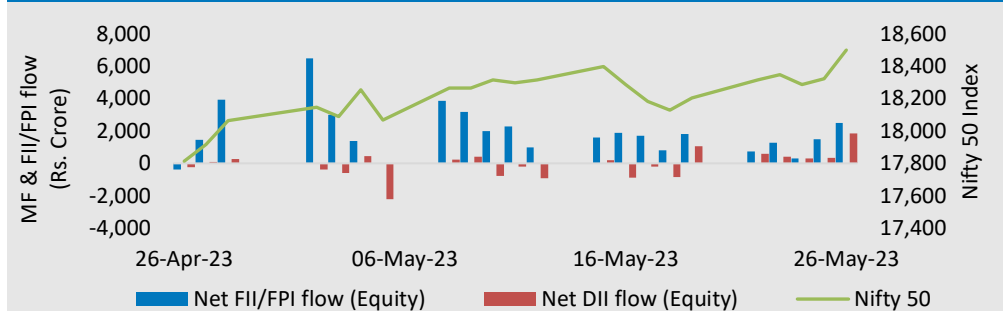


## Macro Economic Release

Indicators	Actual	Consensus	Previous
Imports (\$ billion) (Apr 2023)	49.9	NA	58.11
Exports (\$ billion) (Apr 2023)	34.66	NA	38.38
Trade Deficit (\$ billion) (Apr 2023)	15.24	19.5	19.73
WPI Inflation (Apr 2023)	-0.92%	-0.20%	1.34%

Source: Refinitiv

## FII and DII Investment vs Nifty 50



## Indian Equity Market Performance

Broad Indices	26-May-23	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	62,502	1.25	15.21	2.73
Nifty 50	18,499	1.63	14.40	2.18
S&P BSE 100	18,863	1.80	14.55	2.38
Nifty 500	15,697	1.88	14.39	1.60
Nifty Mid cap 50	9,429	2.75	25.91	7.73
Nifty Small cap 100	10,011	1.20	15.00	2.87

Sector Indices	26-May-23	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	32,568	2.15	28.51	12.60
S&P BSE Bankex	49,961	0.08	22.92	2.16
S&P BSE CD	40,045	2.83	9.85	0.81
S&P BSE CG	36,967	1.49	43.26	10.87
S&P BSE FMCG	18,127	3.11	30.85	12.77
S&P BSE HC	23,532	3.28	6.12	2.16
S&P BSE IT	29,271	3.69	2.90	2.09
S&P BSE METAL	19,763	1.69	11.33	-5.24
S&P BSE Oil & Gas	18,394	2.18	-0.39	-9.87
S&P BSE Power	3,841	2.89	-10.06	-12.34
S&P BSE PSU	10,369	1.42	24.27	3.51
S&P BSE Realty	3,783	3.03	23.31	9.75
S&P BSE Teck	13,141	3.41	1.35	-2.03

