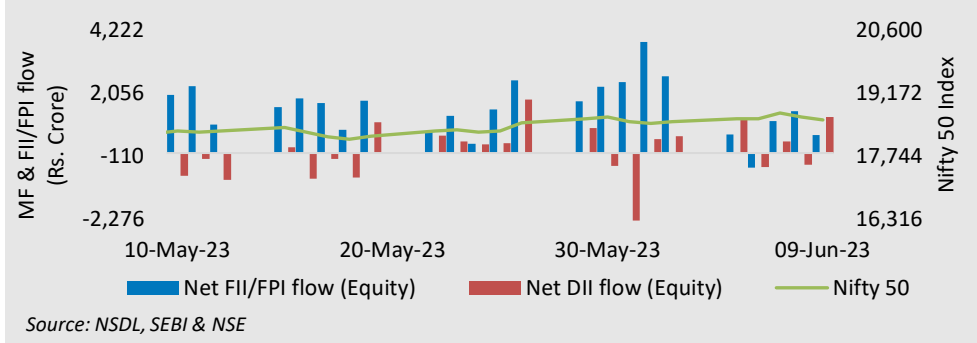


## Macro Economic Release

Indicators	Actual	Consensus	Previous
S&P Global Services PMI (May)	61.20	60.00	62.00
S&P Global Manufacturing PMI (May)	58.70	56.50	57.20
GDP Growth Rate (YoY) (Q1)	6.10%	5.00%	4.50%
Infrastructure Output (YoY) (Apr)	3.50%	4.50%	3.60%

Source: Refinitiv

## FII and DII Investment vs Nifty 50



## Indian Equity Market Performance

Broad Indices	09-Jun-23	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	62,626	0.13	13.21	2.93
Nifty 50	18,563	0.16	12.65	2.53
S&P BSE 100	18,956	0.17	13.26	2.88
Nifty 500	15,877	0.42	13.60	2.77
Nifty Mid cap 50	9,599	-0.32	25.64	9.68
Nifty Small cap 100	10,443	1.17	15.33	7.31

Sector Indices	09-Jun-23	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	33,690	1.50	29.50	16.48
S&P BSE Bankex	49,874	0.17	23.25	1.98
S&P BSE CD	41,384	0.19	13.53	4.18
S&P BSE CG	39,412	5.10	47.63	18.21
S&P BSE FMCG	18,163	-1.02	32.35	12.98
S&P BSE HC	24,181	0.54	9.46	4.98
S&P BSE IT	28,654	-2.55	-5.02	-0.06
S&P BSE METAL	19,950	1.16	11.53	-4.34
S&P BSE Oil & Gas	17,888	0.36	-7.65	-12.35
S&P BSE Power	3,955	3.37	-4.03	-9.74
S&P BSE PSU	10,550	1.43	23.39	5.31
S&P BSE Realty	3,989	1.48	23.59	15.72
S&P BSE Teck	12,872	-2.14	-5.54	-4.03

