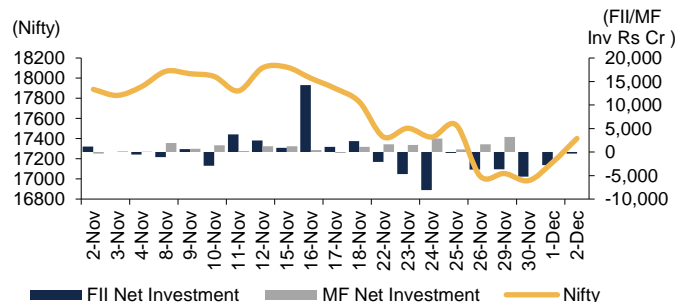


Indian equity benchmark indices' returns

Broad Indices	Dec 3	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	57,696	1.03	-0.75	29.27
Nifty 50	17,197	1.00	-0.73	30.93
Nifty 500	14,856	1.01	0.66	36.38
S&P BSE 100	17,535	0.93	-0.34	32.16
S&P BSE Midcap	25,183	1.35	3.28	45.45
S&P BSE Smallcap	28,422	1.25	4.09	64.81

FII and mutual fund investment vs. Nifty



Sectoral Indices	Dec 3	% chg week	% chg 3 Mth	% chg Year
S&P BSE IT	35,050	3.58	1.86	58.18
S&P BSE CD	43,093	2.80	10.83	54.56
S&P BSE CG	27,569	1.88	7.86	58.22
S&P BSE Metal	18,919	1.15	-8.23	73.48
S&P BSE Realty Index	3,871	0.54	16.45	74.62
S&P BSE Auto	24,404	0.30	7.62	16.68
S&P BSE Bankex	41,192	0.18	-1.65	22.45
S&P BSE Power	3,537	-0.01	17.98	70.18
S&P BSE Oil & Gas	17,776	-0.04	1.28	26.91
S&P BSE FMCG	13,731	-0.13	-7.27	16.38
S&P BSE Healthcare	25,151	-1.86	-5.99	20.99

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Dec 3	Previous Week	1 month ago
Call Rate	2.50%	3.30%	3.25%
10 Yr G-Sec^A	6.37%	6.33%	6.36%

*6.10% 2031 paper ^Weighted Average Yield

Currencies vs INR

Currency	Dec 3	Week ago	3 months ago	1 year ago
USD	75.18	74.87	73.02	73.91
GBP	99.86	99.69	101.04	99.06
Euro	84.92	84.34	86.67	89.46
Yen*	66.32	65.65	66.43	70.86

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Domestic equities reversed the previous two weeks' sell-off thanks to improvement in domestic economic growth. S&P BSE Sensex and Nifty 50 gained ~1% each.
- Investors cheered healthy macroeconomic data, including strong domestic growth numbers, rise in output of eight core sectors, 10-month high manufacturing data, and a surge in November's Goods and Services Tax (GST) revenue collection.
- Most of the sectors ended positive, with information technology (IT), consumer durables and capital goods counters gaining the most. S&P BSE IT, S&P BSE Consumer Durables and S&P BSE Capital Goods were up nearly 3.6%, 2.8% and 1.9% each.
- However, gains were capped by concerns over the spread of the pandemic's Omicron variant and hawkish stance by the US Federal Reserve (Fed).
- Shares of TCS emerged the top gainer on the Nifty 50, rising ~6% on week to settle at Rs 3640.45 per share amid broad buying in the information technology sector.
- Shares of Cipla emerged the top decliner on the Nifty 50, down ~6% on week to settle at Rs 912.05 per share on profit booking.

