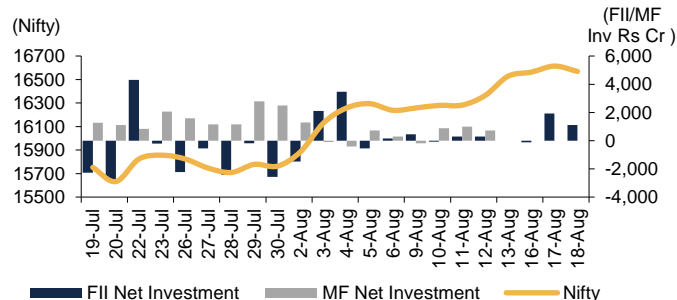


## Indian equity benchmark indices' returns

Broad Indices	Aug 20	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	55,329	-0.19	11.63	44.76
Nifty 50	16,451	-0.48	10.36	45.42
Nifty 500	13,944	-0.86	9.48	48.83
S&P BSE 100	16,669	-0.60	9.75	45.49
S&P BSE Midcap	22,680	-1.14	6.42	52.53
S&P BSE Smallcap	25,758	-2.27	12.09	78.61

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Aug 20	% chg week	% chg 3 Mth	% chg Year
S&P BSE FMCG	14,229	3.92	10.54	21.95
S&P BSE IT	33,422	1.43	26.10	82.52
S&P BSE Oil & Gas	15,750	0.00	0.37	17.53
S&P BSE CD	36,347	-0.67	11.78	58.36
S&P BSE Healthcare	25,678	-0.78	5.41	34.52
S&P BSE Power	2,685	-0.93	-3.58	58.41
S&P BSE Auto	22,178	-2.65	-3.38	24.24
S&P BSE CG	23,548	-3.16	6.95	67.48
S&P BSE Bankex	39,800	-3.28	5.09	59.45
S&P BSE Realty Index	2,981	-5.29	18.06	70.86
S&P BSE Metal	19,339	-8.62	4.12	109.46

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Aug 20	Previous Week	1 month ago
Call Rate	3.05%	3.00%	2.85%
10 Yr G-Sec <sup>^</sup>	6.23%	6.23%	6.12%

<sup>^</sup>6.10% 2031 paper <sup>^</sup>Weighted Average Yield

## Currencies vs INR

Currency	Aug 20	Week ago	3 months ago	1 year ago
USD	74.39	74.24	73.10	75.03
GBP	101.31	102.49	103.24	98.20
Euro	86.85	87.23	89.10	88.86
Yen*	67.86	67.33	67.08	70.72

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Indian equity ended on a negative trend this week, tracking similar sentiment in the global markets. S&P BSE Sensex fell 0.19% and Nifty 50 declined around 0.5% this week
- Concerns over global growth prospects on weak economic data from the US and China, as well as the US Federal Reserve's signal that it would scale back stimulus measures this year, weighed on the market
- Heavy sell-offs was seen in the metal, realty and bank counters. S&P BSE Metal (-9%), S&P BSE Realty (-5%) and S&P BSE Bankex (-3%).
- Shares of Hindalco emerged the top laggard on the Nifty 50, declining 8.7% on week to settle at Rs 403.65 per share weighed by weak investor sentiment for metals amid the global equity sell off.
- However, buying interest in S&P BSE FMCG (4%) and S&P BSE IT (1.4%) provided some support to the market.
- Shares of Hindustan Unilever emerged the top gainer on the Nifty 50, rising 8.9% on week to settle at Rs 2619.4 per share as investors turned to defensive buying.

#### 2. Debt

- Government bond prices ended marginally higher. The yield of the 10-year benchmark 6.10% 2031 paper settled at 6.23% on August 20 compared with 6.24% on August 13
- A fall in US benchmark bond yields and crude oil prices this week benefitted local gilt prices
- In the state development loan (SDL) auction, states raised a total notified Rs 8500 crore via sale of dated securities
- In the weekly gilt sale, the RBI auctioned the 4.26% 2023 paper, the 6.76% 2061 paper, and the 6.10% 2031 paper for a total notified Rs 26,000 crore
- According to the RBI's August meeting minutes, RBI Governor Shaktikanta Das opined that continued policy support with a focus on revival and sustenance of growth was the most desirable and judicious policy option given the ongoing uncertainties because of the Covid-19 pandemic