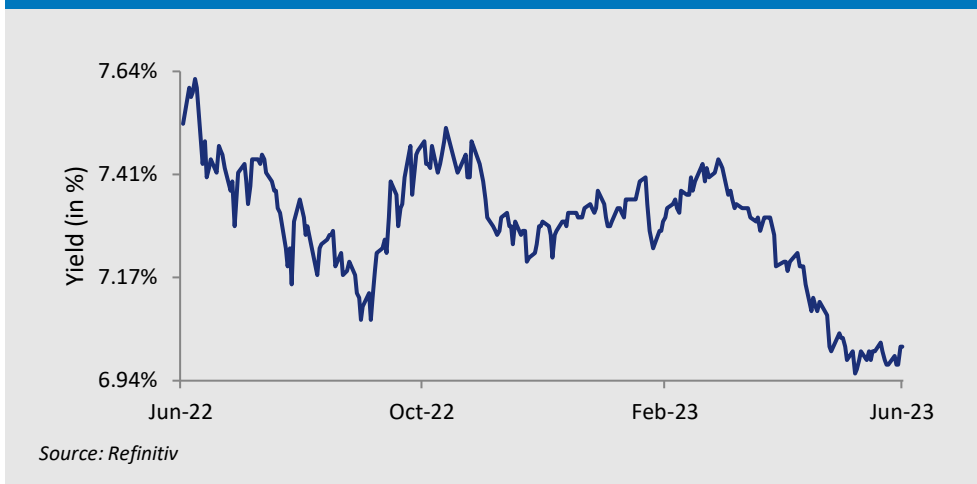
Source: BSE & NSE

## Indian Debt Market Indicators

Broad Indices	09-Jun-23	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	6.61%	6.39%	6.80%	6.10%	4.60%
T-Repo	6.44%	6.30%	6.77%	5.99%	4.53%
Repo	6.50%	6.50%	6.50%	6.25%	4.90%
Reverse Repo	3.35%	3.35%	3.35%	3.35%	3.35%
3 Month CP	6.98%	6.98%	7.18%	6.87%	5.30%
1 Year CP	7.48%	7.50%	7.55%	7.67%	6.55%
3 Month CD	6.93%	6.95%	7.12%	6.84%	5.20%
1 Year CD	7.33%	7.29%	7.43%	7.42%	6.41%

Source: CCIL, Refinitiv \* As on Jun 02, 2023; \*\* As on May 26, 2023; @ As on May 05, 2023; @@@ As on Dec 09, 2022; @@@@ As on Jun 03, 2022

## 10-Year benchmark G-Sec Movement



## Macro Economic Update

- According to a private survey, India's services sector fell to 61.2 in May 2023 from 62 in Apr 2023. The dominant services sector in India experienced a modest slowdown in growth last month, but it maintained its steady pace since demand remained robust despite significant price pressures. The overall S&P Global India Composite PMI Output Index stayed unchanged at 61.6 in May 2023.
- The Monetary Policy Committee (MPC) in its second bi-monthly monetary policy review of FY24 kept key policy repo rate unchanged at 6.50% with immediate effect for the second time. The standing deposit facility (SDF) rate also remains unchanged at 6.25%. All six members unanimously voted to keep the policy repo rate unchanged. The MPC also remained focused on withdrawal of accommodation to ensure that inflation progressively aligns with the target, while supporting growth. Five out of six members voted in favour of the same.
- The MPC noted that CPI headline inflation moderated into the tolerance band in Mar-Apr 2023, as the central bank expected, reflecting the combined impact of monetary tightening and supply-side initiatives. The domestic economic activity is performing well. Consumer confidence is rising, and businesses are upbeat about the future. The MPC's cumulative rate raise of 250 bps is expected to keep inflationary pressures in check in the coming months. Inflation would need to be in line with the aim, thus monetary policy would need to be carefully managed.

## Domestic Equity Market Update

- Domestic equity markets rose during the week under review as key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.13% and 0.16% respectively.
- Markets commenced the week on a positive note amid hopes of a pause in rate hikes by the U.S. Federal Reserve in its upcoming monetary policy review after the unemployment rate in U.S. rose in May. Meanwhile, non-farm employment rose more than expected in the same month which eased concerns of a possible recession in the U.S. economy to some extent.
- Market sentiments were further boosted after India's Service PMI witnessed a slight fall in May but remained in expansionary phase for the 22nd straight month on the back of new client wins and favourable demand conditions.
- Gains were extended amid hopes that the Chinese government will adopt stimulus measures to boost the growth prospects of the world's second largest economy. Worries over geopolitical tensions between U.S. and China also eased to some extent amid reports that the U.S. Secretary of State may visit China in the coming weeks.
- Domestic equities continued with its upward momentum after the Monetary Policy Committee kept interest rates unchanged for the second time in a row and lowered inflation forecasts for FY24. However, most of the gains were neutralized after the central bank governor emphasized on the importance of bringing down inflation to 4%. Profit booking and volatility in global crude oil prices also weighed on the market sentiment.
- On the BSE sectoral front, S&P BSE Capital Goods rose the most by 5.10% followed by S&P BSE Power and S&P BSE Auto which rose 3.37% and 1.50% respectively. Capital goods stocks rose as the sector is expected to benefit from the Government's focus on capex. The auto sector also benefitted due to better semiconductor chip supply and signs of revival in demand in the auto sector.

