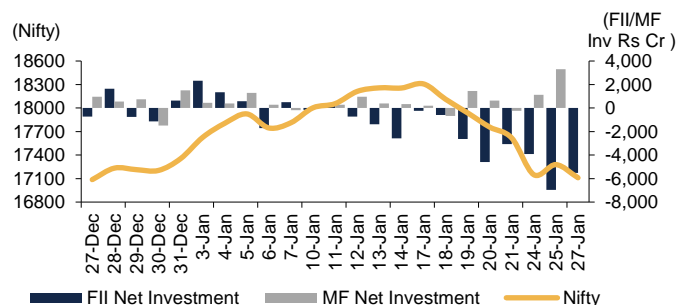


Indian equity benchmark indices' returns

Broad Indices	Jan 28	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	57,200	-3.11	-4.64	22.03
Nifty 50	17,102	-2.92	-4.23	23.77
Nifty 500	14,723	-3.01	-3.08	28.67
S&P BSE 100	17,383	-2.90	-3.81	24.17
S&P BSE Midcap	24,187	-3.07	-4.16	32.83
S&P BSE Smallcap	28,940	-3.43	3.03	60.48

FII and mutual fund investment vs. Nifty



Sectoral Indices	Jan 28	% chg week	% chg 3 Mth	% chg Year
S&P BSE Bankex	43,258	0.74	-4.20	25.63
S&P BSE Auto	25,951	-0.59	2.78	13.82
S&P BSE Power	3,917	-0.82	16.52	92.54
S&P BSE Oil & Gas	18,413	-0.89	0.96	31.39
S&P BSE FMCG	13,366	-1.53	-4.75	7.96
S&P BSE Healthcare	23,836	-2.42	-4.45	13.59
S&P BSE CG	28,879	-2.88	7.47	45.70
S&P BSE Metal	18,986	-4.25	-5.02	69.02
S&P BSE Realty Index	3,694	-5.19	-6.81	53.29
S&P BSE IT	33,824	-5.85	-0.62	32.90
S&P BSE CD	40,898	-6.83	-5.08	34.65

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Jan 28	Previous Week	1 month ago
Call Rate	3.25%	3.35%	3.25%
10 Yr G-Sec [^]	6.78%	6.62%	6.48%

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

Currencies vs INR

Currency	Jan 28	Week ago	3 months ago	1 year ago
USD	75.04	74.42	74.92	73.04
GBP	100.52	101.27	102.87	99.83
Euro	83.54	84.38	86.87	88.43
Yen*	64.94	65.46	65.93	70.10

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equities extended losses for the second straight week on concerns surrounding the US Federal Reserve's (Fed) plans to hike interest rates in March. S&P BSE Sensex and Nifty 50 fell about 3% each
- Furthermore, geopolitical tensions between Russia and Ukraine and rising inflation dragged down the indices
- Most sectors ended in the red with consumer durables, IT, and realty counters declining the most. S&P BSE Consumer Durables, S&P BSE IT, and S&P BSE Realty fell 6.8%, 5.9%, and 5.2%, respectively
- However, better-than-expected earnings of some major firms offset the losses to some extent
- Shares of Cipla Ltd emerged the top gainer on the Nifty 50, rising 7.5% on week to settle at Rs 932.25 per share on the back of better-than-expected quarterly results
- Shares of Tech Mahindra emerged the top decliner on the Nifty 50, down 11.5% on week to settle at Rs 1410.65 per share on profit booking

2. Debt

- Government bond prices extended falls for the third straight week. The yield on the 10-year benchmark 6.54% 2032 settled at 6.77% on January 28, 2022, compared with 6.62% on January 21, 2022
- Bond prices remained under pressure throughout the week on tracking a rise in US treasury yields amid expectations that US Fed may start hiking key rates from March 2022. The expectations came true after US central bank policymakers in the January policy statement said a quarter-percentage point increase to its benchmark short-term borrowing rate is likely soon
- Gilts fell further after the RBI partially devolved the 6.54% 2032 paper on primary dealers in the weekly gilt sale held on January 28, 2022. In the auction, the RBI had also auctioned GOI Floating Rate Bonds (FRB) 2028 and 6.95% GS 2061, with three of them totalling a notified amount of Rs 24,000 crore

3. Forex

- The rupee weakened against the dollar as investors fretted over inflationary pressure due to elevated crude oil prices and geopolitical tensions between Ukraine and Russia
- The local currency was also under pressure because the Fed signalled plans to hike rates soon and end its bond buying programme by early March and weakness in the Indian equity market.

