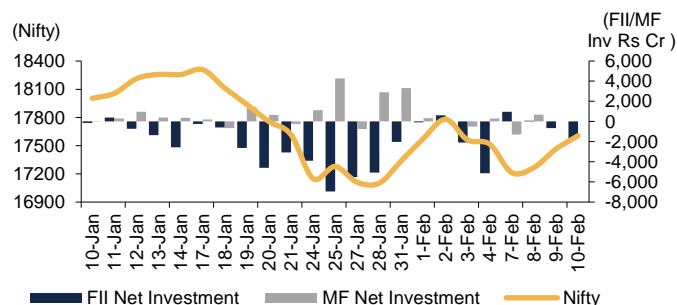


Indian equity benchmark indices' returns

Broad Indices	Feb 11	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	58,153	-0.84	-2.95	12.85
Nifty 50	17,375	-0.81	-2.79	14.51
Nifty 500	14,891	-1.29	-3.37	19.00
S&P BSE 100	17,638	-0.95	-3.17	15.19
S&P BSE Midcap	24,251	-2.02	-7.51	21.87
S&P BSE Smallcap	28,692	-3.40	-1.60	46.19

FII and mutual fund investment vs. Nifty



Sectoral Indices	Feb 11	% chg week	% chg 3 Mth	% chg Year
S&P BSE Metal	21,070	3.80	4.63	64.79
S&P BSE Auto	26,118	0.10	-0.39	5.54
S&P BSE Oil & Gas	18,230	-0.67	-3.92	21.43
S&P BSE Bankex	44,088	-0.68	0.09	9.03
S&P BSE Power	3,898	-1.40	11.20	73.56
S&P BSE Healthcare	24,362	-1.46	-2.67	11.23
S&P BSE CD	42,203	-2.01	-6.44	27.19
S&P BSE IT	34,271	-2.02	-1.12	32.51
S&P BSE FMCG	13,506	-2.29	-4.49	6.28
S&P BSE Realty Index	3,665	-2.37	-13.63	31.37
S&P BSE CG	28,552	-3.78	-0.70	30.63

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Feb 11	Previous Week	1 month ago
Call Rate	3.25%	2.95%	2.75%
10 Yr G-Sec [^]	6.71%	6.89%	6.57%

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

Currencies vs INR

Currency	Feb 11	Week ago	3 months ago	1 year ago
USD	75.38	74.69	74.51	72.86
GBP	101.94	101.36	99.80	100.79
Euro	85.74	85.64	85.46	88.30
Yen*	64.89	65.00	65.37	69.60

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices snapped last week's gains following a 40-year high US inflation data, which raised fears the Federal Reserve (Fed) may raise interest rates aggressively. The S&P BSE Sensex and Nifty 50 fell around 1% each
- Most sectors ended negative with capital goods, realty and FMCG declining the most. The S&P BSE Capital Goods fell 3.8%, S&P BSE Realty 2.4% and S&P BSE FMCG 2.3%
- However, sharp losses were trimmed after the RBI maintained its accommodative stance and kept key rates unchanged, and as metal and auto stocks witnessed buying interest. The S&P BSE Metal gained about 4% and the S&P BSE Auto 0.1%
- Shares of Tata Steel emerged the top gainer on the Nifty 50, rising ~7% on week to settle at Rs 1254.5 per share following upbeat quarterly results
- Shares of HDFC Life emerged the top decliner on the Nifty 50, down ~5% on week to settle at Rs 595.4 per share on profit booking

2. Debt

- Government bond prices rose this week after witnessing fall for the past four consecutive weeks. The yield of the 10-year benchmark 6.54% 2032 settled at 6.70% on February 11 compared with 6.88% on February 4
- Bond prices started the week on a bright note after the government cancelled this week's debt sale
- Yields also remained under pressure owing to expectations of more cancellations of remaining debt auctions this financial year
- Prices surged after the RBI kept key policy rates unchanged and decided to continue with accommodative stance
- Bond prices saw further gains after the central bank pegged inflation for next fiscal near its target

3. Forex

- The rupee fell against the US dollar on fears the Fed may aggressively raise rates after the US inflation accelerated to a 40-year high
- The local currency also fell after the RBI kept key rates its unchanged against the market expectations of a hike, especially the reverse repo rate
- Further, weak domestic equity markets, persistent foreign fund outflows and elevated crude oil price also dented the local unit

International equity benchmark indices' returns

Indices	Feb 11	% chg week	% chg 3 Mth	% chg Year
DJIA*	35,242	0.43	-2.32	12.10
Nasdaq Composite*	14,186	0.62	-9.20	1.53
FTSE 100*	7,672	2.08	4.53	17.60
Nikkei 225*	27,696	0.93	-4.85	-6.31
Straits Times	3,429	2.93	5.89	17.21
Hang Seng	24,907	1.36	-1.35	-17.46
Shanghai Comp	3,463	3.02	-1.98	-5.26

*As of Feb 10

International debt market indicators

Indicators	Feb 10	Feb 4
US 10-Year	2.03%	1.93%
UK 10-Year	1.53%	1.41%
German 10-Year	0.29%	0.21%
Japan 10-Year	0.23%	0.19%
3-M USD Libor	0.39%	0.34%
6-M USD Libor	0.66%	0.56%
1-Y USD Libor	1.12%	1.00%

