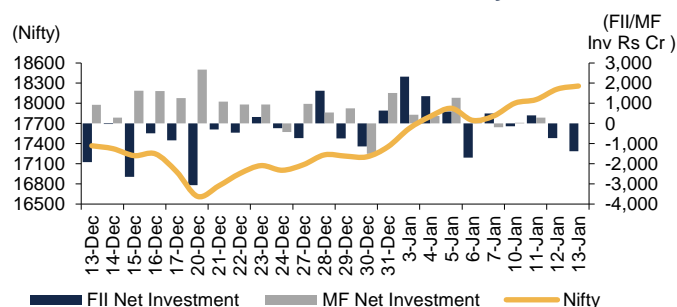


Indian equity benchmark indices' returns

Broad Indices	Jan 14	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	61,223	2.47	-0.14	23.47
Nifty 50	18,256	2.49	-0.45	25.08
Nifty 500	15,730	2.49	-0.25	30.33
S&P BSE 100	18,541	2.48	-0.68	25.61
S&P BSE Midcap	26,085	2.40	-2.30	36.27
S&P BSE Smallcap	30,951	3.06	3.54	63.92

FII and mutual fund investment vs. Nifty



Sectoral Indices	Jan 14	% chg week	% chg 3 Mth	% chg Year
S&P BSE Power	3,847	7.44	9.45	79.55
S&P BSE CG	30,875	6.14	13.28	54.58
S&P BSE Realty Index	4,041	4.89	-5.69	51.55
S&P BSE IT	38,442	3.18	9.69	43.05
S&P BSE Auto	26,295	2.81	-0.53	13.84
S&P BSE Metal	20,345	2.47	-5.34	63.17
S&P BSE Oil & Gas	18,873	2.35	-1.79	23.13
S&P BSE Bankex	43,771	1.68	-2.21	18.61
S&P BSE CD	45,834	0.74	-0.95	49.98
S&P BSE Healthcare	25,767	0.52	-2.55	15.55
S&P BSE FMCG	13,933	-0.03	-8.52	8.53

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Jan 14	Previous Week	1 month ago
Call Rate	3.30%	3.25%	3.25%
10 Yr G-Sec [^]	6.59%	6.54%	6.36%

[^]6.10% 2031 paper [^]Weighted Average Yield

Currencies vs INR

Currency	Jan 14	Week ago	3 months ago	1 year ago
USD	74.15	74.30	75.26	73.03
GBP	101.70	100.67	103.19	99.71
Euro	84.98	84.09	87.48	88.86
Yen*	65.15	64.15	66.39	70.33

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equities extended gains for the fourth consecutive week following positive third-quarter-earnings reports from a few companies and easing domestic wholesale inflation data. The S&P BSE Sensex and Nifty 50 advanced ~2.5% each
- Further, the United States (US) Federal Reserve's (Fed) less hawkish testimony buoyed investor sentiment
- Most sectors ended positive, with power, capital goods and realty counters gaining the most. S&P BSE Power, S&P BSE Capital Goods and S&P BSE Realty rose 7.4%, 6.1% and 4.9%, respectively
- However, investor sentiment was kept under check after hawkish comments by several Fed officials later in the week
- Shares of L&T emerged the top gainer on the Nifty 50, rising ~7% on week to settle at Rs 2044.75 on news of big order wins
- Shares of Wipro emerged the top decliner on the Nifty 50, down ~10% on week to settle at Rs 639.8 per as its earnings fell short of expectations

2. Debt

- Government bond prices declined in the week. The yield of the 10-year benchmark 6.10% 2031 paper settled at 6.58% on January 14, compared with 6.54% on January 7
- Bond prices began the week on a weaker note following a sharp rally in US treasury yields amid anticipation that the Fed may hike interest rates soon
- Data showing a rise in domestic consumer inflation numbers for December also kept bond prices under pressure
- Gilts fell further after the RBI partially devolved the new 10-year security on primary dealers in the weekly debt sale
- In the weekly gilt sale held on January 14, the RBI auctioned the New GS (government security) 2032, GOI FRB 2034 and 6.95% GS 2061 for a total notified Rs 24,000 crore

3. Forex

- The rupee ended higher against the US dollar owing to a weak dollar index and as banks sold dollars, indicating foreign inflows in Indian markets
- The local unit gained further after testimony by Federal Reserve chief Jerome Powell came in line with expectations, and following a positive trend in domestic equity markets
- However, rising crude oil prices kept gains in the rupee under check

International equity benchmark indices' returns

Indices	Jan 14	% chg week	% chg 3 Mth	% chg Year
DJIA*	36,114	-0.33	5.05	16.27
Nasdaq Composite*	14,807	-0.86	1.61	12.78
FTSE 100*	7,564	1.05	5.91	12.13
Nikkei 225	28,124	-1.24	-1.49	-2.00
Straits Times	3,282	2.39	3.70	9.40
Hang Seng	24,383	3.79	-2.32	-14.44
Shanghai Comp	3,521	-1.63	-1.04	-1.25

*As of Jan 13

International debt market indicators

Indicators	Jan 14	Jan 7
US 10-Year*	1.71%	1.78%
UK 10-Year*	1.11%	1.17%
German 10-Year*	-0.09%	-0.04%
Japan 10-Year	0.14%	0.14%
3-M USD Libor*	0.24%	0.24%
6-M USD Libor*	0.40%	0.38%
1-Y USD Libor*	0.71%	0.66%

