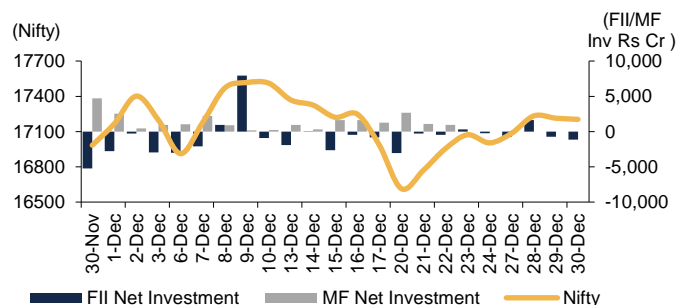


## Indian equity benchmark indices' returns

Broad Indices	Dec 31	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	58,254	1.98	-1.48	21.99
Nifty 50	17,354	2.06	-1.50	24.12
Nifty 500	14,996	2.26	-0.38	30.19
S&P BSE 100	17,626	1.97	-1.43	25.00
S&P BSE Midcap	24,970	2.52	-1.12	39.18
S&P BSE Smallcap	29,458	3.85	4.90	62.77

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Dec 31	% chg week	% chg 3 Mth	% chg Year
S&P BSE Healthcare	26,206	5.31	0.43	20.87
S&P BSE CD	44,768	4.52	8.29	47.29
S&P BSE Auto	24,818	3.10	3.99	19.25
S&P BSE CG	28,751	2.56	10.72	53.38
S&P BSE IT	37,844	2.40	9.95	56.07
S&P BSE Bankex	40,409	2.05	-5.43	12.59
S&P BSE FMCG	13,785	1.86	-7.25	9.32
S&P BSE Realty Index	3,841	1.45	-6.40	55.00
S&P BSE Oil & Gas	17,508	0.58	-4.34	24.26
S&P BSE Metal	19,246	0.43	-4.64	65.92
S&P BSE Power	3,482	-0.02	8.85	68.84

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Dec 31	Previous Week	1 month ago
Call Rate	3.15%	2.00%	3.00%
10 Yr G-Sec*^	6.46%	6.46%	6.33%

\*6.10% 2031 paper ^Weighted Average Yield

## Currencies vs INR

Currency	Dec 31	Week ago	3 months ago	1 year ago
USD	74.33	75.02	74.24	73.06
GBP	100.44	100.70	99.88	99.78
Euro	84.21	85.13	86.10	89.71
Yen*	64.59	65.68	66.32	70.80

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Indian equities ended higher for the second straight week. S&P BSE Sensex and Nifty 50 advanced about 2% each
- Market was mainly boosted by a rally in the healthcare counter after the government approved an anti-Covid-19 pill for emergency use and two more vaccines. S&P BSE Healthcare gained 5.3%
- Positive global sentiments also provided support to the benchmarks
- Buying interest in consumer durables, auto and capital goods stocks brought in more gains into the market. S&P BSE Consumer Durables, S&P BSE Auto and S&P BSE Capital Goods rose 4.5%, 3% and 2.6%, respectively
- However, further rally was prevented on worries over the daily mounting Covid-19 cases in the country and selling in power stocks. S&P BSE Power fell 0.02%
- Shares of Titan Company emerged the top gainer on the Nifty 50, rising ~9% on week to settle at Rs 2522.4 on the back of recovery in jewellery margins
- Shares of GAIL (INDIA) emerged the top decliner on the Nifty 50, down 1.3% on week to settle at Rs 129.2 per share on profit booking

#### 2. Debt

- Government bond prices ended almost flat in the week. Yield on the 10-year benchmark 6.10% 2031 paper settled at 6.45% on December 31, 2021, compared with 6.46% on December 24, 2021
- Bond prices fell earlier after the Centre unexpectedly announced an auction of the current benchmark paper this week against expectations of a new 10-year paper
- Gilts retreated further on tracking a rise in United States (US) Treasury yields and oil prices
- However, further decline in prices was prevented in anticipation of a special open market operation by the central bank to ease the yields

#### 3. Forex

- The rupee ended higher against the US dollar after the banks continued to sell dollars on behalf of exporters and positive trend in the domestic equity markets
- However, sharp gains in the local unit were capped owing to fears over the rapid rise in the omicron cases globally, raising concerns over the global economic recovery and rise in crude oil prices

## International equity benchmark indices' returns

Indices	Dec 31	% chg week	% chg 3 Mth	% chg Year
DJIA*	36,398	1.24	7.55	19.69
Nasdaq Composite*	15,742	0.56	8.95	22.31
FTSE 100*	7,403	0.42	4.47	12.92
Nikkei 225*	28,792	0.03	-2.24	4.91
Straits Times	3,124	0.50	1.20	9.84
Hang Seng	23,398	0.75	-4.79	-14.08
Shanghai Comp	3,640	0.60	2.01	4.80

\*As of Dec 30

## International debt market indicators

Indicators	Dec 31	Dec 24
US 10-Year*	1.52%	1.49%^
UK 10-Year*	0.98%	0.92%
German 10-Year*	-0.18%	-0.25%
Japan 10-Year	0.06%	0.06%
3-M USD Libor*	0.21%	0.22%
6-M USD Libor*	0.35%	0.34%
1-Y USD Libor*	0.59%	0.57%

\*As of Dec 30 ^ As of Dec 23

## Commodities

Commodity	Dec 31	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	79.32	4.18	0.86	54.50
Indian gold (Rs per 10 gm)	48,083.00	-0.38	4.87	-3.84
Indian Silver (Rs per Kg)	61,979.00	0.16	6.64	-7.88

