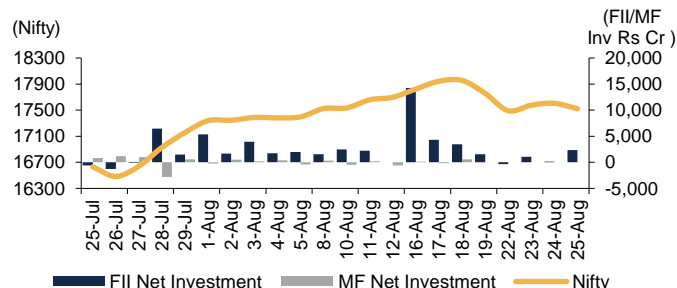


Indian equity benchmark indices' returns

Broad Indices	Aug 26	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	58,834	-1.36	8.44	5.16
Nifty 50	17,559	-1.12	8.59	5.54
Nifty 500	15,148	-0.58	10.38	7.38
S&P BSE 100	17,995	-1.00	9.28	6.77
S&P BSE Midcap	25,119	0.61	13.44	9.14
S&P BSE Smallcap	28,416	0.85	12.24	9.11

FII and mutual fund investment vs. Nifty



Sectoral Indices	Aug 26	% chg week	% chg 3 Mth	% chg Year
S&P BSE CD	41,978	2.12	15.15	16.89
S&P BSE CG	31,941	1.41	23.78	33.33
S&P BSE Power	5,097	1.17	19.36	83.25
S&P BSE Metal	19,086	1.08	7.52	-2.28
S&P BSE Realty Index	3,613	0.70	17.76	20.59
S&P BSE Oil & Gas	19,728	0.23	6.83	19.75
S&P BSE Bankex	44,674	-0.14	9.91	10.63
S&P BSE Auto	29,677	-0.19	17.10	34.76
S&P BSE FMCG	15,583	-0.43	12.48	8.97
S&P BSE Healthcare	22,746	-1.02	2.58	-11.16
S&P BSE IT	29,245	-4.15	2.81	-13.75

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Aug 26	Previous Week	1 month ago
Call Rate	4.40%	4.95%	3.35%
10 Yr G-Sec [^]	7.21%	7.27%	7.37%

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

Currencies vs INR

Currency	Aug 26	Week ago	3 months ago	1 year ago
USD	79.87	79.78	77.58	74.22
GBP	94.52	94.73	97.44	102.03
Euro	79.90	80.36	82.86	87.36
Yen*	58.32	58.28	61.03	67.38

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices registered their first weekly loss in six weeks on weak global market trends amid concerns over potential rate hikes by global central banks and recession worries. S&P BSE Sensex and Nifty 50 fell over 1% each.
- Markets were also under pressure because of caution ahead of the US Federal Reserve's Jackson Hole symposium.
- Information technology (IT), healthcare, and fast-moving consumer goods (FMCG) declined the most. S&P BSE IT, S&P BSE Healthcare, and S&P BSE FMCG fell about 4.2%, 1%, and 0.4%, respectively.
- However, some losses were offset by continued foreign fund inflows.
- Buying in consumer durables, capital goods, and power sectors also provided support to the market. S&P BSE Consumer Durables, S&P BSE Capital Goods, and S&P BSE Power rose 2.1%, 1.4%, and 1.2%, respectively.
- Shares of Coal India emerged the top gainer on the Nifty 50, up ~6% on week to settle at Rs 229.95 per share buoyed by upbeat quarterly results.
- Shares of TCS emerged the top decliner on the Nifty 50, down ~5% on week to settle at Rs 3222.2 per share tracking a sell-off in IT stocks.