#### 3. Forex

- The Indian rupee depreciated against the US dollar, weighed by a rise in the US dollar index
- The US dollar registered broad gains as safe-haven demand for the currency increased amid fears that the delta variant could impede global economic recovery
- The US dollar also registered gains due to the Fed's signal that it would start to taper stimulus this year
- The US central bank's July meeting minutes released this week showed that officials largely expect to reduce monthly bond buying later this year. However, divisions remain on the timing and pace of the taper, and whether inflation, joblessness or Covid-19 pose a bigger risk to economic recovery

## International equity benchmark indices' returns

Indices	Aug 20	% chg week	% chg 3 Mth	% chg Year
DJIA*	34,894	-1.75	2.94	26.00
Nasdaq Composite*	14,542	-1.90	9.34	30.46
FTSE 100*	7,059	-2.21	1.56	15.49
Nikkei 225	27,013	-3.45	-3.86	18.06
Straits Times	3,103	-1.98	-0.23	22.74
Hang Seng	24,850	-5.84	-12.66	0.24
Shanghai Comp	3,427	-2.53	-2.27	1.89

\*As of Aug 19

## International debt market indicators

Indicators	Aug 20	Aug 13
US 10-Year*	1.24	1.30
UK 10-Year*	0.54	0.58
German 10-Year*	-0.49	-0.46
Japan 10-Year	0.01	0.01
3-M USD Libor*	0.13%	0.12%
6-M USD Libor*	0.15%	0.16%
1-Y USD Libor*	0.24%	0.24%

\*As of Aug 19

## Commodities

Commodity	Aug 20	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	66.45	-5.86	-0.32	46.46
Indian gold (Rs per 10 gm)	47329.00	1.34	-2.48	-9.53
Indian Silver (Rs per Kg)	62233.00	-0.61	-13.01	-5.24

\* As of Aug 19

Source: Respective commodity exchanges, ibjrates.com

## B. International

### 1. Equity

- Global equities ended lower this week amid region-specific cues.
- US stocks ended lower this week after the Fed signalled that it would scale back stimulus measures this year
- Weak economic data from the US and China compounded investors' concerns about global economic recovery, which weighed on markets
- US University of Michigan preliminary consumer sentiment index fell to 70.2 in the first half of August from a final reading of 81.2 in July
- US retail sales slumped 1.1% in July after rising by an upwardly revised 0.7% in June
- However, a sharp fall in markets was prevented, especially in Nasdaq, due to some buying interest in the retail and technology stocks
- The UK's FTSE four-week positive trend came to a standstill due to a sell-off in energy and mining stocks after a fall in commodity prices. However, markets found little impetus after encouraging employment numbers raised hopes of speedy economic recovery in the country
- The UK unemployment rate dropped to 4.7% for the three months to June compared with 4.8% for the three months to May
- Other European equities declined this week with France's CAC 40 plunging 4.2%, while Germany's DAX declined 1.3%. Markets fell tracking similar weak sentiment in the global markets and concerns surrounding the rising number of the delta variant cases
- Eurozone's GDP rebounded 13.6% on-year in the second quarter after shrinking 1.3% in the first quarter
- Eurozone's annual inflation rate was 2.2% in July 2021, up from 1.9% in June.
- Asian equities ended lower this week. Japan indices plunged 3.5% this week as investors worried that a surge in Covid-19 cases could slow growth
- Hong Kong's Hang Seng tanked almost 6% this week after Beijing tightened regulations on the technology sector amid weak Chinese data
- China's Shanghai Composite slumped (2.5%) this week after the government announced fresh regulation for the technology sectors amid weak industrial and retail sales data
- China's industrial production growth slowed to 6.4% on-year in July from 8.3% a month ago
- China's retail sales grew at a slower pace of 8.5% in July on an annualised basis, following a 12.1% rise in June.

### 2. Commodity

- Crude oil prices fell in this week on tracking weak Chinese economic data, concerns over rising Covid-19 cases that may hamper fuel demand and more oil supply from global producers like the US.
- Gold prices rose in this week in safe haven buying on global growth woes after a rise in Covid-19 cases and weak economic data.
- Indian silver prices fell in this week on tracking weak economic data.

