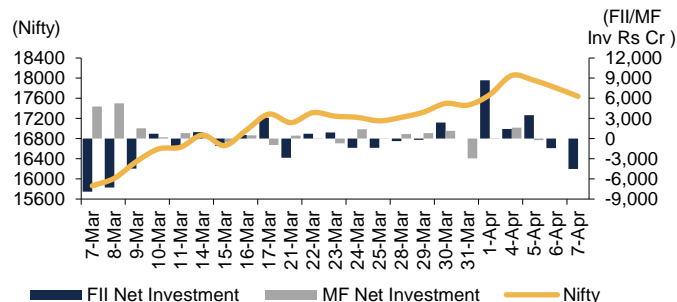


Indian equity benchmark indices' returns

Broad Indices	Apr 8	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	59,447	0.29	-0.50	19.50
Nifty 50	17,784	0.64	-0.16	19.57
Nifty 500	15,342	1.69	-0.04	22.33
S&P BSE 100	18,195	1.37	0.57	20.59
S&P BSE Midcap	25,303	3.52	-0.67	21.78
S&P BSE Smallcap	29,766	3.72	-0.89	38.77

FII and mutual fund investment vs. Nifty



Sectoral Indices	Apr 8	% chg week	% chg 3 Mth	% chg Year
S&P BSE Power	4,545	8.97	26.94	80.80
S&P BSE FMCG	14,111	4.44	1.24	9.00
S&P BSE Metal	23,495	4.26	18.34	43.81
S&P BSE CG	28,844	3.68	-0.84	35.82
S&P BSE Oil & Gas	19,766	2.66	7.19	31.86
S&P BSE Healthcare	24,963	2.47	-2.62	12.39
S&P BSE CD	43,266	1.98	-4.90	30.74
S&P BSE Auto	24,789	1.72	-3.07	10.44
S&P BSE Bankex	43,296	1.64	0.58	16.78
S&P BSE Realty Index	3,767	-0.01	-2.22	41.72
S&P BSE IT	35,698	-2.13	-4.18	27.85

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Apr 8	Previous Week	1 month ago
Call Rate	3.60%	3.00%	3.25%
10 Yr G-Sec [^]	7.10%	6.82%	6.89%

[^]6.54% 2032 paper [^]Weighted Average Yield

Currencies vs INR

Currency	Apr 8	Week ago	3 months ago	1 year ago
USD	75.91	75.79	74.30	74.59
GBP	98.85	99.55	100.67	102.52
Euro	82.31	84.20	84.09	88.52
Yen*	61.08	62.24	64.15	68.11

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices extended last week's gains after the Reserve Bank of India (RBI) maintained its accommodative policy stance and decided to keep rates unchanged in its first bi-monthly monetary policy review of fiscal 2023. S&P BSE Sensex and Nifty 50 rose around 0.3% and 0.6%, respectively.
- Merger announcement of two large financial institutions added to the gains.
- Most of the sectors ended positive. Power, fast moving consumer goods, and metal gained the most. S&P BSE Power, S&P BSE FMCG and S&P BSE Metal rose about 9.0%, 4.4% and 4.3%, respectively.
- However, some gains were trimmed on concerns that the US Federal Reserve (Fed) may opt for a more aggressive monetary policy tightening stance due to inflationary pressure.
- Shares of Adani Port & SEZ Ltd emerged the top gainer on the Nifty 50, up ~7% on week to settle at Rs 839.3 per share after the company posted its highest ever cargo and handling of containers, coking coal, edible oil, chemicals, crude and steel.
- Shares of Infosys emerged the top decliner on the Nifty 50, down ~5% on week to settle at Rs 1814.6 per share on profit booking ahead of quarterly earnings due next week.