2. Debt

- Government bond prices rose in the week ended August 26, 2022. The yield on the 10-year benchmark 6.54% 2032 settled at 7.22% on August 26, 2022, compared with 7.26% on August 19, 2022.
- Yields began the week on a brighter note due to persistent worries around inflation.
- Bond prices declined further as an intermittent rally in the global crude oil prices triggered fear that inflation may stay on the higher side.
- A further rally in the yield was capped on reports of progress in the inclusion of local bonds in global indices.
- In the debt sale held on August 26, 2022, the RBI auctioned 7.38% GS (government security) 2027, GOI FRB (floating-rate bond) 2028, 7.54% GS 2036, and 6.99% GS 2051 for a total notified amount of Rs 32,000 crore.

3. Forex

- The rupee ended lower against the US dollar after the dollar index strengthened as investors turned cautious ahead of the Jackson Hole conference, which would provide more cues on the Fed's rate hike stance.
- Further, rising crude oil prices and the weak domestic equity market kept the local unit under pressure.
- However, a sharp fall in the currency was restricted by persistent foreign fund inflows and reports of dollar sales by exporters.

International equity benchmark indices' returns

Indices	Aug 26	% chg week	% chg 3 Mth	% chg Year
DJIA*	33,292	-1.23	3.65	-5.97
Nasdaq Composite*	12,639	-0.52	10.53	-15.97
FTSE 100*	7,480	-0.94	-0.57	4.61
Nikkei 225	28,641	-1.00	7.65	3.24
Straits Times	3,250	0.09	1.26	4.51
Hang Seng	20,170	2.01	0.27	-20.64
Shanghai Comp	3,236	-0.67	3.62	-7.58

*As of Aug 25

International debt market indicators

Indicators	Aug 26	Aug 19
US 10-Year*	3.03%	2.99%
UK 10-Year*	2.63%	2.42%
German 10-Year*	1.33%	1.23%
Japan 10-Year	0.22%	0.20%
3-M USD Libor*	3.04%	2.96%
6-M USD Libor*	3.53%	3.55%
1-Y USD Libor*	4.10%	4.02%

*As of Aug 25

Commodities

Commodity	Aug 26	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	99.34	2.71	-12.88	37.49
Indian gold (Rs per 10 gm)	51,668.00	-0.26	1.42	9.12
Indian Silver (Rs per Kg)	55,607.00	-0.49	-9.74	-12.06

*As of Aug 25

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Most global equity markets ended lower as investors eyed the Jackson Hole symposium.
- US stocks ended lower after weak data raised fears over economic slowdown and as investors remained cautious ahead of the Fed's Jackson Hole symposium. Losses in growth and technology shares also supported the decline.
- US S&P Global manufacturing PMI fell to 51.3 in August from 52.2 in July, while the services PMI fell to 44.1 from 47.3. The composite PMI dropped to 45.0 in August from 47.7 in July.
- However, sharp losses were prevented by stock-specific gains and rise in energy shares.
- Britain's FTSE fell 0.94% due to losses in energy, commodity, and financial stocks; recession fears due to emerging gas crisis in Europe; slower-than-expected business activity growth; and concerns over aggressive rate hikes by major central banks.
- However, gains in oil and mining stocks and a rally in exporters' stocks following a weaker pound trimmed losses in the market.
- Asian equities mostly ended lower. Japan's Nikkei declined 1% because of weak business activity in the US, worries over economic slowdown, and caution ahead of the Fed chief's speech at the Jackson Hole symposium.
- Hong Kong's Hang Seng advanced 2% on hopes of progress in the US and China audit deal and fresh stimulus measures from China.
- These gains were cut short on concerns over a slowdown in the Chinese economy and as investors awaited Fed Chair Jerome Powell's speech at the Jackson Hole symposium.
- China's Shanghai Composite slipped 0.67% on concerns over domestic economic slowdown owing to Covid-19 infections and the property sector crisis.
- The People's Bank of China reduced its 5-year loan prime rate to 4.30% from 4.45% previously, while the 1-year loan prime rate was trimmed to 3.65% from 3.7%.