Commodities

Commodity	Feb 11	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	91.41	-1.99	10.61	48.71
Indian gold (Rs per 10 gm)	48,920.00	1.34	-0.87	2.39
Indian Silver (Rs per Kg)	62,157.00	2.02	-6.66	-9.08

*As of Feb 10

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Global equities ended higher on region-specific cues
- US stocks ended higher this week supported by stock-specific buying, gains in technology shares and upbeat earnings reports
- However, the gains were capped after CPI inflation accelerated to a 40-year high raising concerns that the Fed may start hiking rates aggressively
- Britain's FTSE rallied 2% due to gains in travel stocks after Prime Minister Boris Johnson hinted at ending the remaining Covid-19 related restrictions
- However, the market gains were cut short following an interest rate hike by the Bank of England
- Other European equities ended higher with France's CAC 40 and Germany's DAX gaining about 2% each due to strong corporate earnings
- However, investor sentiments were dented after US inflation accelerated to record, raising bets that the Fed may quicken its rates hikes
- Asian equities ended higher. Japan's Nikkei rose around 1% tracking similar sentiments in the US markets, strong domestic earnings report and gains in the technology stocks
- Hong Kong's Hang Seng rose about 1.4% due to gains in the energy, financials and technology sector stocks
- Concerns over the impact of the US move to add 33 Chinese entities in the export control list prevented any further gains
- China's Shanghai Composite advanced 3% following heavy buying interest in consumer firms
- However, US sanctions on Chinese companies and higher US inflation data capped some gains

2. Commodity

- Crude oil prices declined in this week on resumption of indirect talks between the US and Iran that may revive the Iranian nuclear deal
- Gold prices rose in this week tracking similar trend in the global metal prices due to inflationary pressure
- Indian silver prices advanced this week tracking upbeat gold and industrial metals

C. News summary

1. Domestic

- The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) kept the repo rate unchanged at 4% and reverse repo rate at 3.35% and decided to continue its accommodative stance.
- The central bank maintained the growth projection for this fiscal at 9.2% and projected 7.8% growth for next
- It retained CPI inflation forecast for this fiscal at 5.3% and projected 4.5% for next fiscal
- India's index of industrial production (IIP) rose 0.4% on-year in December compared to a revised 1.3% growth in November
- Preliminary data from the commerce ministry showed the country's exports grew 28.51% to \$8.67 billion during February 1-7 led by petroleum, engineering and gems and jewellery sectors
- Commerce and Industry Minister Piyush Goyal said India received foreign direct investment worth \$54.1 billion during April-November
- The Asian Development Bank (ADB) provided a record \$4.6 billion loans to India in 2021, including \$1.8 billion towards coronavirus response
- According to Prime Minister Narendra Modi, the MSME sector will enter the defence sector and help it become self-reliant
- The finance minister said banks have sanctioned loans worth Rs 3.1 lakh crore under the Emergency Credit Line Guarantee Scheme (ECLGS) for the MSME sector.
- RBI decided to raise investment limit in the debt market for foreign portfolio investors (FPIs) from Rs 1.5 lakh crore to Rs 2.5 lakh crore under the voluntary retention route (VRR), with effect from April 1
- It hiked the cap on each e-RUPI voucher 10-fold from Rs 10,000 to Rs 1 lakh for both state and central government issuances

2. International

- US consumer price index (CPI) rose 7.5% on-year in January compared to 7% rise in December
- UK GDP expanded by 1% on-year in the fourth quarter following a downwardly revised 1% growth in the previous quarter
- UK industrial output rose by 0.4% on-year in December compared to a 0.2% fall in November
- Chinese banks issued a record 3.98 trillion yuan in new loans in January compared to 1.13 trillion yuan extended in December.
- Japan Producer Price Index rose 8.6% on-year in January, compared to 8.7% gain a month earlier

D. Week ahead

Day	Events
Monday, Feb 14, 2022	<ul style="list-style-type: none"> • India WPI Inflation, January 2022 • India CPI Inflation, January 2022
Tuesday, Feb 15, 2022	<ul style="list-style-type: none"> • US Producer Price Index, January 2022 • Eurozone GDP, Q4 2021 • UK ILO Unemployment Rate, December 2021 • Japan Industrial Production, December 2021 • Japan GDP, Q4 2021
Wednesday, Feb 16, 2022	<ul style="list-style-type: none"> • US Retail Sales, January 2022 • US Export/Import Prices, January 2022 • US Industrial Production, January 2022 • Eurozone Industrial Production, December 2021 • UK PPI, January 2022 • China PPI, January 2022 • China CPI, January 2022
Thursday, Feb 17, 2022	<ul style="list-style-type: none"> • US Housing Starts & Building Permits, January 2022 • US Initial Jobless Claims, Feb 04, 2022 • US Philadelphia Fed Manufacturing Survey, February 2022 • Japan Consumer Price Index, January 2022
Friday, Feb 18, 2022	<ul style="list-style-type: none"> • US Existing Home Sales, January 2022 • Eurozone Consumer Prices, January 2022 • UK Retail Sales, January 2022 • UK CPI, January 2022

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