2. Debt

- Government bond prices declined sharply in the week. Yield of the 10-year benchmark 6.54% 2032 settled at 7.12% on April 08, 2022 compared with 6.84% on March 31, 2022.
- Yield rose sharply after the RBI raised its inflation expectations for the current fiscal and hinted at moving away from its easy monetary policy going forward, even as it kept the repo rate unchanged at 4%.
- Disappointing debt supply schedule of the government for the first half of fiscal 2023 also aided yield rally. The government will borrow a gross Rs 8.45 lakh crore from the local debt market in the first six months of this financial year.
- Meanwhile, in the weekly gilt sale held on April 8, 2022, the RBI auctioned 5.74% GS (government security) 2026, GOI FRB (floating rate bond) 2028, 6.67% GS 2035 and 6.99% GS 2051 papers for a total notified amount of Rs 32,000 crore.

3. Forex

- The rupee ended lower against the US dollar after minutes from the Fed's March meeting indicated a more aggressive stance by the central bank to fight inflationary pressure.
- Additionally, Fed Governor Lael Brainard hinted at a combination of interest rate hike and a rapid reduction of balance sheet, which also pressurised the local currency.
- Further losses were prevented after the RBI at its monetary policy hinted at withdrawal of accommodative stance going ahead, while keeping the rates unchanged.

International equity benchmark indices' returns

Indices	Apr 8	% chg week	% chg 3 Mth	% chg Year
DJIA*	34,584	-0.67	-4.55	3.40
Nasdaq Composite*	13,897	-2.55	-6.95	1.52
FTSE 100*	7,552	0.18	0.89	9.68
Nikkei 225	26,986	-2.46	-5.24	-9.17
Straits Times	3,383	-1.05	5.55	6.18
Hang Seng	21,872	-0.76	-6.90	-24.60
Shanghai Comp	3,252	-0.94	-9.15	-6.62

*As of Apr 7

International debt market indicators

Indicators	Apr 8	Apr 1
US 10-Year*	2.65%	2.38%
UK 10-Year*	1.74%	1.61%
German 10-Year*	0.68%	0.57%
Japan 10-Year	0.24%	0.22%
3-M USD Libor^	0.99%	0.96%
6-M USD Libor^	1.50%	1.49%
1-Y USD Libor^	2.21%	2.17%

*As of Apr 7

Commodities

Commodity	Apr 8	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	100.58	-3.65	22.67	59.25
Indian gold (Rs per 10 gm)	51,839.00	0.39	8.94	12.23
Indian Silver (Rs per Kg)	66,636.00	-0.38	11.08	-0.46

*As of Apr 7

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Most global equities ended lower on rate hike fear by the Fed and the Ukraine-Russia crisis.
- US stocks ended lower this week after minutes from the Fed's March meeting signalled that the central bank would take aggressive hawkish stance to fight inflationary pressure.
- Further, Fed Governor Lael Brainard also stressed that the central bank needs to reduce its balance sheet quickly and continue to increase interest rates at a steady pace to contain surging inflation.
- However, some losses were trimmed after US monthly jobs report, which indicated a strong labour market and gains in technology and growth stocks.
- US non-farm payrolls came in at 431,000 in March compared with an upwardly revised 750,000 in February. The unemployment rate fell to 3.6% in March from 3.8% in February.
- Britain's FTSE rose 0.18% buoyed by gains in healthcare, utility, consumer staples, mining, industrials, and leisure stocks.
- However, the upside was restricted on concerns over tight monetary policy by the Fed and new sanctions on Russia.
- Asian equities ended lower. Japan's Nikkei dropped 2.4% tracking similar trend in the global market following the Fed officials' hawkish comments, the Russia-Ukraine war, and the pandemic-related lockdown in China.
- Hong Kong's Hang Seng fell about 0.76% due to concerns over rising Covid-19 cases in China and the likelihood of faster US monetary policy tightening.
- Some losses were recouped after China proposed to remove a key audit barrier on US-listed Chinese companies, easing delisting pressure.
- China's Shanghai Composite declined 0.94% tracking similar weak sentiments in the global markets and rising Covid-19 cases in the country.
- However, expectations of more stimulus to support the economy following resurgence of Covid-19 cases, reduced some losses.