Broad Indices	09-Jun-23	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	7.49%	7.73%	7.34%	7.83%	6.66%
3 Year AAA Corporate Bond	7.68%	7.53%	7.35%	7.59%	7.47%
5 Year AAA Corporate Bond	7.49%	7.38%	7.40%	7.89%	8.32%
1 Year G-Sec	6.76%	6.79%	6.91%	6.80%	6.16%
3 Year G-Sec	6.95%	6.86%	6.96%	7.10%	6.93%
5 Year G-Sec	6.98%	6.89%	6.98%	7.18%	7.27%
10 Year G-Sec	7.04%	6.98%	7.05%	7.30%	7.50%
Forex Reserve (\$ in billion)	595.07*	589.14**	595.98@	564.07@@	601.06@@@

## Domestic Debt Market Update

- Bond yields rose after the Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) maintained status quo as expected by the market but signalled that monetary conditions would remain tight in the near future. Losses increased after the weekly government bond auction added to the supply in the market. However, losses were restricted on strong demand at the state government bond auction.
- Yield on the 10-year benchmark paper (7.26% GS 2033) rose 6 bps to close at 7.04% as compared to the previous week's close 6.98%.
- Data from Reserve Bank of India showed that India's foreign exchange reserves rose to \$595.07 billion for the week ended June 02, 2023 from \$589.14 billion a week earlier.
- Reserve Bank of India conducted the auction of four government securities namely 6.99% GS 2026, 7.17% GS 2030, 7.41% GS 2036 and New GS 2063 for a notified amount of Rs. 39,000 crore, which was completely accepted. The cut off price/implicit yield at cut-off for 6.99% GS 2026, 7.17% GS 2030, 7.41% GS 2036 and New GS 2063 stood at Rs. 100.09/6.9496%, Rs. 100.82/7.0147%, Rs. 102.55/7.1130% and 7.25%, respectively.

## Global Commodity Update

Commodities	09-Jun-23	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	70.30	-2.01	-42.07	-12.56
Brent Crude Oil (\$/barrel)	75.00	-1.57	-38.97	-12.78
Gold (\$/ounce)	1,960.60	0.67	6.12	7.47
Silver (\$/ounce)	24.27	2.88	12.03	1.26

Source: Refinitiv

## Currencies Update

Currency	09-Jun-23	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	82.44	82.40	82.10	82.41	77.80
GBP	103.62	102.57	103.60	100.99	97.17
Euro	88.60	88.22	89.98	86.78	82.58
100 Yen	59.15	58.87	60.70	60.33	57.90

Source: Refinitiv

## Global Equity Market Performance

Country/Region	Indices	09-Jun-23	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	2,353.53	0.39	6.52	11.76
U.K.	FTSE	7,562	-0.59	1.15	1.48
France	CAC 40	7,213	-0.79	13.44	11.42
Germany	DAX	15,950	-0.63	12.33	14.55
Japan	Nikkei 225	32,265	2.35	14.23	23.65
China	Shanghai Composite	3,231	0.04	-0.23	4.60
Hong Kong	Hang Seng	19,390	2.32	-11.34	-1.98
Singapore	Straits Times	3,187	0.65	-0.71	-1.98
Russia	RTS Index	1,032	-1.83	-14.87	6.36
Brazil	Sao Paulo Se Bovespa	117,019	3.96	9.27	6.64

Source: Refinitiv

## Global Bond Yield Update

Indicators	09-Jun-23	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	3.75	3.69	3.52	3.57	3.05
U.K. 10 Year Bond yield (%)	4.24	4.16	3.86	3.18	2.33
German 10 Year Bond yield (%)	2.38	2.31	2.34	1.93	1.44
Japan 10 Year Bond yield (%)	0.43	0.41	0.43	0.27	0.25