*As of Jan 13

Commodities

Commodity	Jan 14	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	84.47	3.33	1.55	50.68
Indian gold (Rs per 10 gm)	48,135.00	1.16	0.02	-2.33
Indian Silver (Rs per Kg)	61,859.00	3.11	-2.26	-5.09

*As of Jan 13

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Global equities ended mixed this week due to region-specific cues.
- US stocks closed lower following weaker-than-expected labour market data and fear of sooner-than-expected rate hikes
- However, a sharp sell-off in the markets was prevented due to gains in technology stocks after Powell's less-hawkish-than-expected testimony and as inflation data came in line with expectations
- Britain's FTSE rose ~1% after positive corporate earnings reports and gains in banking, mining and oil stocks
- Asian equities ended mixed. Japan's Nikkei declined 1%, tracking a similar trend in the US market amid rate hike fears and rising Covid-19 cases in the country
- Japan producer prices rose 8.5% on-year in December compared with an upwardly revised 9.2% gain in November
- Hong Kong's Hang Seng rallied ~4% after the Fed chief's comments and gains in technology, property and financial shares
- China's Shanghai Composite dropped 1.6% on rising Covid-19 cases, Fed rate hike bets, worries in the real estate sector, and as new bank lending fell more than expected
- China's new loans in December came in at 1.13 trillion yuan compared with 1.27 trillion yuan in November
- However, cool-off in inflation raised expectations that the central bank may opt for a loose monetary policy to support the struggling economy, which helped the market

2. Commodity

- Crude oil prices rose in this week owing to a drop in US crude inventories, intermittent weakening in dollar and expectations that the rising Covid-19 and omicron cases would not impact global demand recovery
- Gold prices rose in this week tracking positive global metal prices due to intermittent weakness in dollar and falling US bond yield
- Indian silver prices advanced tracking positive gold and industrial metals

C. News summary

1. Domestic

- India's consumer price index-linked (CPI) inflation rose 5.59% on-year in December compared with a 4.91% rise in November following a rise in food prices
- India's wholesale price index (WPI)-based inflation eased to 13.56% in December compared to 14.23% in November owing to softening in prices of fuel, power and manufacturing items
- India's index of industrial production rose 1.4% on-year in November 2021 compared with 1.6% de-growth in November 2020 and a revised 4% growth in October 2021
- India posted a trade deficit of \$21.68 billion in December compared to \$22.91 billion deficit in November. Exports rose 38.91% on-year to \$37.81 billion in December, while imports rose 38.55% on-year to \$59.48 billion
- The Reserve Bank of India (RBI) proposed a new investment category called Fair Value through Profit and Loss Account for bank investments.
- The RBI decided to set up a fintech department to focus and facilitate innovation in the Indian fintech sector
- The Securities and Exchange Board of India (SEBI) notified disclosure requirements for listed entities, which have listed their debt securities, in relation to related party transactions
- SEBI proposed mandating a minimum of 20 investors and a subscription amount of at least Rs 20 crore for each Collective Investment Scheme

2. International

- US retail sales fell 1.9% on-month in December compared to a 0.2% rise in November.
- US industrial production fell 0.1% on-month in December after rising by an upwardly revised 0.7% in November.
- US consumer prices increased 0.5% on-month in December after advancing 0.8% in November. On an annualized basis, the consumer prices rose 7% in December compared to a 6.8% rise in November.
- Eurozone consumer price index rose 5% on-year in December compared to a 4.9% rise in November.
- China's consumer price index in December rose 1.5% from a year earlier, compared with a 2.3% rise in November.
- Japan producer prices rose by 8.5% on year in December, compared to an upward revision 9.2% gain in November.

D. Week ahead

Day	Events
Monday, Jan 17, 2022	<ul style="list-style-type: none"> China GDP, Q4 2021 China Industrial Output, December 2021 China Retail Sales, December 2021
Tuesday, Jan 18, 2022	<ul style="list-style-type: none"> US NY Empire State Manufacturing Index, January 2022 US NAHB Housing Market Index, January 2022 Eurozone ZEW Economic Sentiment, January 2022 UK ILO Unemployment Rate, November 2021 Bank of Japan Interest Rate Decision 2021 Japan Industrial Production, November 2021
Wednesday, Jan 19, 2022	<ul style="list-style-type: none"> US Housing Starts & Building Permits, December 2021 UK Consumer Prices, December 2021 UK Producer Prices, December 2021 Japan Trade Balance, December 2021
Thursday, Jan 20, 2022	<ul style="list-style-type: none"> US Existing Home Sales, December 2021 US Initial Jobless Claims, January 14, 2022 Eurozone Consumer Price Index, December 2021 China Loan Prime Rate 1Y/5Y, January 2022 Japan Consumer Prices, December 2021
Friday, Jan 21, 2022	<ul style="list-style-type: none"> US Leading Index, December 2021 Eurozone Consumer Confidence, January 2022 UK GfK Consumer Confidence, January 2022 UK Retail Sales, December 2021

Disclaimer - Produced by SBM Bank India Limited based on information available at the time of publishing. We believe that the information in this report is correct and any opinion, conclusions or recommendations are reasonably held or made as at the time of its compilation, but no warranty is made as to accuracy, reliability or completeness. SBM Bank India Limited does not accept liability to any person for loss or damage arising from the use of this report. The report has been prepared without taking into account of the objectives, financial situation or needs of any particular individual or financial institution or corporate. For this reason any individual or financial institution or corporate should before action on the information in this report, consider the appropriateness of the information having regard to the individual's objectives, financial situation and needs and if necessary seek appropriate professional advice.



**ATTRACTIVE INTEREST RATES ON OUR
TERM DEPOSITS**

[Know More](#)