Weekly Market Update

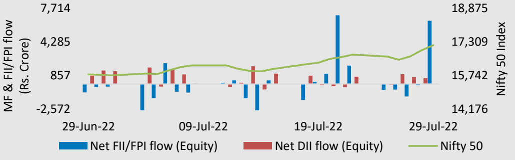
29 July, 2022

Macro Economic Release

Indicators	Actual	Consensus	Previous
Infrastructure Output (YoY)(Jun)	12.70%	10.00%	19.30%
Fiscal Deficit (Jun)	3,518.71B	224.8B	2,039.2B
Trade Deficit ($ billion) (Jun 2022)	26.18	25.55	24.28
WPI Inflation (Jun 2022)	15.18%	15.50%	15.88%

Source: Refinitiv

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Macro economic Update

- India's fiscal deficit stood at 21.20% of the Budget Estimates (BE) from Apr to Jun of FY23. The revenue deficit stood at 20.70 % of Budget estimate. Total receipts stood at Rs. 5.96 lakh crore or 26.1% of the budget target as compared to 27.7% in the corresponding period of the previous year. Total expenditure stood at Rs. 9.48 lakh crore or 24.0% of the budget estimate as compared to 23.6% in the corresponding period of the previous year.
- Government data showed that the combined index of eight core industries grew 12.7% in Jun 2022 as compared to a growth of 19.3% in May 2022 and a growth of 9.4% in Jun 2021. All sectors witnessed growth except crude oil sector in Jun 2022. The maximum growth was in the coal sector which witnessed a growth of 31.1% followed by cement sector and electricity sector which witnessed a growth of 19.4% and 15.5%, respectively.
- IMF drastically cut its estimate of India's economic growth for FY23 from 8.2% to 7.4%, citing the impact of external challenges and the quick tightening of monetary policy. It further said that controlling inflation should be India's policymakers' top priority and supported tightening the country's monetary policy. In light of a number of growth-related downside risks, the IMF also reduced India's growth prediction for FY24 by 0.8% points to 6.1% in its most recent World Economic Outlook update.

Indian Equity Market Performance

Broad Indices	29-Jul-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	57,570	2.67	9.48	-1.17
Nifty 50	17,158	2.62	8.85	-1.13
S&P BSE 100	17,530	2.58	8.83	-0.54
Nifty 500	14,666	2.30	7.33	-2.20
Nifty Mid cap 50	8,171	1.65	6.69	-2.85
Nifty Small cap 100	9,171	0.47	-12.84	-18.76
Sector Indices	**29-Jul-22**	**% Change (WoW)**	**% Change (YoY)**	**% Change (YTD)**
S&P BSE AUTO	28,729	-0.81	27.74	15.76
S&P BSE Bankex	43,131	1.71	10.06	6.74
S&P BSE CD	39,570	1.05	8.75	-11.61
S&P BSE CG	29,717	2.44	25.54	3.36
S&P BSE FMCG	15,489	0.29	14.90	12.37
S&P BSE HC	22,902	1.14	-12.44	-12.61
S&P BSE IT	29,488	2.64	-4.40	-22.08
S&P BSE METAL	18,190	8.15	-13.43	-5.49
S&P BSE Oil & Gas	18,999	2.67	23.04	8.52
S&P BSE Power	4,556	2.16	74.13	30.86
S&P BSE PSU	8,657	2.62	11.82	6.34
S&P BSE Realty	3,591	2.57	12.84	-6.51
S&P BSE Teck	13,429	2.63	-0.38	-19.18