\*As of Dec 30

Source: Respective commodity exchanges, ibjrates.com

## B. International

### 1. Equity

- Global equities mostly ended higher this week on year-end buying.
- US stocks closed higher this week following gains in technology and retail stocks, and after the US CDC reduced recommended isolation for asymptomatic cases
- US Chicago Purchasing Managers' Index (PMI) rose to 63.1 in December from 61.8 in November
- However, sharp gains in the markets were prevented owing to a rise in the US Treasury yield and on concerns over omicron-driven travel disruptions
- Britain's FTSE advanced 0.4% in the holiday-curtailed week due to gains in defensive stocks
- Some gains were trimmed due to concerns over rising Covid-19 cases in the region
- Asian equities mostly ended higher. Japan's Nikkei ended flat as gains on tracking upbeat global markets were cut short due to profit booking ahead of year-end holidays and losses in the shares of chipmakers
- Japan's unemployment rate rose to 2.8% in November, compared with 2.7% in October
- Hong Kong's Hang Seng ended higher 0.75% tracking positive sentiments from the global markets and gains in the property, technology and healthcare stocks
- China's Shanghai Composite advanced 0.6% after the government assured flexible policies to aid the struggling economy and the country's security regulator said that Beijing would stabilise and reform its capital markets next year
- However, market sentiments were affected to some extent on concerns over rising Covid-19 cases in the country

### 2. Commodity

- Crude oil prices spurted in this week boosted by supply constraints and fading concerns about Omicron's impact on economic growth.
- Gold prices fell in this week due to weak demand from stockiest.
- Indian silver prices rose due to demand for industrial metals

## C. News summary

### 1. Domestic

- India's eight core sectors output grew 3.1% on-year in November 2021 compared to 7.5% growth in October 2021
- India's fiscal deficit in April-November came in at Rs 6.96 lakh cr or 46.2% of the full-year budgeted target
- India's current account posted a deficit of \$9.6 bn or 1.3% of GDP during July-September 2021 quarter, compared to a surplus of \$6.6 bn or 0.9% of GDP in the April-June 2021 quarter
- GST Council deferred the rate hike on textiles from 5% to 12%
- Government kept the interest rates unchanged on small savings schemes or post office schemes for the January-March quarter of fiscal 2022
- RBI's FSR showed the capital to risk-weighted assets ratio of scheduled commercial banks (SCBs) rose to a new peak of 16.6% and their provisioning coverage ratio stood at 68.1% in September 2021
- RBI data showed SCBs' gross non-performing assets (NPAs) declined to 6.9% at end-September 2021 from 7.3% at end-March 2021 and 8.2% at end-March 2020
- SEBI approved a slew of amendments to various regulations, including tightening rules for the utilisation of IPO proceeds and extension of the lock-in period for anchor investors to 90 days, and new norms for determining quota for high net-worth individuals
- SEBI said that the time period for filing settlement applications by entities will be 60 days from the date of receipt of the show-cause notice or a supplementary notice, whichever is earlier

### 2. International

- US initial jobless claims came in at 198,000 for the week ended December 25, a fall of 8,000 from the previous period
- US pending home sales index fell 2.7% on-year to 122.4 in November compared to a 1.4% fall in October
- UK Nationwide house prices rose 10.4% on-year in December compared to a 10% rise in November
- China's official manufacturing PMI edged up to 50.3 in December from 50.1 in November, while non-manufacturing PMI rose to 52.7 from 52.3. The composite PMI was unchanged at 52.2 from previous month
- Japan industrial production rose 5.4% on-year in November, a reversal from 4.1% slump in October

## D. Week ahead

Day	Events
Monday, Jan 03, 2022	<ul style="list-style-type: none"> <li>US Markit Manufacturing PMI, December 2021</li> <li>Eurozone Manufacturing PMI, December 2021</li> <li>China Caixin Manufacturing PMI, December 2021</li> <li>Japan Manufacturing PMI, December 2021</li> <li>India Manufacturing PMI, December 2021</li> </ul>
Tuesday, Jan 04, 2022	<ul style="list-style-type: none"> <li>US ISM Manufacturing PMI, December 2021</li> <li>UK Markit Manufacturing PMI, December 2021</li> </ul>
Wednesday, Jan 05, 2022	<ul style="list-style-type: none"> <li>US ADP Employment Report, December 2021</li> <li>US Markit Services PMI, December 2021</li> <li>US FOMC Minutes</li> <li>Eurozone Services PMI, December 2021</li> <li>China Caixin Services PMI, December 2021</li> <li>Japan Services PMI, December 2021</li> <li>Japan Consumer Confidence, December 2021</li> <li>India Services PMI, December 2021</li> </ul>
Thursday, Jan 06, 2022	<ul style="list-style-type: none"> <li>US ISM Services PMI, December 2021</li> <li>US Factory Orders, November 2021</li> <li>US Goods Trade Balance, November 2021</li> <li>US Initial Jobless Claims, December 31, 2021</li> <li>UK Services PMI, December 2021</li> </ul>
Friday, Jan 07, 2022	<ul style="list-style-type: none"> <li>US Nonfarm Payrolls &amp; Unemployment Rate, December 2021</li> <li>US Consumer Credit, November 2021</li> <li>Eurozone Consumer Prices, December 2021</li> <li>Eurozone Retail Sales, November 2021</li> <li>Eurozone Economic Confidence, December 2021</li> <li>UK Construction PMI, December 2021</li> </ul>

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