2. Commodity

- Crude oil prices declined this week following IEA members' decision to release 120 million barrels from crude reserves, rise in US supply and on demand worries from China.
- Gold price rose in this week on inflationary concerns and Ukraine-Russia conflict.
- Silver prices fell in this week owing to weak demand for industrial metal.

C. News summary

1. Domestic

- The RBI in its policy review projected inflation at 5.7% in fiscal 2023, compared with the previous estimate of 4.5%.
- The RBI revised its real gross domestic product (GDP) growth projection to 7.2% for fiscal 2023, from 7.8% estimated earlier.
- The central bank kept the repo and reverse repo rates unchanged at 4% and 3.35%, respectively.
- The S&P Global India Manufacturing Purchasing Managers' Index (PMI) for March printed at 54.0, down from 54.9 in February and services PMI rose to 53.6 in March from 51.8 in February. Composite PMI rose to 54.3 in March from 53.5 in February.
- India and Australia signed an economic cooperation and trade pact; bilateral trade is projected to reach \$45 billion in five years.
- The Indian government set up an advisory committee to drive the Rs 72,000-crore project - Semicon India.
- The Ministry of Finance said 10 states were given the permission to borrow an additional Rs 28,204 crore in fiscal 2022 for undertaking power sector reforms.
- The RBI introduced a standing deposit facility at 3.75% to absorb excess liquidity.
- The RBI proposed to make cardless cash withdrawal facility available at all ATMs across India.
- The RBI decided to reduce the ways and means advances (WMA) for states and union territories to Rs 470,10 crore from Rs 515,60 crore.
- The RBI came out with guidelines on digital banking units (DBUs), wherein scheduled commercial banks with past digital banking experience are allowed to open DBUs in tier 1 to tier 6 centres without taking the RBI's permission.
- SEBI rolled out fresh guidelines for KYC registration agencies, whereby these agencies will have to independently validate KYC records of all clients from July 1.

2. International

- US ISM manufacturing index fell to 57.1 in March from 58.6 in February, while the non-manufacturing index rose to 58.3 in March from 56.5 in February.
- US trade deficit in February came in at \$89.18 billion, marginally lower than that in January.
- Eurozone consumer prices rose 7.5% on-year in March compared to 5.9% rise in February.
- Japan Jibun Bank Services PMI came in at 49.4 in March, compared to 44.2 in February and the composite PMI was at 50.3 compared to 45.8.

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D. Week ahead

Day	Events
Monday, Apr 11, 2022	<ul style="list-style-type: none"> • UK GDP, February 2022 • UK Trade Balance, February 2022 • UK Industrial Production, February 2022 • China Consumer Price Index, March 2022 • China Producer Price Index, March 2022
Tuesday, Apr 12, 2022	<ul style="list-style-type: none"> • US Consumer Price Index, March 2022 • Eurozone ZEW Survey – Economic Sentiment, April 2022 • China New Yuan Loans, March 2022 • India Industrial Production, February 2022 • India Consumer Price Inflation, March 2022
Wednesday, Apr 13, 2022	<ul style="list-style-type: none"> • US Producer Price Index, March 2022 • Eurozone Industrial production, February 2022 • UK Inflation Rate, March 2022 • UK PPI, March 2022 • China Trade Balance, February 2022 • Japan Industrial Production, February 2022
Thursday, Apr 14, 2022	<ul style="list-style-type: none"> • US Initial Jobless Claims, April 8, 2022 • US Retail Sales, March 2022 • US Michigan Consumer Sentiment Index, April 2022 • Eurozone ECB Interest Rate Decision • India Wholesale Price Inflation, March 2022
Friday, Apr 15, 2022	<ul style="list-style-type: none"> • US Industrial Production, March 2022



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