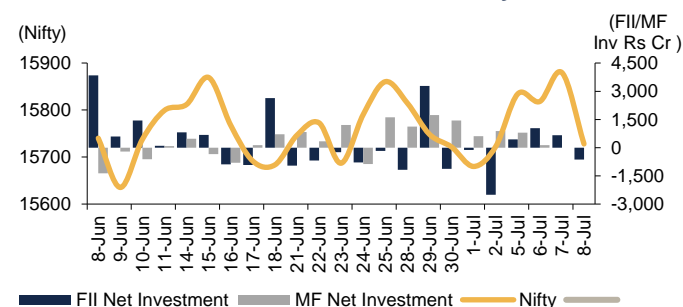


Indian equity benchmark indices' returns

Broad Indices	Jul 9	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	52,386	-0.19	5.64	42.60
Nifty 50	15,690	-0.21	5.76	45.10
Nifty 500	13,528	0.25	7.99	52.83
S&P BSE 100	16,016	0.00	6.41	47.09
S&P BSE Midcap	22,814	1.37	9.88	69.07
S&P BSE Smallcap	25,874	1.20	19.81	101.38

FII and mutual fund investment vs. Nifty



Sectoral Indices	Jul 9	% chg week	% chg 3 Mth	% chg Year
S&P BSE Realty Index	2,914	6.14	10.39	81.12
S&P BSE Metal	18,978	2.96	17.47	149.95
S&P BSE Power	2,707	0.99	8.89	71.43
S&P BSE CG	22,961	0.81	8.90	74.29
S&P BSE Bankex	39,669	0.55	7.88	53.03
S&P BSE FMCG	13,581	-0.02	3.97	20.00
S&P BSE Healthcare	25,875	-0.50	13.86	57.19
S&P BSE CD	35,743	-0.87	7.39	70.59
S&P BSE IT	29,624	-1.35	5.50	88.33
S&P BSE Oil & Gas	15,858	-1.46	6.20	24.04
S&P BSE Auto	23,252	-2.89	3.91	44.75

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Jul 9	Previous Week	1 month ago
Call Rate	3.00%	3.40%	3.00%
10 Yr G-Sec [^]	6.17%	6.06%	6.02%

[^]5.85% 2030 paper [^]Weighted Average Yield

Currencies vs INR

Currency	Jul 9	Week ago	3 months ago	1 year ago
USD	74.63	74.75	74.75	74.99
GBP	102.99	102.79	102.40	94.79
Euro	88.48	88.38	88.89	85.01
Yen*	67.90	67.04	68.15	69.92

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- The previous week's negative trend extended to Indian equities this week, owing to a rise in cases of the more virulent Delta variant of Covid-19 in many countries, raising fears of the impact on a global economic recovery. S&P BSE Sensex and Nifty 50 declined around 0.2% each.
- Auto, oil & gas and information technology (IT) counters witnessed a sell-off this week.
- Shares of Tata Motors emerged the biggest laggard on the Nifty 50, declining 11.2% on week to settle at Rs 306.3 per share after the company warned that shortage of semiconductors may see Jaguar Land Rover (JLR) report lower wholesale volumes in the September 2021 quarter.
- However, the steep fall was capped following a rapid rise in vaccination programmes in the country.
- Buying interest was seen in metal, realty and power stocks this week.
- Shares of Bajaj Finserv emerged the top gainer on the Nifty 50, rising 9.4% on week to settle at Rs 12854.75 per share on bullish investor sentiment.

2. Debt

- Government bond prices ended lower. The yield of the 10-year benchmark 5.85% 2030 paper settled 13 basis points higher at 6.19% on July 9.
- Prices fell sharply in the last session following the gilt sale outcome. In the auction, the RBI sold a new government security maturing in 2031 for a total notified Rs 14,000 crore. The coupon rate for the new 10-year paper has been set at 6.10%. The paper settled at 6.10% on July 9.
- Prices fell further as the RBI's choice of notes in the week's debt purchase under its G-Sec Acquisition Programme (G-SAP 2.0) weighed on investor appetites.
- Domestic bond prices recouped some losses supported by a decline in US benchmark treasury yields.
- Domestic bond prices also garnered support from crude oil prices, which declined midweek.

3. Forex

- The rupee ended higher against the US dollar.
- The local unit began the week strong aided by a broad dollar decline. The greenback fell as bets that the US Federal Reserve may not rush to scale back stimulus increased following the release of mixed US labor market data last week.
- Gains registered by the US dollar index prior to the release of the US Fed's policy meeting minutes dented sentiment.
- Expectations of dollar inflows into the local financial market helped the rupee recoup losses towards the end of the week.

International equity benchmark indices' returns

Indices	Jul 9	% chg week	% chg 3 Mth	% chg Year
DJIA*	34,422	-1.05	2.74	32.05
Nasdaq Composite*	14,560	-0.54	5.28	38.76
FTSE 100*	7,031	-1.30	1.27	14.21
Nikkei 225	27,940	-2.93	-6.14	24.02
Straits Times	3,131	0.08	-1.67	18.05
Hang Seng	27,345	-3.41	-4.72	4.33
Shanghai Comp	3,524	0.15	2.13	2.13

*As of Jul 8

International debt market indicators

Indicators	Jul 9	Jul 2
US 10-Year*	1.29	1.43
UK 10-Year*	0.60	0.70
German 10-Year*	-0.31	-0.24
Japan 10-Year	0.03	0.04
3-M USD Libor*	0.12%	0.14%
6-M USD Libor*	0.16%	0.16%
1-Y USD Libor*	0.24%	0.24%

*As of Jul 8

Commodities

Commodity	Jul 9	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	74.12	-2.69	24.95	71.22
Indian gold (Rs per 10 gm)	47863.00	0.58	3.41	-2.43
Indian Silver (Rs per Kg)	68789.00	-0.27	2.68	34.90