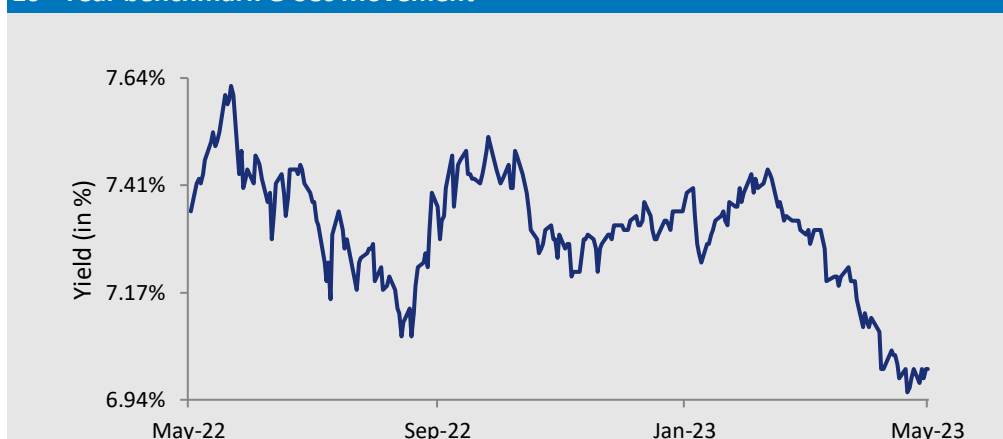
Source: BSE & NSE

## Indian Debt Market Indicators

Broad Indices	26-May-23	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	6.35%	6.37%	6.69%	6.12%	4.08%
T-Repo	6.26%	6.29%	6.75%	6.11%	4.17%
Repo	6.50%	6.50%	6.50%	5.90%	4.40%
Reverse Repo	3.35%	3.35%	3.35%	3.35%	3.35%
3 Month CP	6.99%	7.00%	7.16%	6.95%	5.30%
1 Year CP	7.52%	7.55%	7.53%	7.70%	6.50%
3 Month CD	7.00%	6.90%	7.09%	6.88%	5.05%
1 Year CD	7.30%	7.40%	7.39%	7.47%	6.27%

Source: CCLIL, Refinitiv \* As on May 19, 2023; \*\* As on May 12, 2023; @ As on Apr 21, 2023; @@ As on Nov 25, 2022; @@@ As on May 20, 2022

## 10 - Year benchmark G-Sec Movement



## Macro Economic Update

- As per media reports, the Securities and Exchange Board of India (SEBI) intends to lower compliance requirements for passive investment funds including exchange-traded funds and index funds. The action aims to promote growth, save expenses, and increase investor transparency. Additionally, SEBI changed the criteria for becoming a mutual fund sponsor, enabling private equity funds to do so without having to demonstrate a required track record of profitability. In order to increase market liquidity and reduce market risks, the regulator has also introduced prudential controls on open-ended mutual funds, particularly debt funds.
- In a consultation paper, SEBI suggested that it would equalize fees between the direct plan and regular plan levied under several areas other than distribution costs. In essence, the difference of expenses towards distribution costs should be TER of direct plans.
- According to a rating agency the services sector is expected to lead GDP growth in the period between Jan and Mar of 2022-23, which is anticipated to be at 4.9%, a slight increase from the quarterly average of 4.4%. According to the agency, the gross value added (GVA) for services increased somewhat from Q3 FY23's 6.2% to roughly 6.4% in Q4 FY23.

## Domestic Equity Market Update

- Domestic equity markets rose during the week under review as key benchmark indices S&P BSE Sensex and Nifty 50 rose in excess of 1%. The market rally was broad based as the mid cap segment and the small cap segment also closed the week in green.
- Domestic equity markets rose as market participants remained cautiously optimistic and awaited India's gross domestic product (GDP) data for the quarter ended Mar 2023. Market participants are of the view that India's GDP growth will show improvement in the final quarter of FY23 as compared to the previous quarter.
- Expectations of a normal monsoon this year also boosted market sentiments which alleviated concerns regarding weather-related impacts on inflation to some extent. It needs to be noted that monsoons are of significant importance for the growth prospects of the domestic economy as it has a direct impact on the prices of essential food items.
- Gains were extended as markets remained hopeful regarding the possibility of a debt ceiling deal in U.S. The U.S. President assured that a deal will be reached and that the U.S. will be able to avoid a default. Meanwhile, foreign institutional investors remained net buyers in domestic equity which also contributed to the market upside.
- On the BSE sectoral front, all the sectoral indices closed the week in green. S&P BSE IT rose the most by 3.69% followed by S&P BSE Teck and S&P BSE Healthcare which rose 3.41% and 3.28% respectively. IT stocks rose due to favourable valuations and hopes of a resolution to the U.S. debt ceiling issue. Upbeat earning numbers for the quarter ended Mar 2023 by two major companies in the healthcare segment led to gains in the healthcare sector. S&P BSE FMCG rose 3.11% over the week which can be attributed to a healthy demand scenario and easing raw material prices.