Source: Refinitiv

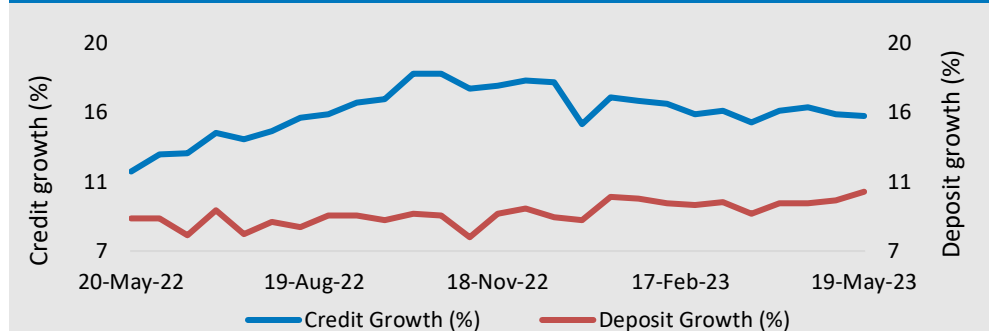
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. ISM Services PMI (May)	5-Jun	50.3	51.5	51.9
Eurozone Retail Sales (YoY)(Apr)	6-Jun	2.60%	-3.00%	-3.30%
Japan Gross Domestic Product (QoQ)(Q1)	8-Jun	0.70%	0.50%	0.40%
China Consumer Price Index (YoY)(May)	9-Jun	0.20%	0.30%	0.10%

Source: FX Street; Refinitiv

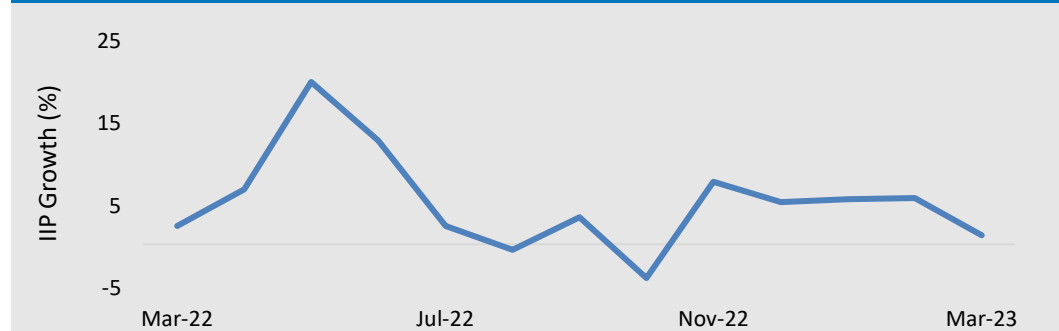
## Macro Economic Performance of India

### Credit growth vs Deposit growth



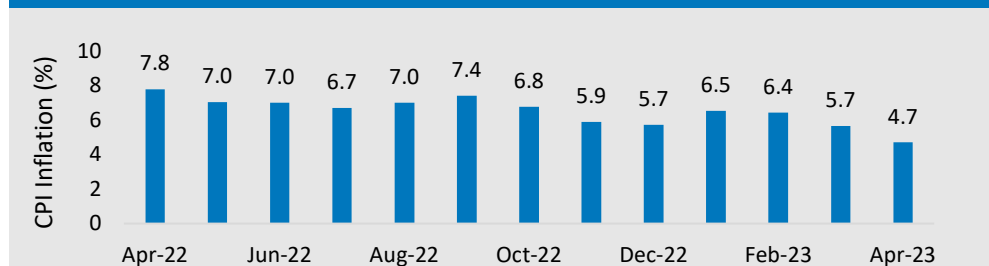
Source: Refinitiv

### IIP Growth (%)



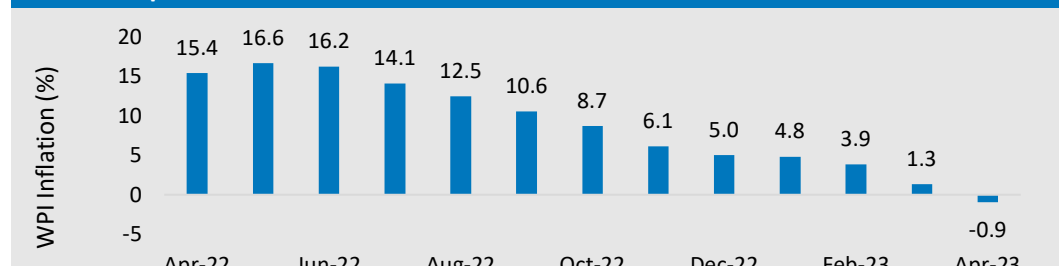
Source: Refinitiv

### Retail inflation movement



Source: Refinitiv

### Wholesale price inflation movement



Source: Refinitiv

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