## C. News summary

### 1. Domestic

- India's WPI inflation eased to 11.16% in July from 12.07% in June, on cheaper food items.
- India's trade deficit for July 2021 came in at \$10.97 billion as against \$4.83 billion in July 2020. The exports grew around 50% on-year to \$35.43 billion in July while imports rose by about 63% on-year to \$46.4 billion.
- Finance Minister Nirmala Sitharaman said the economy is recovering from the second pandemic wave and is on the path of revival; also said that she expects inflation to remain in the prescribed range during the current fiscal.
- Prime Minister (PM) Narendra Modi announced the Rs 100 lakh crore 'Gati Shakti' scheme aimed at infrastructure development and creating employment opportunities.
- PM rolled out the National Automobile Scrappage Policy which is expected to attract investment worth Rs 10000 crore and said that the initiative will promote a circular economy.
- PM announced the National Hydrogen Mission for the production and export of green hydrogen
- RBI unveiled a Financial Inclusion Index (FI-Index) to capture the extent of financial inclusion; the annual FI-Index for the period ending March 2021 is 53.9 in comparison to 43.4 for the period ending March 2017.
- RBI issued new guidelines for safe deposit locker and safe custody article facility provided by banks, which will be effective from January 1, 2022.
- SEBI reduced the minimum lock-in period for promoters' investment post an initial public offering (IPO) to 18 months from three years, under certain conditions.

### 2. International

- US Federal Reserve meeting minutes showed that the central bank officials at their July gathering made plans to pull back the pace of their monthly bond purchases likely before the end of the year.
- Eurozone GDP rebounded 13.6% on-year in the second quarter after shrinking 1.3% in the first quarter.
- UK consumer price index rose 2% on-year in July following a 2.5% increase in June.
- China industrial production growth slowed to 6.4% on-year in July from 8.3% a month ago.
- Japan's economy grew at an annualized rate of 1.3% in the second quarter, compared with a downwardly revised 0.9% contraction in the first quarter.

**Disclaimer** - Produced by SBM Bank India Limited based on information available at the time of publishing. We believe that the information in this report is correct and any opinion, conclusions or recommendations are reasonably held or made as at the time of its compilation, but no warranty is made as to accuracy, reliability or completeness. SBM Bank India Limited does not accept liability to any person for loss or damage arising from the use of this report. The report has been prepared without taking into account of the objectives, financial situation or needs of any particular individual or financial institution or corporate. For this reason any individual or financial institution or corporate should before action on the information in this report, consider the appropriateness of the information having regard to the individual's objectives, financial situation and needs and if necessary seek appropriate professional advice.

## D. Week ahead

Day	Events
Monday, Aug 23, 2021	<ul style="list-style-type: none"> <li>US Manufacturing, Services &amp; Composite PMI, August</li> <li>US Existing Home Sales, July</li> <li>US Chicago Fed National Activity Index, July</li> <li>Eurozone Consumer Confidence, August</li> <li>Eurozone Manufacturing, Services &amp; Composite PMI, August</li> <li>UK Manufacturing, Services &amp; Composite PMI, August</li> <li>Japan Manufacturing PMI, August</li> </ul>
Tuesday, Aug 24, 2021	<ul style="list-style-type: none"> <li>US New Home Sales, July</li> </ul>
Wednesday, Aug 25, 2021	<ul style="list-style-type: none"> <li>US Durable Goods Orders, July</li> <li>Japan Coincident/Economic Index, June</li> </ul>
Thursday, Aug 26, 2021	<ul style="list-style-type: none"> <li>US GDP, Q2 2021</li> </ul>
Friday, Aug 27, 2021	<ul style="list-style-type: none"> <li>US Personal Income &amp; Spending, July</li> <li>US University of Michigan Consumer Sentiment, August</li> <li>US Advance Goods Trade Balance, July</li> <li>China Industrial Profits, July</li> </ul>



**ATTRACTIVE INTEREST RATES ON OUR  
TERM DEPOSITS**

[Know More](#)