* As of Jul 8

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Global equities ended mostly lower this week amidst growing concerns over the pace of the global economic recovery.
- US stocks ended lower this week as investors worried over the impact on a global economic recovery of the rise in Delta variant of Covid-19 infections.
- However, further fall in the markets was prevented on strong economic data and sporadic gains in technology stocks.
- US non-farm payroll employment rose by 850,000 jobs in June after rising by an upwardly revised 583,000 jobs in May.
- Britain's FTSE fell 1.3% as investors grapple with the health of the world economy amid rising infections of the Delta Covid-19 variant. Continued sell-off in the financial and mining stocks also kept the market under pressure.
- The UK Chartered Institute of Procurement & Supply (CIPS) services PMI registered 62.4 in June, down slightly from 62.9 in May.
- Other European equities ended lower with France's CAC 40 and Germany's DAX down 2.4% and 1.5%, respectively. Investors raised concerns over world economic recovery amid resurgence of Delta variant of the coronavirus.
- Asian equities ended on a mixed note. Japan's Nikkei plunged nearly 3% on worries over a slowing economic recovery after the country declared a Covid-19 emergency.
- Japan current conditions index of the Economy Watchers' Survey, which measures the current situation of the economy, increased to 47.6 in June from 38.1 in May; the outlook index rose to 52.4 in June from 47.6 in the previous month.
- Japan posted a current account surplus of 1,979.7 bn yen in May following the 1,321.8 bn yen surplus in April.
- Hong Kong's Hang Seng (down 3.4%) posted the worst weekly fall in four months, dragged down by technology stocks after Beijing tightened regulatory restrictions on the country's tech companies listed abroad.
- China's Shanghai Composite ended slightly higher this week after the country's cabinet said it would cut the bank reserve requirement ratio (RRR) to support the economy.
- However, gains were cut short by high factory inflation, indicating underlying weakness in the economy.
- China's annual inflation increased to 8.6% in June 2021, compared with 8.3% in June 2020.

2. Commodity

- Crude oil prices fell in this week as OPEC producers failed to reach an agreement on oil output deal for August and beyond, indicating that this may mean more supply in the coming future.
- Gold prices rose in this week on safe haven appeal as a rise in Delta variant Covid-19 virus raised worries over global economic recovery.
- Indian silver prices fell in this week due to directionless trade in industrial metals.

C. News summary

1. Domestic

- India trade deficit in June 2021 stood at \$9.4 bn compared to a trade surplus of \$0.71 bn in June 2020.
- India's IHS Markit services Purchasing Managers' Index (PMI) fell to an 11-month low of 41.2 in June from 46.4 in May, while the composite PMI fell to 43.1 in June from 48.1 in May.
- Government said Goods and Services Tax (GST) collections for June 2021 fell to Rs 92849 cr as against Rs 1.02 lakh cr in May and Rs 90917 cr a year ago.
- The Union Cabinet approved a host of changes into the Rs 1 lakh cr Agriculture Infrastructure Fund (AIF), including bringing Agriculture Produce Market Committees (APMCs) or regulated mandis within its ambit.
- The Union cabinet approved a Rs 23123 cr financial package for improving health infrastructure in the country to fight the Covid pandemic.
- RBI notified the revised definition of micro, small and medium enterprises (MSMEs) by adding retail and wholesale trade in this category.
- According to RBI data, India companies' foreign borrowings dipped by about 51% to \$738.45 mn in May this year amid the second wave of Covid-19.
- RBI decided to move to uniform price auction of some benchmark government bonds to avoid volatility and wide difference to market prices of those securities.
- SEBI relaxed the advance intimation requirement for exchanges for carrying out modifications in the contract specifications of commodity derivatives contracts.

2. International

- US initial jobless claims crept up to 373,000 for the week ended July 3, an increase of 2,000 from the previous week's revised level of 371,000.
- Eurozone producer prices were up 9.6% on-year in May, following a 7.6% rise in April.
- UK Chartered Institute of Procurement & Supply (CIPS) services PMI registered 62.4 in June, down slightly from 62.9 in May; the composite PMI posted 62.2 in June, down from 62.9 in May.
- China Caixin/Markit services PMI fell to 50.3 in June, the lowest since April 2020, and down significantly from 55.1 in May.
- Japan services PMI rose to 48.0 in June from 46.5 in May.

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D. Week ahead

Day	Events
Monday, July 12, 2021	<ul style="list-style-type: none"> India Consumer Inflation, June 2021 India Industrial Production, May 2021
Tuesday, July 13, 2021	<ul style="list-style-type: none"> US Consumer Prices, June 2021 China Trade Balance, June 2021
Wednesday, July 14, 2021	<ul style="list-style-type: none"> US Producer Prices, June 2021 Eurozone Industrial Production, May 2021 UK Consumer Prices, June 2021 Japan Tankan Manufacturing / Non-Manufacturing Index, July 2021 Japan Industrial Production, May 2021 India Wholesale Prices, June 2021
Thursday, July 15, 2021	<ul style="list-style-type: none"> US Industrial Production, June 2021 US Import / Export Prices, June 2021 UK ILO Unemployment Rate, May 2021 China Industrial Production, June 2021 China Retail Sales, June 2021 China GDP, Q2 2021 Japan Tertiary Industry Activity, May 2021 India Trade Deficit, June 2021
Friday, July 16, 2021	<ul style="list-style-type: none"> US Business Inventories, May 2021 US University of Michigan Consumer Sentiment, July 2021 US Retail Sales, June 2021 Eurozone Trade Balance, May 2021 Eurozone Consumer Prices, June 2021 Bank of Japan Interest Rate Decision



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