## Domestic Debt Market Update

Broad Indices	26-May-23	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	7.75%	7.48%	7.46%	7.63%	6.53%
3 Year AAA Corporate Bond	7.54%	7.53%	7.35%	7.48%	7.32%
5 Year AAA Corporate Bond	7.42%	7.47%	7.43%	7.84%	8.17%
1 Year G-Sec	6.78%	6.83%	6.93%	6.72%	5.87%
3 Year G-Sec	6.87%	6.87%	6.95%	7.22%	6.80%
5 Year G-Sec	6.93%	6.95%	7.01%	7.16%	7.10%
10 Year G-Sec	7.00%	7.00%	7.12%	7.30%	7.29%
Forex Reserve (\$ in billion)	593.48*	599.53**	584.25@	550.14@@	597.51@@@

## Domestic Debt Market Update

- Bond yields fell on expectations that the Reserve Bank of India's move to withdraw its highest denomination 2,000-rupee note from circulation would improve the liquidity of the Indian banking system. Yields fell further after the RBI Governor said that countries holding excess rupees in their vostro accounts in India can invest the surplus in government securities and Treasury bills. However, all gains reversed following rise in yields on U.S. Treasuries after minutes of the U.S. Federal Reserve's May meeting showed policymakers advocated for further tightening of monetary policy.
- Yield on the 10-year benchmark paper (7.26% GS 2033) was unchanged at 7.00% as compared to the previous week's close.
- Reserve Bank of India announced the auction of 91 days, 182 days, and 364 days Treasury Bills for an aggregate amount of Rs. 32,000 crore. The auction would be carried out on May 31, 2023.
- Data from Reserve Bank of India showed that India's foreign exchange reserves plunged to \$593.48 billion for the week ended May 19, 2023 from \$599.53 billion a week earlier.

[1] Data as on 25 May, 2023

## Global Commodity Update

Commodities	26-May-23	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	72.86	1.89	-36.21	-9.38
Brent Crude Oil (\$/barrel)	77.12	2.02	-34.27	-10.32
Gold (\$/ounce)	1,946.33	-1.53	5.21	6.68
Silver (\$/ounce)	23.31	-2.17	5.99	-2.74

Source: Refinitiv

## Global Equity Market Performance

Country/Region	Indices	26-May-23	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	2,298.97	0.30	3.12	9.17
U.K.	FTSE	7,627	-1.67	0.82	2.35
France	CAC 40	7,319	-2.31	14.17	13.06
Germany	DAX	15,984	-1.79	12.32	14.80
Japan	Nikkei 225	30,916	0.35	16.21	18.48
China	Shanghai Composite	3,213	-2.16	2.86	3.99
Hong Kong <sup>[1]</sup>	Hang Seng	18,747	-3.62	-6.81	-5.23
Singapore	Straits Times	3,207	0.15	-0.06	-1.35
Russia	RTS Index	1,056	1.84	-10.14	8.76
Brazil	Sao Paulo Se Bovespa	110,906	0.15	-0.88	1.07

Source: Refinitiv

## Currencies Update

Currency	26-May-23	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	82.57	82.88	81.74	81.69	77.61
GBP	101.92	103.13	101.91	98.78	97.75
Euro	88.55	89.53	90.24	84.91	83.23
100 Yen	58.71	60.07	61.15	58.71	61.03

Source: Refinitiv

## Global Bond Yield Update

Indicators	26-May-23	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	3.82	3.69	3.43	3.70	2.74
U.K. 10 Year Bond yield (%)	4.33	4.00	3.73	3.12	1.97
German 10 Year Bond yield (%)	2.54	2.42	2.39	1.97	0.99
Japan 10 Year Bond yield (%)	0.41	0.41	0.48	0.27	0.24

Source: Refinitiv

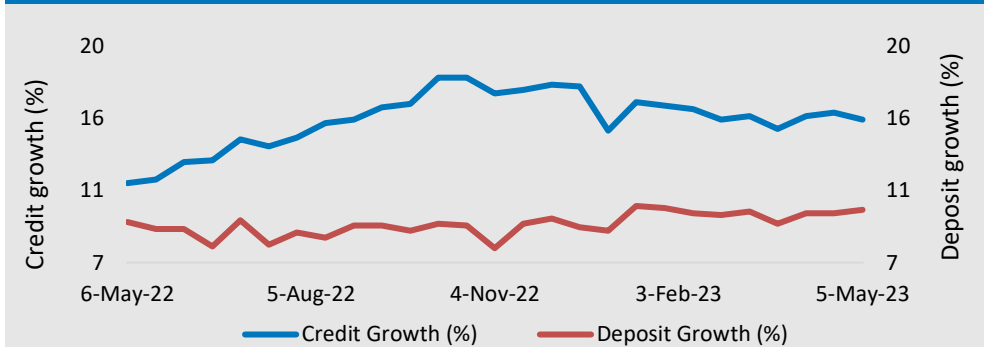
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
China Loan Prime Rate 1Y May 2023	22-May	3.65%	3.65%	3.65%
U.S. S&P Global Comp PMI Flash PMI May 2023	23-May	54.50	50.00	53.40
U.K. CPI YY Apr 2023	24-May	8.70%	8.20%	10.10%
Japan CPI Tokyo Ex fresh food YY May 2023	25-May	3.20%	3.30%	3.50%

