indicators

Broad Indices	06-Jan-23	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	6.06%	6.52%	5.76%	4.69%	3.21%
T-Repo	5.99%	6.49%	5.65%	4.64%	3.22%
Repo	6.25%	6.25%	5.90%	4.90%	4.00%
Reverse Repo	3.35%	3.35%	3.35%	3.35%	3.35%
3 Month CP	7.03%	6.75%	6.85%	5.65%	4.05%
1 Year CP	7.75%	7.68%	7.67%	6.75%	5.00%
3 Month CD	7.08%	6.66%	6.83%	5.25%	3.63%
1 Year CD	7.60%	7.59%	7.44%	6.13%	4.57%

Broad Indices	06-Jan-23	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	7.61%	7.57%	7.58%	6.22%	4.77%
3 Year AAA Corporate Bond	7.71%	7.67%	7.62%	7.14%	5.78%
5 Year AAA Corporate Bond	7.82%	7.78%	7.81%	7.82%	6.59%
1 Year G-Sec	6.76%	6.75%	6.76%	6.20%	4.38%
3 Year G-Sec	7.16%	7.14%	7.04%	6.78%	5.33%
5 Year G-Sec	7.28%	7.23%	7.10%	7.09%	5.94%
10 Year G-Sec	7.37%	7.33%	7.25%	7.29%	6.53%
Forex Reserve (\$ in billion)	562.85*	562.81**	561.16@	588.31@@	633.61@@@

Source: CCIL, Refinitiv \* As on Dec 30, 2022; \*\* As on Dec 23, 2022; @ As on Dec 02, 2022; @@ As on Jul 01, 2022; @@@ As on Dec 31, 2021

## 10 - Year benchmark G-Sec Movement



Source: Refinitiv

## Domestic Debt Market Update

- Bond rose after state governments announced higher-than-expected borrowing schedule for the Mar quarter of 2023. Yields increased further as weekly government bond auction led to higher supply while market participants lowered positions after auction. However, losses were restricted on value buying purchases by market participants.
- Yield on the 10-year benchmark paper (7.26% GS 2032) rose 4 bps to close at 7.37% as compared to the previous week's close of 7.33%.
- Reserve Bank of India conducted the auction of government securities for seven states for a notified amount of Rs. 13,496 crore which was completely accepted. The cut off yield ranged from 7.26% to 7.67%. The lowest yield was witnessed in case of Karnataka (2 year paper) and the highest yield was witnessed in case of Nagaland (10 year paper).
- Data from Reserve Bank of India showed that reserve money grew 10.3% on a yearly basis for the week ended Dec 30, 2022 compared to an increase of 14.5% in the same period of the previous year. The currency in circulation grew 8.2% on a yearly basis for the week ended Dec 30, 2022 compared to an increase of 7.8% in the same period of the previous year.

## Global Commodity Update

Commodities	06-Jan-23	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	73.65	-8.40	-7.51	-8.40
Brent Crude Oil (\$/barrel)	78.34	-8.90	-4.38	-8.90
Gold (\$/ounce)	1,865.71	2.26	4.31	2.26
Silver (\$/ounce)	23.81	-0.63	7.50	-0.63

Source: Refinitiv

## Currencies Update

Currency	06-Jan-23	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	82.27	82.72	82.48	79.02	74.38
GBP	99.48	100.06	100.11	94.21	100.62
Euro	87.57	88.52	86.35	80.43	83.98
100 Yen	62.28	63.08	60.18	58.12	64.20

Source: Refinitiv

## Global Equity Market Performance

Country/Region	Indices	06-Jan-23	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	2,135.95	1.43	-17.83	1.43
U.K.	FTSE	7,699	3.32	3.34	3.32
France	CAC 40	6,861	5.98	-5.36	5.98
Germany	DAX	14,610	4.93	-8.98	4.93
Japan	Nikkei 225	25,974	-0.46	-8.82	-0.46
China	Shanghai Composite	3,158	2.21	-11.95	2.21
Hong Kong	Hang Seng	20,992	6.12	-9.02	6.12
Singapore	Straits Times	3,277	0.78	2.90	0.78
Russia	RTS Index	943	-2.87	-38.99	-2.87
Brazil	Sao Paulo Se Bovespa	108,964	-0.70	7.29	-0.70

Source: Refinitiv

## Global Bond Yield Update

Indicators	06-Jan-23	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	3.57	3.83	3.51	2.91	1.73
U.K. 10 Year Bond yield (%)	3.48	3.67	3.08	2.09	1.16
German 10 Year Bond yield (%)	2.21	2.56	1.80	1.16	-0.07
Japan 10 Year Bond yield (%)	0.50	0.43	0.26	0.25	0.12

