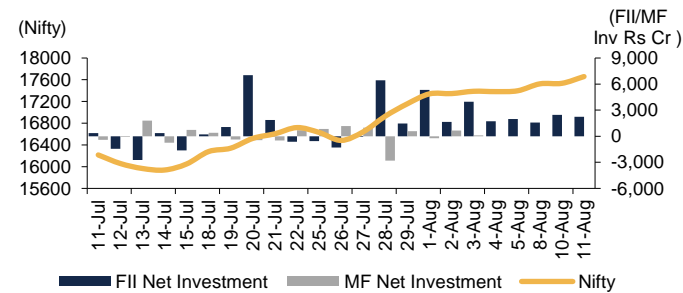


Indian equity benchmark indices' returns

Broad Indices	Aug 12	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	59,463	1.84	12.34	8.42
Nifty 50	17,698	1.73	11.96	8.15
Nifty 500	15,141	1.61	12.44	8.36
S&P BSE 100	18,078	1.70	12.05	8.67
S&P BSE Midcap	24,765	1.17	14.41	7.89
S&P BSE Smallcap	27,906	1.09	11.64	5.87

FII and mutual fund investment vs. Nifty



Sectoral Indices	Aug 12	% chg week	% chg 3 Mth	% chg Year
S&P BSE Metal	19,240	4.83	4.57	-8.53
S&P BSE CG	30,944	4.19	24.31	29.27
S&P BSE Power	4,858	3.64	12.71	79.43
S&P BSE Bankex	44,758	2.77	15.54	9.37
S&P BSE Oil & Gas	19,773	2.26	7.53	26.14
S&P BSE CD	40,748	1.59	12.58	12.21
S&P BSE Realty Index	3,531	1.28	15.20	11.27
S&P BSE Auto	29,618	0.86	27.80	30.12
S&P BSE IT	30,351	-0.12	1.27	-6.47
S&P BSE Healthcare	23,047	-0.59	4.78	-11.63
S&P BSE FMCG	15,472	-1.07	16.65	13.77

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Aug 12	Previous Week	1 month ago
Call Rate	4.75%	5.30%	4.30%
10 Yr G-Sec [^]	7.29%	7.32%	7.40%

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

Currencies vs INR

Currency	Aug 12	Week ago	3 months ago	1 year ago
USD	79.65	79.24	77.42	74.25
GBP	97.03	96.06	94.50	102.95
Euro	82.05	80.91	80.41	87.19
Yen*	59.79	59.33	60.26	67.25

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices advanced for the fourth straight week as a slowdown in US inflation eased worries over faster rate hikes by the US Federal Reserve (Fed). S&P BSE Sensex and Nifty 50 rose about 2% each
- Gains were further added owing to fresh foreign fund inflows and a rally in metal, capital goods, and power stocks. S&P BSE Metal, S&P Capital Goods, and S&P BSE Power advanced about 5%, 4%, and 3.6%, respectively
- However, investors' caution ahead of key domestic macroeconomic data kept gains under check
- Further, a sell-off in fast moving consumer goods (FMCG), healthcare and information technology (IT) also chipped off some gains. S&P BSE FMCG, S&P BSE Healthcare, and S&P BSE IT fell 1%, 0.6%, and 0.1%, respectively
- Shares of Coal India emerged the top gainer on the Nifty 50, up ~6% on week to settle at Rs 221.65 per share after posting upbeat quarterly results.
- Shares of Divi's Laboratories emerged the top decliner on the Nifty 50, down ~5% on week to settle at Rs 3726.2 per share tracking a sell-off in healthcare stocks.

2. Debt

- Government bond prices were little changed in the week ended August 12, 2022. The yield on the 10-year benchmark 6.54% 2032 settled at 7.29% on August 12, 2022, compared with 7.30% on August 05, 2022
- Yield began the week on the higher side following the RBI's hawkish stance in its policy meet last week and a spike in US treasury yields owing to robust monthly jobs data
- However, intermittent short covering and a pullback in US inflation numbers for July capped gains in the yield
- Further, hopes over easing domestic inflation and expectations of slower pace of rate hikes from the RBI going forward buoyed the sentiment
- Meanwhile, in the debt sale held on August 12, 2022, the RBI auctioned 7.38% Government Security (GS) 2027, GOI Floating Rate Bond (FRB) 2028, 7.54% GS 2036 and 6.99% GS 2051 for totalling a notified amount of Rs 32,000 crore

3. Forex

- The rupee ended lower against the US dollar after the dollar index strengthened on possibility that the Fed would stay on course with the rate hike plan despite ease in inflation
- Further, the rise in crude oil prices and caution ahead of the domestic inflation data also weighed on the local unit
- However, consistent foreign fund inflow and positive trend in the domestic equity market prevented more losses in the currency.