2. Debt

- Government bond prices ended lower in the week. The yield of the 10-year benchmark 6.10% 2031 paper settled at 6.37% on December 3 compared with 6.33% on November 26.
- Bond prices began the week on a flat note as investors stayed on the sidelines ahead of next week's RBI policy meet and awaiting clarity on the impact of the new Covid-19 variant on the global economy.
- However, upbeat domestic economic growth data pulled up the yield, as it raised anticipation that the RBI might start policy normalisation.
- Gilts received some support, tracking a fall in oil prices and US bond yields after the country confirmed cases of the Omicron variant.
- Meanwhile, in the weekly gilt sale on December 3, the RBI auctioned the 6.10% GS 2031 and 6.95% GS 2061 papers, and a floating rate bond maturing in 2028 for a total notified amount of Rs 24,000 crore.

3. Forex

- The rupee ended lower against the US dollar amid global growth concerns due to emergence of the Omicron variant and intermittent rise in crude oil prices.
- The local currency declined further after Fed Chief Jerome Powell set a hawkish tone in his testimony, citing the need of increasing the pace of rolling back the stimulus program owing to a strong economy and higher inflation.
- However, the rupee witnessed some support on positive sentiments from the domestic equity markets and anticipation of overseas inflow into the upcoming large number of IPOs.

International equity benchmark indices' returns

Indices	Dec 3	% chg week	% chg 3 Mth	% chg Year
DJIA*	34,640	-0.74	-2.27	15.91
Nasdaq Composite*	15,381	-0.71	0.33	24.55
FTSE 100*	7,129	1.21	-0.48	10.30
Nikkei 225	28,030	-2.51	-3.77	4.55
Straits Times	3,102	-2.03	0.59	9.91
Hang Seng	23,767	-1.30	-8.24	-11.08
Shanghai Comp	3,607	1.22	0.72	4.80

*As of Dec 2

International debt market indicators

Indicators	Dec 3	Nov 26
US 10-Year*	1.45%	1.48%
UK 10-Year*	0.80%	0.83%
German 10-Year*	-0.37%	-0.34%
Japan 10-Year	0.05%	0.07%
3-M USD Libor*	0.18%	0.18%
6-M USD Libor*	0.27%	0.25%
1-Y USD Libor*	0.46%	0.41%

*As of Dec 2

Commodities

Commodity	Dec 3	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	69.67	-4.19	-4.60	44.39
Indian gold (Rs per 10 gm)	47,544.00	-1.90	0.63	-3.68
Indian Silver (Rs per Kg)	60,843.00	-4.35	-4.15	-3.62

*As of Dec 2

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Global equities ended mixed as losses in some regions on global growth concerns were recouped during the week.
- US stocks ended lower this week owing to growth concerns amid detection of the Omicron variant in the country.
- Further pressure was witnessed after the Fed Chair expressed his view that the pace of tapering of the monthly bond buying program can be increased due to strong economic growth and higher inflationary pressure.
- US ADP employment report showed private sector employment rose by 534,000 in November following a 570,000 gain in October.
- US ISM manufacturing index rose to 61.1 in November from 60.8 in October.
- However, towards the end of the week, the markets recouped some losses on reports that the government is taking steps to restrain the spread of the Omicron variant.
- Britain's FTSE closed higher 1.2% on stock-specific gain and rise in oil and mining stocks. However, growth concerns due to the rising case of the Omicron variant kept the market under stress.
- UK IHS Markit CIPS manufacturing PMI rose to 58.1 in November from 57.8 in October.
- The Asian markets ended on a mixed note this week. Japan's Nikkei nosedived 2.5% on concerns over the economic impact of the omicron variant and the Fed's hawkish stance.
- Japan's industrial production increased to 1.1% on-month in October from 5.4% decrease in September.
- Hong Kong's Hang Seng ended 1.3% lower, mirroring similar sentiments in the global market owing to concerns over Omicron, and on reports that a technology giant decided to delist from the New York exchange citing China's regulations in the technology sector.
- China's Shanghai Composite advanced 1.2% on the back of gains in the real estate sector after three property firms unveiled plans to issue local bonds, and rise in auto, consumer staples and chip stocks.
- China's industrial profits rose 24.6% on-year in October to \$128 billion, higher than the 16.3% gain in September.

