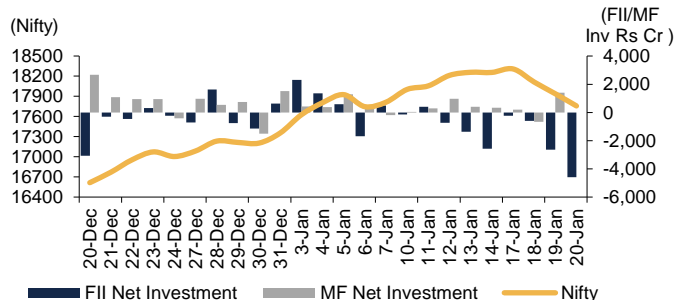


Indian equity benchmark indices' returns

Broad Indices	Jan 21	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	59,037	-3.57	-3.10	18.97
Nifty 50	17,617	-3.50	-3.09	20.75
Nifty 500	15,181	-3.49	-1.98	26.34
S&P BSE 100	17,903	-3.44	-2.81	21.54
S&P BSE Midcap	24,952	-4.35	-3.35	31.41
S&P BSE Smallcap	29,967	-3.18	4.49	60.98

FII and mutual fund investment vs. Nifty



Sectoral Indices	Jan 21	% chg week	% chg 3 Mth	% chg Year
S&P BSE Power	3,949	2.65	13.20	86.50
S&P BSE Auto	26,107	-0.72	1.01	11.77
S&P BSE Oil & Gas	18,578	-1.57	-1.16	26.06
S&P BSE Bankex	42,940	-1.90	-6.18	17.69
S&P BSE Metal	19,828	-2.54	-5.35	65.26
S&P BSE FMCG	13,574	-2.58	-6.30	6.95
S&P BSE Realty Index	3,897	-3.58	-2.17	49.26
S&P BSE CG	29,734	-3.70	9.84	47.03
S&P BSE CD	43,897	-4.22	1.08	39.41
S&P BSE Healthcare	24,428	-5.20	-4.11	13.17
S&P BSE IT	35,924	-6.55	2.52	36.05

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Jan 21	Previous Week	1 month ago
Call Rate	3.35%	3.30%	3.90%
10 Yr G-Sec [^]	6.62%	6.59%	6.47%

^{*}6.54% 2032 paper [^]Weighted Average Yield

Currencies vs INR

Currency	Jan 21	Week ago	3 months ago	1 year ago
USD	74.42	74.15	74.86	72.99
GBP	101.27	101.70	103.26	100.03
Euro	84.38	84.98	87.17	88.45
Yen [*]	65.46	65.15	65.64	70.47

^{*}exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equities snapped four-week gains on persistent inflationary concerns and fears about a sooner-than-expected rate hike by the US Federal Reserve (Fed) in the policy meet next week. S&P BSE Sensex and Nifty 50 fell about 3.5% each.
- Further, the increasing number of daily cases of Covid-19 domestically, persistent foreign institutional investor (FII) selling and soaring oil prices also weighed on the investor sentiment.
- Most sectors ended negative with information technology (IT), healthcare and consumer durables declining the most. S&P BSE IT, S&P BSE Healthcare and S&P BSE Consumer Durables declined 6.6%, 5.2% and 4.2%, respectively.
- Shares of Hero MotoCorp emerged the top gainer on the Nifty 50, rising ~7% on week to settle at Rs 2750.10 per share after its board approved further investment of up to Rs 420 crore in Ather Energy.
- Shares of HCL Technologies emerged the top decliner on the Nifty 50, down ~13% on week to settle at Rs 1167.95 per share following disappointing third quarter results.

2. Debt

- Government bond prices extended the previous week's fall. The yield on the new 10-year benchmark 6.54% 2032 paper settled at 6.62% on January 21, 2022, compared with 6.60% on January 19, 2022, when it attained the benchmark status. The erstwhile benchmark 6.10% 2031 paper settled at 6.63% on January 21, 2022, compared with 6.58% on January 14, 2022.
- Bond prices began the week on a weaker note, following a sharp rally in the US Treasury yields amid the anticipation that the Federal Reserve might hike interest rates soon.
- A sporadic spike in crude oil also weighed on prices.
- Further fall was prevented by short covering and likely foreign inflows amid optimism over the possible inclusion of domestic bonds in global indices.
- Meanwhile, in the weekly gilt sale held on January 21, 2022, the RBI auctioned 4.56% GS (Government Security) 2023, 5.74% GS 2026 (partially devolved on primary dealers), 6.67% GS 2035, and 6.99% GS 2051 for a total notified Rs 24,000 crore.

3. Forex

- The rupee ended lower against the US dollar this week on concerns that soaring crude oil prices would create inflationary pressure and on dollar buying by banks on behalf of importers.
- Further, weak domestic equities and caution ahead of the Fed's policy meeting next week also kept the local unit under pressure.

International equity benchmark indices' returns

Indices	Jan 21	% chg week	% chg 3 Mth	% chg Year
DJIA*	34,715	-3.33	-2.51	11.31
Nasdaq Composite*	14,154	-4.97	-6.40	5.18
FTSE 100*	7,585	0.56	5.01	12.53
Nikkei 225	27,522	-2.14	-4.13	-4.29
Straits Times	3,295	0.39	3.34	9.20
Hang Seng	24,966	2.39	-4.04	-16.58
Shanghai Comp	3,523	0.04	-2.01	-2.73

*As of Jan 20

International debt market indicators

Indicators	Jan 21	Jan 14
US 10-Year*	1.83%	1.78%
UK 10-Year*	1.23%	1.15%
German 10-Year*	-0.03%	-0.05%
Japan 10-Year	0.13%	0.15%
3-M USD Libor*	0.26%	0.24%
6-M USD Libor*	0.45%	0.40%
1-Y USD Libor*	0.80%	0.73%

*As of Jan 20

Commodities

Commodity	Jan 21	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	88.38	2.70	2.98	57.60
Indian gold (Rs per 10 gm)	48,608.00	0.98	2.40	-1.69
Indian Silver (Rs per Kg)	64,941.00	4.98	-0.09	-3.20

*As of Jan 20

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Global equities ended mixed this week due to region-specific cues.
- US stocks plunged this week as US Treasury yields rose amid worries about potential monetary policy tightening by the Fed at its policy meet next week, eventually impacting the growth of the economy.
- Markets were also pressurised by soaring crude oil prices and disappointing corporate earnings from some banks.
- Britain's FTSE rose 0.6% due to gains in healthcare, energy, mining and consumer staples stocks.
- However, sharp gains were capped on concerns over the US interest rate hikes and their impact on the global economy.
- Asian equities ended mixed. Japan's Nikkei declined 2% following a jump in US bond yields and as the Bank of Japan (BoJ) raised its inflation forecast.
- Hong Kong's Hang Seng rallied 2.4% on gains in technology and property stocks after China's central bank cut rates.
- Some gains were reduced on concerns over the Chinese regulatory crackdown and a possible rate hike by the Fed.
- China's Shanghai Composite ended flat this week as gains on the back of strong growth data and unexpected rate cut by the country's central bank were offset by profit booking and tech crackdown by the nation's regulators.

2. Commodity

- Crude oil prices spurted in this week on supply constraints following concerns over geopolitical tensions in the Middle East and intermittent weakness in dollar.
- Gold prices rose in this week tracking similar trend in the global metal prices and on caution ahead of the Federal Reserve monetary policy meet next week.
- Indian silver prices advanced tracking upbeat gold and industrial metals.