2. Commodity

- Crude oil prices rose in this week on supply worries amid concerns that US will not consider additional concessions to Iran in its response to a draft agreement and after Saudi Arabia warned that OPEC could cut production to stabilize the market with prospects of a drop in US inventories.
- Gold prices fell this week amid weak global trend and on caution ahead of the US Fed's Jackson Hole symposium.
- Silver prices declined this week tracking similar trend in gold and industrial metals.

C. News summary

1. Domestic

- Finance Minister Nirmala Sitharaman said that India's Gross Domestic Product (GDP) will grow at 7.4% in fiscal 2023 and continue at the same level in fiscal 2024 as well.
- The finance ministry's monthly economic review said India is better placed on the growth-inflation-external balance triangle for 2022-23 than it was two months ago due to government policy response and RBI's policy actions.
- Government revamped rules for domestic entities, including companies and large family offices and start-ups, opting for overseas direct investment route (ODI).
- Government plans to reorganise the Department of Commerce to achieve the export target of \$2 trillion by 2030.
- RBI Deputy Governor Rabi Sankar said the combined efforts by regulators and government have seen corporate bond outstanding crossing Rs 40 lakh crore as of March 2022 from Rs 10.4 lakh crore in March 2012, while annual issuances rose to Rs 6 lakh crore from under Rs 4 lakh crore during this period.
- SEBI issued the disclosure framework for asset management companies (AMCs), mandating a scheme-wise disclosure of investments in securities of entities that are excluded from the definition of 'associate'.
- SEBI imposed prudential limits on investments by portfolio managers in their own associates or related parties.

2. International

- US GDP contracted an annualized 0.6% on-quarter in second quarter of 2022, compared to a 1.6% decline in the first quarter.
- US PCE price index rose 6.3% on-year in July compared to 6.8% increase in June.
- US S&P Global manufacturing PMI fell to 51.3 in August from 52.2 in July, while the services PMI fell to 44.1 in August from 47.3 in July. The composite PMI dropped to 45.0 in August from 47.7 in July.
- Eurozone S&P Global manufacturing PMI edged lower to 49.7 in August from 49.8 in July, while the services PMI fell to 50.2 in August from 51.2 in July. The composite PMI also dropped to 49.2 in August from 49.9 in July.
- UK S&P Global/CIPS flash manufacturing PMI fell to 46 in August from 52.1 in July, while the services PMI edged down to 52.5 in August from 52.6 in July. The composite PMI fell to 50.9 in August from 52.1 in July.

D. Week ahead

Day	Events
Monday, Aug 29, 2022	<ul style="list-style-type: none"> US Dallas Fed Manufacturing Index, August
Tuesday, Aug 30, 2022	<ul style="list-style-type: none"> US Consumer Confidence, August US House Price Index, June US S&P /Case-Shiller Home Price, June US Dallas Fed Services Index, August Eurozone Economic/Industrial/Services Sentiment, August UK BoE Consumer Credit, July Japan Unemployment Rate, July
Wednesday, Aug 31, 2022	<ul style="list-style-type: none"> US ADP Employment Change, August Eurozone Inflation rate, August Japan Consumer Confidence, August India GDP Growth, Q2 India Infrastructure Output, July
Thursday, Sep 1, 2022	<ul style="list-style-type: none"> US Nonfarm Productivity, Q2 US S&P Global Manufacturing PMI, August US ISM Manufacturing PMI/ Manufacturing New Orders, August US Initial Jobless Claims, August 27 Eurozone S&P Global Manufacturing PMI, August UK Housing Prices, August UK S&P Global/CIPS Manufacturing PMI, August China Caixin Manufacturing PMI, August Japan Jibun Bank Manufacturing PMI, August India S&P Global Manufacturing PMI, August
Friday Sep 2, 2022	<ul style="list-style-type: none"> US Nonfarm Payrolls, August US Unemployment Rate, August US Factory Orders, July Eurozone Producer Prices, July India Trade Balance, August

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