Source: Refinitiv

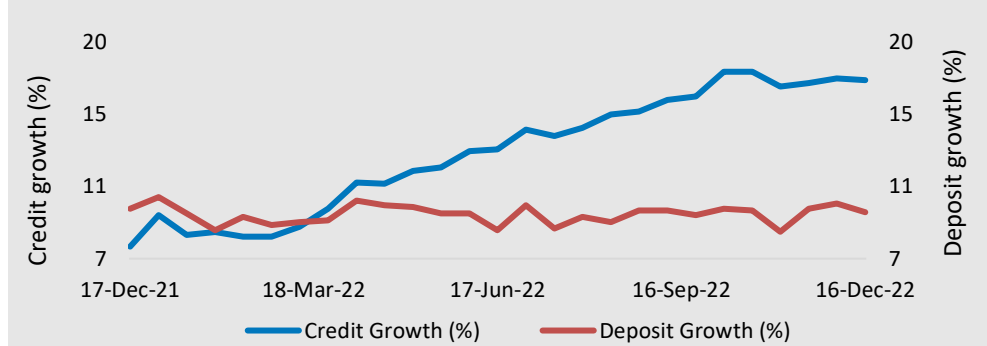
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Eurozone S&P Global Manufacturing PMI(Dec)	2-Jan	47.80	47.80	47.80
China Caixin Manufacturing PMI(Dec)	3-Jan	49.00	48.80	49.40
U.S. ISM Manufacturing PMI(Dec)	4-Jan	48.40	48.50	49.00
U.S. Nonfarm Payrolls (Dec)	6-Jan	223K	200K	256K

Source: FX Street; Refinitiv

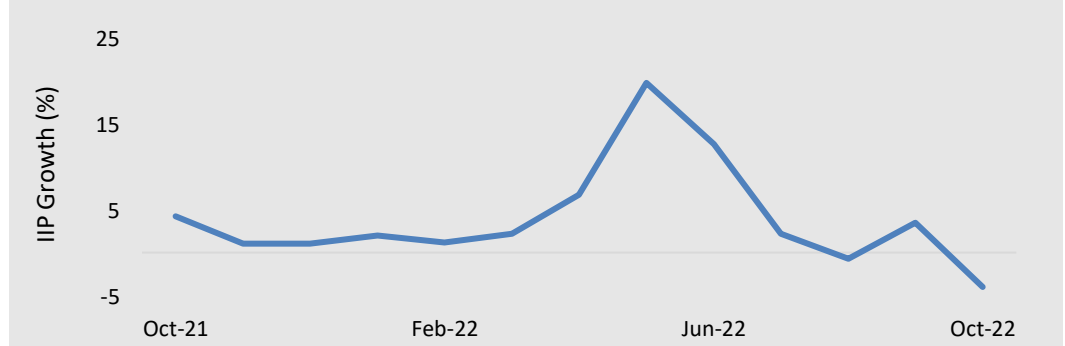
## Macro Economic Performance of India

### Credit growth vs Deposit growth



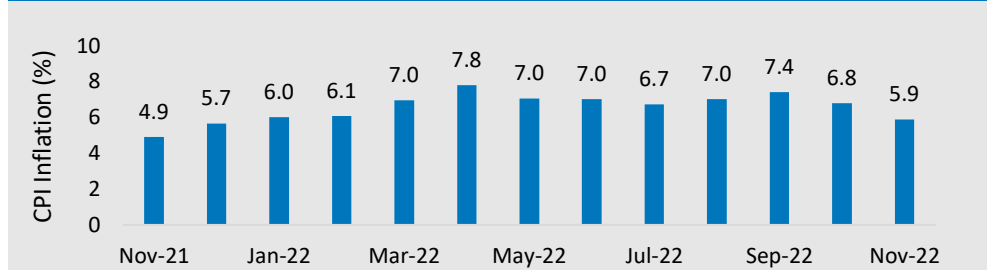
Source: Refinitiv

### IIP Growth (%)



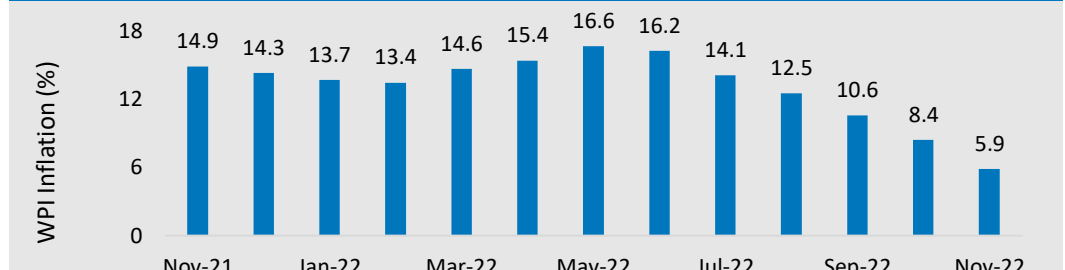
Source: Refinitiv

### Retail inflation movement



Source: Refinitiv

### Wholesale price inflation movement



Source: Refinitiv

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