Source: BSE & NSE

Domestic Equity Market Update

- Domestic equity markets rose during the week under review with headline benchmark indices witnessing gains in excess of 2%. Market sentiments were boosted after the U.S. Federal Reserve raised interest rates by 75 bps which was along market expectations.
- The U.S. Federal Reserve chief also indicated that the pace of rate hikes may slow down in the future meetings once inflation in U.S. peaks out which eased concerns over foreign fund outflows from the domestic capital markets. Moderation in selling by foreign institutional investors further contributed to the upside.
- On the domestic front, upbeat corporate earning numbers from some of the key players in the banking and financial services segment provided support to market sentiment.
- Market participants also grew optimistic over the government's increased capital expenditure plan. The auction of 5G spectrum till the third day fetched bids worth Rs. 1.49 lakh crore. The government announced a revival package of Rs 1.64 lakh crore for a state-owned telecom operator.
- The Union Cabinet also gave approval a state-owned oil and gas explorer and producer to invest an additional $1.6 billion in a Brazilian oil block which brought optimism in the markets.
- On the BSE sectoral front, all the indices closed in the green barring S&P BSE Auto which fell 0.81%. S&P BSE Metal rose the most by 8.15% during the week followed by S&P BSE Oil & Gas and S&P BSE IT which rose 2.67% and 2.64% respectively.
- Metal stocks rose on hopes of strong demand from China. IT shares were also in strong demand amid hopes that the IT stocks has bottomed out.

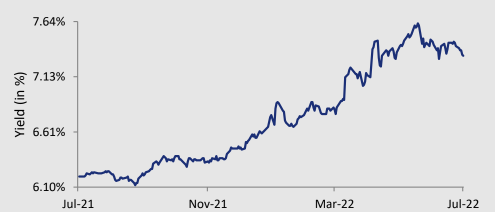
Indian Debt Market Indicators

Broad Indices	29-Jul-22	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	5.00%	4.98%	4.70%	3.60%	3.18%
T-Repo	5.00%	5.15%	4.66%	3.44%	3.20%
Repo	4.90%	4.90%	4.90%	4.00%	4.00%
Reverse Repo	3.35%	3.35%	3.35%	3.35%	3.35%
3 Month CP	6.10%	5.80%	5.58%	4.15%	3.70%
1 Year CP	6.90%	6.75%	6.75%	5.05%	4.40%
3 Month CD	5.86%	5.62%	5.31%	3.89%	3.41%
1 Year CD	6.91%	6.61%	6.60%	4.82%	4.00%

Broad Indices	29-Jul-22	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	6.71%	6.66%	6.49%	4.82%	4.58%
3 Year AAA Corporate Bond	7.31%	7.09%	7.26%	5.84%	5.39%
5 Year AAA Corporate Bond	7.78%	7.43%	7.98%	6.71%	6.41%
1 Year G-Sec	6.35%	6.41%	6.09%	4.46%	3.98%
3 Year G-Sec	6.75%	6.79%	6.99%	5.35%	4.66%
5 Year G-Sec	7.07%	7.15%	7.27%	6.12%	5.72%
10 Year G-Sec	7.32%	7.41%	7.46%	6.77%	6.20%
Forex Reserve ($ in billion)	571.56*	572.71**	593.32@	629.76@@	611.15@@@

*Source: CCIL,Refinitiv * As on Jul 22, 2022; ** As on Jul 15, 2022; @ As on Jun 24, 2022; @@ As on Jan 28, 2022; @@@ As on Jul 23, 2021*

10 - Year benchmark G-Sec Movement



Source: Refinitiv

Domestic Debt Market Update

- Bond yields fell following decline in the U.S. Treasury yields and appreciation of the rupee against the greenback. Gains increased after the U.S. Federal Reserve (Fed) raised interest rates by 75 bps which was as per market expectations. The U.S. Fed chief indicated that it may slowdown the pace of rate hikes in the future meetings which also aided market sentiment.
- Yield on the 10-year benchmark paper (6.54% GS 2032) fell by 9 bps to close at 7.32% as compared to the previous week's close of 7.41%.
- Reserve Bank of India (RBI) conducted the auction of four government securities namely 7.38% GS 2027, GOI FRB 2028, 7.54% GS 2036 and 6.99% GS 2051 for a notified amount of Rs. 32,000 crore, which was completely accepted with devolvement on primary dealers. The cut off price/implicit yield at cut-off stood at Rs. 101.56/6.9948%, Rs. 97.01/7.0198%, Rs. 100.20/7.5146% and Rs. 91.99/7.6796%, respectively. GOI FRB 2028 security witnessed development of Rs. Rs. 1,739.547 crore.
- Data from RBI showed that India's foreign exchange reserves fell for the eighth consecutive week to $571.56 billion for the week ended Jul 22, 2022 from $572.71 billion in the previous week. India's foreign exchange reserves thus at present is at a 20-month low and lowest since Nov 6, 2020, when they were at $568.49 billion.