International equity benchmark indices' returns

Indices	Jan 28	% chg week	% chg 3 Mth	% chg Year
DJIA*	34,161	-0.31	-3.75	12.73
Nasdaq Composite*	13,353	-3.02	-12.36	0.62
FTSE 100*	7,554	0.80	4.15	15.03
Nikkei 225	26,717	-2.92	-7.30	-5.25
Straits Times	3,246	-1.47	1.33	11.16
Hang Seng	23,550	-5.67	-7.85	-17.52
Shanghai Comp	3,361	-4.57	-4.46	-4.10

*As of Jan 27

International debt market indicators

Indicators	Jan 28	Jan 21
US 10-Year*	1.81%	1.75%
UK 10-Year*	1.23%	1.17%
German 10-Year*	-0.06%	-0.06%
Japan 10-Year	0.17%	0.13%
3-M USD Libor*	0.30%	0.26%
6-M USD Libor*	0.52%	0.44%
1-Y USD Libor*	0.92%	0.80%

*As of Jan 27

Commodities

Commodity	Jan 28	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	89.34	1.65	5.63	60.08
Indian gold (Rs per 10 gm)	47,915.00	-1.43	-0.31	-1.85
Indian Silver (Rs per Kg)	61,220.00	-5.73	-5.44	-6.95

*As of Jan 27

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Global equities mostly ended lower this week after the US Fed signalled rate hike in March
- US stocks ended lower this week after the Fed signalled plans to raise interest rate soon and decided to end its monthly bond buying programme by early March
- Geopolitical tensions between Ukraine and Russia and mixed earnings reports also kept the markets under pressure.
- Strong growth data and stock specific gains limited some losses in the market
- Britain's FTSE rose 0.8% following gains in banking stocks after the US Fed signalled interest rate hike in March
- However, sharp gains were capped due to weak retail sales data and sporadic sell-offs in mining stocks
- Asian equities ended lower. Japan's Nikkei declined 3% on fears over the Fed's hawkish stance, and geopolitical tensions between Russia and Ukraine
- Hong Kong's Hang Seng nosedived nearly 6% on concerns that the US Fed would tighten policies, and rising geopolitical tensions related to Russia and Ukraine
- China's Shanghai Composite plummeted this week after the Fed at its policy meet hinted likely rate hike and decided to end its monthly's bond buying programme by March
- Investors also trimmed their positions ahead of the Chinese New Year holidays

2. Commodity

- Crude oil prices rose in this week on supply concerns following Russia-Ukraine geopolitical tensions
- Gold prices fell in this week following hawkish stance by the US Federal Reserve
- Indian silver prices declined tracking weakness in gold and industrial metals

C. News summary

1. Domestic

- The International Monetary Fund (IMF) trimmed India's growth forecast for fiscal 2022 to 9% from the earlier 9.5% over concerns surrounding the impact of the spread of new Covid-19 variants on business activity and mobility
- The government outlined the \$300 billion vision document to boost local electronic production
- The government tweaked spending norms for Contingency Fund of India, allowing 40% of the total corpus to be placed at disposal of the Expenditure Secretary
- The Securities and Exchange Board of India (SEBI) proposed a framework to regulate Environmental, Social and Governance (ESG) rating providers
- The SEBI said listed firms will issue the securities in demat form only after getting service requests from investors
- The SEBI said the appointment or a re-appointment of a person, including as a Managing Director or a Whole Time Director or a Manager, who was earlier rejected by the shareholders at a general meeting, will be done only with the prior approval of the shareholders
- The SEBI decided to start sending show-cause notices and summons to alleged offenders of securities market rules through instant messaging services, to expedite the process

2. International

- The Federal Reserve maintained status quo on rates and hinted rate hike soon citing stable job market and inflationary pressure. The apex bank also decided to continue with its monthly bond buying program and reiterated to increase the pace of asset purchases, to end them by early March
- US gross domestic product (GDP) rose at an annualized rate of 6.9% in the fourth quarter compared to a 2.3% growth in the third quarter. The economy grew 5.7% in 2021, the strongest since 1984, compared to a 3.4% contraction in 2020
- Eurozone IHS Markit manufacturing PMI rose to 59.0 in January from 58.0 in December while services PMI eased to 51.2 in January from 53.1 in December
- UK retail sales fell 3.7% on-month in December compared to a 1% rise in November
- Japan leading economic index rose to 103.2 in November from 101.5 in October, while the coincident index rose to 92.8 in November from 89.8 in October

D. Week ahead

Day	Events
Monday, Jan 31, 2022	<ul style="list-style-type: none"> • Eurozone GDP, Q4 2021 • Japan Industrial Production, December 2021 • India Core Sector Growth, December 2021 • India Fiscal Deficit, December 2021 • India Fiscal Year GDP Growth, 2020-21
Tuesday, Feb 01, 2022	<ul style="list-style-type: none"> • US ISM Manufacturing PMI, January 2022 • Eurozone Manufacturing PMI, January 2022 • UK Manufacturing PMI, January 2022 • Japan Manufacturing PMI, January 2022 • India Markit Manufacturing PMI, January 2022 • India Government Budget 2022
Wednesday, Feb 02, 2022	<ul style="list-style-type: none"> • US ADP Employment Change, January 2022 • Eurozone Consumer Prices, January 2022
Thursday, Feb 03, 2022	<ul style="list-style-type: none"> • US ISM Non-Manufacturing PMI, January 2022 • US Initial Jobless Claims, January 28, 2022 • ECB Interest Rate Decision • UK BoE Interest Rate Decision • India Markit Services PMI, January 2022
Friday, Feb 04, 2022	<ul style="list-style-type: none"> • US Nonfarm Payrolls & Unemployment Rate, January 2022 • Eurozone Retail Sales, December 2021 • UK Construction PMI, January 2022

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