Source: FX Street; Refinitiv

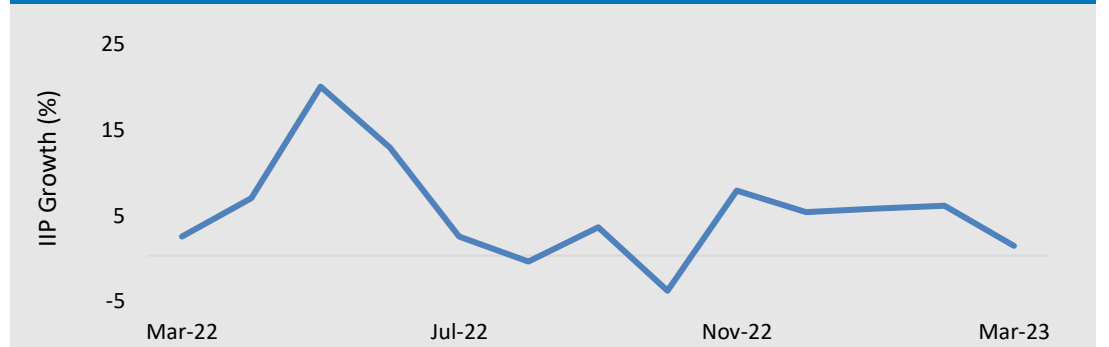
## Macro Economic Performance of India

### Credit growth vs Deposit growth



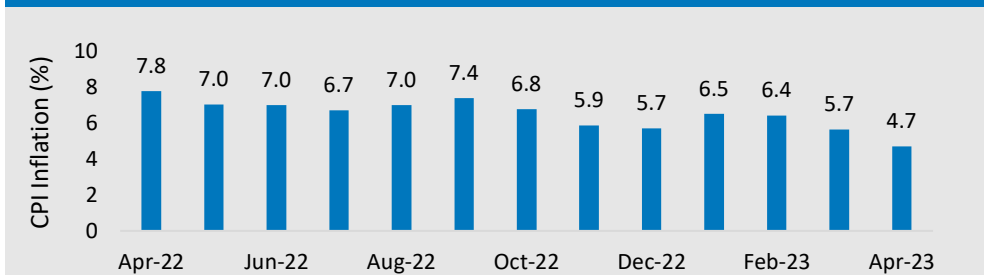
Source: Refinitiv

### IIP Growth (%)



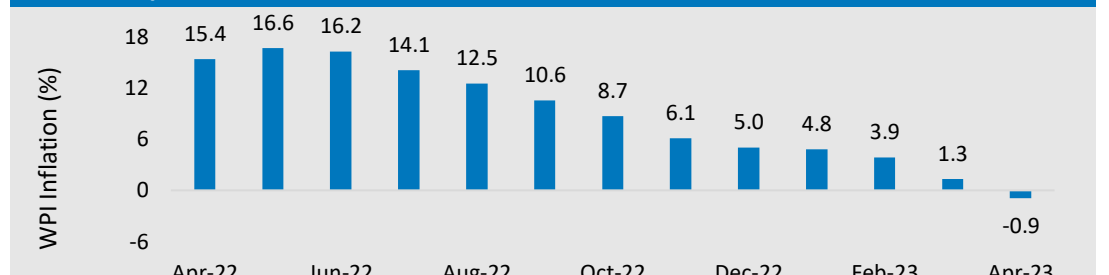
Source: Refinitiv

### Retail inflation movement



Source: Refinitiv

### Wholesale price inflation movement



Source: Refinitiv

[1] Data as on 25 May, 2023

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