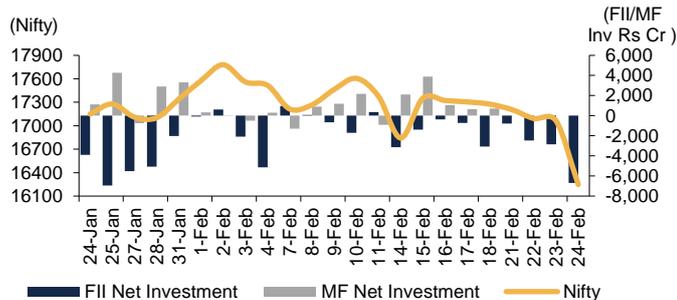


## Indian equity benchmark indices' returns

Broad Indices	Feb 25	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	55,859	-3.41	-4.99	9.44
Nifty 50	16,658	-3.58	-5.01	10.34
Nifty 500	14,187	-3.56	-6.36	12.89
S&P BSE 100	16,898	-3.51	-5.65	10.66
S&P BSE Midcap	23,163	-2.56	-9.79	13.91
S&P BSE Smallcap	26,450	-4.68	-8.23	30.27

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Feb 25	% chg week	% chg 3 Mth	% chg Year
S&P BSE CD	42,235	-0.55	-2.78	31.24
S&P BSE Power	3,794	-1.73	4.19	54.99
S&P BSE Metal	19,707	-2.34	-0.28	39.80
S&P BSE Healthcare	23,220	-2.57	-8.33	9.62
S&P BSE Bankex	41,884	-2.74	-1.75	2.21
S&P BSE IT	33,153	-3.12	-3.76	32.67
S&P BSE Realty Index	3,445	-3.36	-16.27	21.38
S&P BSE FMCG	12,927	-3.54	-7.64	6.36
S&P BSE CG	27,184	-4.39	-3.16	22.86
S&P BSE Auto	24,764	-4.43	-2.57	4.62
S&P BSE Oil & Gas	16,897	-6.54	-8.53	4.66

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Feb 25	Previous Week	1 month ago
Call Rate	2.90%	3.25%	4.00%
10 Yr G-Sec <sup>^</sup>	6.76%	6.67%	6.66%

<sup>\*</sup>6.54% 2032 paper <sup>^</sup>Weighted Average Yield

## Currencies vs INR

Currency	Feb 25	Week ago	3 months ago	1 year ago
USD	75.29	74.66	74.51	72.43
GBP	101.21	101.85	99.49	102.55
Euro	84.57	85.02	83.63	88.18
Yen <sup>*</sup>	65.39	64.89	64.63	68.37

<sup>\*</sup>exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Indian equity indices extended two-week losses, due to the escalating geopolitical tensions after Russia announced a military operation in Ukraine. S&P BSE Sensex and Nifty 50 fell around 3.5% each
- All the sectors ended negative with oil and gas falling the most due to soaring global crude oil prices; S&P BSE Oil & Gas dropped about 7%
- Auto, capital goods and fast moving consumer good (FMCG) also declined the most this week. S&P BSE Auto, S&P BSE Capital Goods and S&P BSE FMCG fell 4.4%, 4.4% and 4.0%, respectively
- However, some losses were trimmed on bargain buying, after steep losses and as the US announced fresh sanctions against Russia
- Shares of BPCL emerged the top decliner on the Nifty 50, down ~10% on week to settle at Rs 336.36 per share on soaring crude oil prices.
- Shares of Kotak Mahindra Bank emerged the top gainer on the Nifty 50, rising ~2% on week to settle at Rs 1856.7 per share on bargain buying.

#### 2. Debt

- Government bond prices declined in the week. The yield on the 10-year benchmark 6.54% 2032 settled at 6.75% on February 25, 2022, compared with 6.66% on February 18, 2022
- Bond prices declined after global crude oil prices soared due to escalating Ukraine-Russia geopolitical tensions
- However, a sharp fall in the bond prices were prevented, due to short covering.

#### 3. Forex

- The rupee slumped against the US dollar, as the spill-over effect of Russia-Ukraine war strengthened the dollar index and pushed crude oil prices higher
- However, the local unit recouped some losses later in the week, due to an intermittent fall in crude oil prices and a positive trend in the equity domestic market.

## International equity benchmark indices' returns

Indices	Feb 25	% chg week	% chg 3 Mth	% chg Year
DJIA*	33,224	-2.51	-7.21	3.95
Nasdaq Composite*	13,474	-0.55	-14.97	-0.91
FTSE 100*	7,207	-4.08	-1.08	8.24
Nikkei 225	26,477	-2.38	-8.37	-12.24
Straits Times	3,294	-3.92	5.93	10.79
Hang Seng	22,767	-6.41	-3.92	-24.30
Shanghai Comp	3,451	-1.13	-0.85	-3.73

\*As of Feb 24

## International debt market indicators

Indicators	Feb 25	Feb 18
US 10-Year*	1.97%	1.93%
UK 10-Year*	1.44%	1.38%
German 10-Year*	0.17%	0.21%
Japan 10-Year	0.22%	0.21%
3-M USD Libor <sup>^</sup>	0.50%	0.48%
6-M USD Libor <sup>^</sup>	0.83%	0.78%
1-Y USD Libor <sup>^</sup>	1.34%	1.29%