2. Commodity

- Crude oil prices fell in this week on concerns over oil demand and possible supply surplus amid the emergence of the new Covid-19 variant, Omicron, and the efficacy of the vaccines.
- Gold price fell in this week tracking weak global metal prices following strong dollar index and fears that US Federal Reserve may fasten monetary tightening to curb inflation.
- Indian silver prices declined in this week tracking weakness in gold and industrial metals.

C. News summary

1. Domestic

- India's gross domestic product (GDP) growth rate for the second-quarter of the fiscal 2022 came in at 8.4% compared to 20.1% growth in the first quarter, and a contraction of 7.4% in the second quarter of the previous fiscal year.
- India's April-October fiscal deficit came in at Rs 5.47 lakh crore or 36.3% of the budget estimates as compared to 119.7% last year.
- Output of eight core sectors grew 7.5% on-year in October compared to 4.5% rise in September and a decline of 0.5% in October 2020, on the back of encouraging performance by coal, natural gas, refinery products and cement segments.
- India IHS Markit manufacturing Purchasing Managers' Index (PMI) rose to 57.6 in November from 55.9 in October, while the services PMI came in at 58.1 in November from 58.4 in October.
- Government said investments worth Rs 91000 crore will be made for developing existing and new airports in different parts of the country.
- Union Minister Mankush Mandviya said around Rs 64000 crore will be invested by the Centre in creating health infrastructure in the country over the next five years.
- According to RBI data, Indian companies raised around \$1.34 billion from overseas markets in October 2021, down 34% from the year-ago period.
- RBI accepted 21 out of the 33 recommendations made by an internal panel including raising the long-term holding cap of promoters in private sector banks to 26% from 15% currently.
- SEBI directed stock brokers to disclose investors charter and data related to complaints they received on their websites; the new guideline is effective from January 1.

2. International

- US non-farm payrolls came in at 210,000 in November compared to revised 546,000 in October. The unemployment rate fell to 4.2% in November from 4.6% in October.
- US ADP employment report showed private sector employment rose by 534,000 in November following a 570,000 gain in October.
- US ISM manufacturing index rose to 61.1 in November from 60.8 in October, while non-manufacturing index rose to 69.1 in November from 66.7 in October.
- Eurozone consumer prices rose 4.9% on-year in November compared to 4.1% rise October.
- UK IHS Markit CIPS manufacturing PMI rose to 58.1 in November from 57.8 in October.

D. Week ahead

Day	Events
Monday, Dec 06, 2021	<ul style="list-style-type: none"> Eurozone IHS Markit Consumer PMI, November 2021 Eurozone Sentix Investor Confidence, December 2021 UK Markit/CIPS Consumer PMI, November 2021
Tuesday, Dec 07, 2021	<ul style="list-style-type: none"> US Goods Trade Balance, October 2021 US Nonfarm Productivity, Q3 2021 US Consumer Credit, December 2021 Eurozone GDP Q3 2021 Eurozone ZEW Economic Sentiment Index, December 2021 UK Retail Sales, November 2021 China Trade Balance, November 2021 Japan GDP Q3 2021
Wednesday, Dec 08, 2021	<ul style="list-style-type: none"> Japan Current Account, October 2021 Japan Eco Watchers Survey, November 2021 India RBI Policy Review December 2021
Thursday, Dec 09, 2021	<ul style="list-style-type: none"> US Initial Jobless Claims, December 3, 2021 US Wholesale Inventories, October 2021 China Consumer Price Index, November 2021 China Producer Price Index, November 2021 Japan Machine Tool Orders, November 2021
Friday, Dec 10, 2021	<ul style="list-style-type: none"> US Consumer Prices, November 2021 US Michigan Consumer Sentiment, December 2021 US Treasury Budget, November 2021 UK Industrial Output, October 2021 UK Trade Balance, October 2021 UK GDP, October 2021 Japan Producer Price Index, November 2021 India Industrial Production, October 2021 India CPI Inflation Rate, November 2021 India Foreign Exchange Reserves, December 3, 2021

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