International equity benchmark indices' returns

Indices	Aug 12	% chg week	% chg 3 Mth	% chg Year
DJIA*	33,337	1.63	4.72	-6.05
Nasdaq Composite*	12,780	0.97	12.46	-13.45
FTSE 100*	7,466	0.35	1.61	3.40
Nikkei 225	28,547	1.32	10.87	1.90
Straits Times	3,269	-0.41	3.29	2.72
Hang Seng	20,176	-0.13	4.10	-23.92
Shanghai Comp	3,277	1.55	7.26	-7.03

*As of Aug 11

International debt market indicators

Indicators	Aug 12	Aug 5
US 10-Year*	2.89%	2.84%
UK 10-Year*	2.08%	2.06%
German 10-Year*	0.97%	0.96%
Japan 10-Year	0.19%	0.16%
3-M USD Libor*	2.91%	2.91%
6-M USD Libor*	3.49%	3.57%
1-Y USD Libor*	3.93%	3.99%

*As of Aug 11

Commodities

Commodity	Aug 12	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	99.60	4.93	-7.36	39.42
Indian gold (Rs per 10 gm)	52,461.00	0.85	2.63	12.74
Indian Silver (Rs per Kg)	58,352.00	1.73	-2.41	-6.97

*As of Aug 11

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Most global equity markets ended higher on region-specific cues.
 - US stocks ended higher owing to better-than-expected jobs data and easing in retail inflation numbers
 - Further, stock-specific buying and strong corporate earnings aided the upside trend in the market
 - US consumer price inflation slowed to 8.5% on-year in July from over 40-year high of 9.1% in June
 - However, the gains owing to cooling inflation were short-lived as worries over aggressive rate hike by the Fed dented investor sentiment
 - Britain's FTSE rose 0.35% following gains in oil & gas and banking stocks, strong quarterly earnings, and moderation in US inflation data
 - However, further rise in the market were curtailed on fears of potential rate hike by the Fed
 - Asian equities ended higher. Japan's Nikkei advanced 1.3% on the positive corporate outlook of some companies, rally in technology shares, and hopes of a slower pace of rate hike by the Fed based on easing inflation data
 - However, the rally was cut short on losses in chip-related stocks
 - Hong Kong's Hang Seng fell 0.13% on worries over new lockdowns in China due to renewed Covid-19 cases, sell-off in technology and property shares, ongoing US-China tensions, and after the local government denied property tax waiver
 - Some losses were recouped on tracking gains on Wall Street after a slowdown in US inflation boosted hopes of a slow pace of rate hikes by the Fed
 - China's Shanghai Composite closed higher 1.55%, led by energy stocks and ease in concerns over rate hike by the Fed
 - Further rise in the market was capped following fresh covid-19 outbreaks, Sino-US tensions and after domestic producer price inflation data raised concerns over weak domestic demand
- ### 2. Commodity
- Crude oil prices rose in this week following upbeat US and Chinese economic data, rise in US gasoline demand, lower-than-expected US inflation data and rise in oil demand growth forecast by the IEA
 - Gold prices rose this week due to spark in safe haven demand following uncertainty surrounding Taiwan-related developments
 - Silver prices rose this week on demand hopes for industrial metals following upbeat data from major countries

C. News summary

1. Domestic

- India's consumer prices eased to 6.71% on-year in July, compared to 7.01% rise in June
- The Index of Industrial Production (IIP) grew 12.3% on-year in June, compared to 19.6% growth in May
- Finance Ministry released two installments of tax devolution to States, together amounting to Rs 1.16 lakh crore.
- Government rolled out an automated mechanism for capturing data related to domestic value addition by approved applicants under the Production Linked Incentive (PLI) scheme for the automotive sector.
- The Reserve Bank of India (RBI) issued detailed guidelines that will increase scrutiny and supervision over digital lending apps and lenders
- The RBI said small finance banks that have completed two years of operations, with a minimum net worth of Rs 500 crore can deal in foreign exchange
- The Securities and Exchange Board of India (SEBI) strengthened norms for debenture trustees with respect to listed securities
- The regulatory body proposed the concept of blue bonds for sustainable financing activities
- The SEBI constituted an expert group of foreign portfolio investors (FPIs) to boost overseas flows into the country.
- The regulatory body directed bourses and depositories to develop a system wherein permanent account numbers of designated persons are frozen for a specific period to curb inadvertent trades during the trading window closure.

2. International

- US consumer price inflation slowed to 8.5% on-year in July from over 40-year high of 9.1% in June.; the core inflation remained unchanged at 5.9% on-year in July from that in the previous month
- US producer price index rose 9.8% on-year in July compared to 11.3% increase in June
- UK Gross Domestic Product (GDP) expanded 2.9% on-year in the second quarter of 2022, compared to 8.7% growth in the first quarter of 2022.
- China's consumer price index (CPI) rose 2.7% on-year in July, up from a 2.5% reading in June. The producer price index (PPI) fell to 4.2% in July from 6.1% in the prior month
- China's trade surplus surged to a record high of \$101.26 billion in July, compared to \$97.94 billion surplus in June
- Japan's producer prices increased by 8.6% on-year in July from an upwardly revised 9.4% rise in June

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D. Week ahead

Day	Events
Monday, Aug 15, 2022	<ul style="list-style-type: none"> US NAHB Housing Market Index, August China Industrial Production, July China Retail Sales, July China House Price Index, July Japan GDP, Q2 Japan Industrial Production, June
Tuesday, Aug 16, 2022	<ul style="list-style-type: none"> US Industrial Production, July US Housing Starts, July India Wholesale Price Index, July
Wednesday, Aug 17, 2022	<ul style="list-style-type: none"> US FOMC minutes US Retail Sales, July Eurozone GDP, Q2 UK Inflation rate, July UK Producer Prices, July
Thursday, Aug 18, 2022	<ul style="list-style-type: none"> US Initial Jobless Claims, August 12 US Existing Home Sales, July Eurozone Inflation Rate Final, July
Friday, Aug 19, 2022	<ul style="list-style-type: none"> UK Gfk Consumer Confidence, August UK Retail Sales, July Japan Inflation Rate, July India Foreign Exchange Reserves, August 12



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