Weekly Market Update

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29 July, 2022

Global Commodity Update

Commodities	29-Jul-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil ($/barrel)	98.22	3.38	33.83	30.32
Brent Crude Oil ($/barrel)	109.92	6.51	45.03	41.12
Gold ($/ounce)	1,765.22	2.25	-3.43	-3.45
Silver ($/ounce)	20.32	9.31	-20.41	-12.67

Source: Refinitiv

Currencies Update

Currency	29-Jul-22	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	79.34	79.83	78.92	75.03	74.25
GBP	96.52	95.81	95.69	100.58	103.65
Euro	81.07	81.51	82.39	83.61	88.25
100 Yen	59.55	58.66	57.77	65.09	67.80

Source: Refinitiv

Global Equity Market Performance

Country/ Region	Indices	29-Jul-22	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	2,267.10	4.17	-8.70	-14.32
U.K.	FTSE	7,423	2.02	4.87	0.53
France	CAC 40	6,449	3.73	-2.79	-9.85
Germany	DAX	13,484	1.74	-13.79	-15.11
Japan	Nikkei 225	27,802	-0.40	0.07	-3.44
China	Shanghai Composite	3,253	-0.51	-4.65	-10.62
Hong Kong	Hang Seng	20,157	-2.20	-23.40	-13.85
Singapore	Straits Times	3,212	0.95	0.97	2.81
Russia	RTS Index	1,129	-2.77	-31.12	-29.23
Brazil	Sao Paulo Se Bovespa	103,165	4.29	-17.91	-1.58

Source: Refinitiv

Global Bond Yield Update

Indicators	29-Jul-22	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	2.64	2.78	3.09	1.78	1.27
U.K. 10 Year Bond yield (%)	1.86	1.94	2.38	1.24	0.57
German 10 Year Bond yield (%)	0.83	1.02	1.51	-0.04	-0.45
Japan 10 Year Bond yield (%)	0.18	0.23	0.24	0.17	0.02

Source: Refinitiv

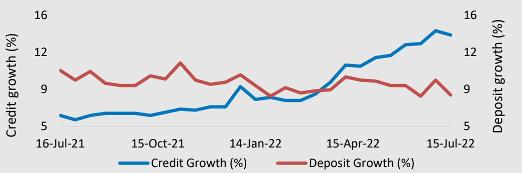
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Germany IFO – Business Climate (Jul)	25-Jul	88.60	90.50	92.20
U.S. New Home Sales (MoM)(Jun)	26-Jul	0.59M	0.66M	0.642M
U.S. Durable Goods Orders(Jun)	27-Jul	1.90%	-0.40%	0.80%
Germany Harmonized Index of Consumer Prices (YoY)(Jul) PREL	28-Jul	8.50%	8.10%	8.20%

Source: FX Street; Refinitiv

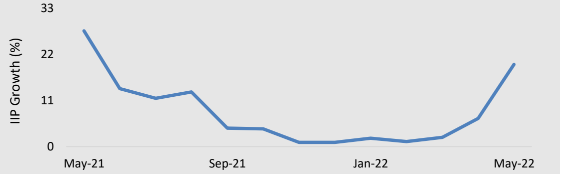
Macro Economic Performance of India

Credit growth vs Deposit growth



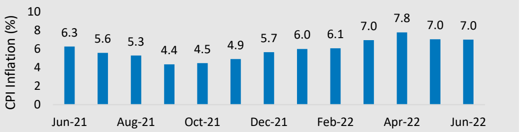
Source: Refinitiv

IIP Growth (%)



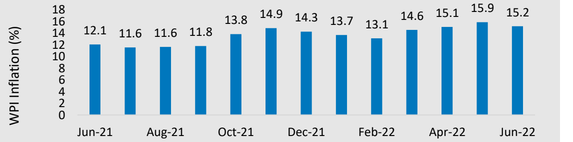
Source: Refinitiv

Retail inflation movement



Source: Refinitiv

Wholesale price inflation movement



Source: Refinitiv

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