\*As of Feb 24 <sup>^</sup>As of Feb 23

## Commodities

Commodity	Feb 25	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	99.08	5.92	20.46	47.79
Indian gold (Rs per 10 gm)	50,667.00	1.39	6.25	9.33
Indian Silver (Rs per Kg)	65,174.00	2.62	2.95	-7.18

\*As of Feb 24

Source: Respective commodity exchanges, ibjrates.com

## B. International

### 1. Equity

- Most global equities ended lower on Ukraine-Russia war.
- US stocks plummeted this week after Ukraine declared a state of emergency and a huge cyberattack on the state's websites. Further, stock specific sell-off also pressurised the market
- US consumer confidence index fell to 110.5 in February from 111.1 in January
- US new-home sales fell 4.5% to a seasonally adjusted annual rate of 801,000 units in January, compared with 12% in December.
- However, the market recouped losses later in the week, after the US President announced new sanctions against Russia in the wake of Russia's invasion of Ukraine
- The US economy grew at slightly faster annual pace of 7% in the fourth quarter, compared with 2.3% in the previous quarter. In 2022, GDP increased 5.7%, the largest gain since 1984
- Britain's FTSE slumped 4.08%, owing to a sharp sell-off across markets after Russia invaded Ukraine
- Asian equities ended mostly lower. Japan's Nikkei declined about 2.38% after Russia launched military attack on Ukraine, raising concerns over the impact on the global economy
- However, sharp losses were trimmed, as technology shares rose, tracking overnight gains in Wall Street.
- Hong Kong's Hang Seng nosedived 6.4%, as investors witnessed a sell-off that was sparked by Russia's invasion of Ukraine
- China's Shanghai Composite fell about 1%, as investors remained on the edge over the Russia-Ukraine geopolitical tension

### 2. Commodity

- Crude oil prices spurted in this week following Ukraine's invasion by Russia which raised concerns about global energy supply disruptions.
- Gold prices rose in this week on safe haven appeal amid Russia-Ukraine crisis.
- Indian silver prices advanced this week tracking upbeat gold and industrial metals.

## C. News summary

### 1. Domestic

- Retail inflation for farm workers and rural labourers rose to 5.49% and 5.74%, respectively in January.
- As per commerce ministry data, India's merchandise exports rose by 26.4% to \$25.33 billion from February 1 till February 21.
- India received total foreign direct investment of \$60.3 billion during April to December 2021
- India and UAE inked a Comprehensive Economic Partnership Agreement (CEPA), that will permit 90% of the former's exports a duty-free access to the Emirates.
- The government approved a Rs 13020 crore central sector scheme to continue the Border Infrastructure and Management (BIM).
- Government sanctioned four road infrastructure projects worth Rs 4518 crore under the Bharatmala Pariyojana scheme.
- RBI will conduct a sell/buy swap auction for \$5 billion on March 8 to rationalise forwards premia and level out rupee liquidity.
- RBI asked upper and middle layer NBFC's to mandatorily implement "Core Financial Services Solution (CFSS)" by September 30, 2025.
- RBI amended Payments and Settlement Systems Regulations allowing companies wanting to run payment businesses to seek licenses from the regulator.
- SEBI proposed making it mandatory to list out key performance indicators in addition to the financial ratios while making disclosures in 'Basis of Issue Price' section of the offer document, to help valuing loss making start-ups.

### 2. International

- US IHS Markit manufacturing PMI rose to 57.5 in February from 55.5 in January while services PMI rose to 56.7 in February from 51.2 in January.
- Eurozone annual inflation rate came in at 5.1% in January, compared to 5% in December and 0.9% a year earlier; its annual core inflation rate edged down to a 3-month low of 2.3% in January, from 2.6% in each of the previous two months.
- UK CPI inflation edged higher to 5.5% annually in January, from 5.4% in December.
- The People's Bank of China maintained status quo. The one-year loan prime rate (LPR) was kept unchanged at 3.7%, while the five-year remained at 4.6%.
- Japan Jibun manufacturing PMI eased to 52.9 in February from 55.4 in January while services PMI came 42.7 from 47.6. The Composite PMI stood at 44.6 in February from 48.8 in January.

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## D. Week ahead

Day	Events
Monday, Feb 28, 2022	<ul style="list-style-type: none"> <li>● US Dallas Fed Manufacturing Index, February</li> <li>● US Preliminary Wholesale Inventories, January</li> <li>● Japan Industrial Output January</li> </ul>
Tuesday, Mar 01, 2022	<ul style="list-style-type: none"> <li>● US Markit Manufacturing PMI, February</li> <li>● Eurozone Markit Manufacturing PMI, February</li> <li>● China Caixin Manufacturing PMI, February</li> </ul>
Wednesday, Mar 02, 2022	<ul style="list-style-type: none"> <li>● US ADP Employment Change, February</li> <li>● Eurozone Inflation rate, February</li> </ul>
Thursday, Mar 03, 2022	<ul style="list-style-type: none"> <li>● US Factory Orders, January</li> <li>● Eurozone Producer Price Index, January</li> </ul>
Friday, Mar 04, 2022	<ul style="list-style-type: none"> <li>● US Nonfarm Payrolls, February</li> <li>● US Unemployment Rate, February</li> </ul>



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