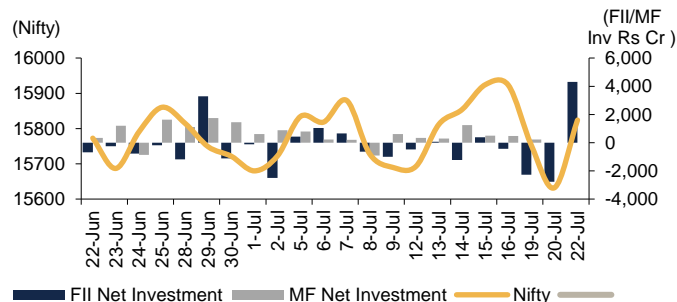


Indian equity benchmark indices' returns

Broad Indices	Jul 23	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	52,976	-0.31	10.65	38.90
Nifty 50	15,856	-0.42	10.56	41.38
Nifty 500	13,687	-0.40	13.06	50.17
S&P BSE 100	16,180	-0.31	11.33	43.60
S&P BSE Midcap	23,021	-0.47	15.38	67.02
S&P BSE Smallcap	26,426	-0.14	25.81	103.34

FII and mutual fund investment vs. Nifty



Sectoral Indices	Jul 23	% chg week	% chg 3 Mth	% chg Year
S&P BSE IT	30,578	1.54	16.44	78.30
S&P BSE Realty Index	3,189	0.82	33.03	100.03
S&P BSE FMCG	13,643	0.37	9.00	18.61
S&P BSE Healthcare	26,328	0.08	12.90	53.37
S&P BSE Oil & Gas	15,712	0.04	8.25	14.20
S&P BSE CG	23,846	-0.10	19.45	84.86
S&P BSE CD	35,997	-0.10	14.66	63.30
S&P BSE Metal	19,383	-0.60	19.98	150.72
S&P BSE Power	2,688	-1.25	9.80	71.78
S&P BSE Bankex	39,833	-1.65	10.57	52.10
S&P BSE Auto	22,797	-2.20	5.49	37.95

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Jul 23	Previous Week	1 month ago
Call Rate	3.30%	3.30%	3.00%
10 Yr G-Sec*^	6.16%	6.13%	6.02%

*6.10% 2031 paper ^Weighted Average Yield

Currencies vs INR

Currency	Jul 23	Week ago	3 months ago	1 year ago
USD	74.40	74.55	75.02	74.76
GBP	102.21	103.10	104.13	95.06
Euro	87.58	88.13	90.46	86.60
Yen*	67.38	67.69	69.53	69.76

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equities ended lower this week led by weak global cues as investors were worried over rising Covid-19 delta variants in many parts of the world, which might hurt global economic recovery. S&P BSE Sensex and Nifty 50 declined 0.3% and 0.4%, respectively
- Heavy sell-off was witnessed in auto, bank and power counters this week.
- Shares of IndusInd Bank emerged the top laggard on the Nifty 50, declining 5.3% on week to settle at Rs 989.3 per share weighed by broad selling of banking stocks and ahead of the board meeting to discuss various fund raising options.
- However, upbeat domestic corporate earnings and expectations that global central banks would maintain loose monetary policies prevented further losses
- Buying interests were witnessed in information technology (IT), realty and fast moving consumer goods (FMCG) firms.
- Shares of Wipro emerged the top gainer on the Nifty 50, rising 3.7% on week to settle at Rs 599.15 per share, benefitting from broad-based buying of IT stocks by investors.

2. Debt

- Government bond prices ended slightly lower after moving in a narrow range. The yield of the new 10-year benchmark 6.10% 2031 paper settled at 6.16% on July 23 compared to 6.13% on July 16
- Domestic bond prices received support in the first half of the week from the declining US benchmark treasury yields and crude oil prices
- Local gilt prices fell towards the end of the week as global crude oil prices and US benchmark treasury yields advanced
- Gilts were also put under some pressure as investors trimmed positions ahead of the RBI's weekly gilt auction
- The 10-year benchmark paper's yield hardened further following the outcome of the debt sale. In the auction, the RBI devolved ~Rs 11,144 cr of the 6.10% 2031 paper on primary dealerships against the notified amount of Rs 14,000 cr

3. Forex

- The rupee ended higher against the US dollar after recouping earlier losses
- The local unit had a dim start to the week amid concerns that the rapid spread of the delta Covid-19 variant could derail economic recovery
- Exporters' dollar sales and intermittent gains in local equity indices, however, helped the rupee stage a recovery
- Hopes that the US Fed would maintain an accommodative policy for a longer period supported investor appetite for riskier emerging market assets, and aided the rupee
- The euro's gains against the greenback ahead of the European Central Bank's policy review also provided the rupee with positive cues

International equity benchmark indices' returns

Indices	Jul 23	% chg week	% chg 3 Mth	% chg Year
DJIA*	34,823	0.39	2.98	28.95
Nasdaq Composite*	14,685	1.78	6.27	37.16
FTSE 100*	6,968	-0.57	0.43	12.26
Nikkei 225^	27,548	-1.63	-6.14	21.08
Straits Times	3,157	0.15	-1.67	20.85
Hang Seng	27,322	-2.44	-4.72	8.15
Shanghai Comp	3,550	0.31	2.13	6.78

*As of Jul 22 ^As of Jul 21

International debt market indicators

Indicators	Jul 22	Jul 16
US 10-Year	1.27	1.30
UK 10-Year	0.57	0.63
German 10-Year	-0.43	-0.35
Japan 10-Year*	0.01	0.02
3-M USD Libor	0.13%	0.13%
6-M USD Libor	0.15%	0.15%
1-Y USD Libor	0.24%	0.24%

*As of Jul 21

Commodities

Commodity	Jul 23	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	73.79	0.27	18.75	66.61
Indian gold (Rs per 10 gm)	47703.00	-1.18	-0.22	-5.76
Indian Silver (Rs per Kg)	67039.00	-2.72	-3.06	10.49

*As of Jul 22

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Global equities ended mixed this week amid region-specific cues.
- The US stocks advanced as investors' confidence were uplifted due to better-than-expected second quarter earnings indicating improvement in economic activity
- US retail sales rose 0.6% in June after plunging by a revised 1.7% in May
- Existing home sales in the US rose 1.4% to a seasonally adjusted annual rate of 5.86 mn units in June
- However, a sharp rise in the markets was prevented by inflationary pressure and rising Covid-19 delta variant concerns.
- Britain's FTSE fell 0.6% this week due to concerns over spike in Covid-19 cases that might impact economic recovery along with a surge in inflation that could taper global monetary stimulus.
- Other European equities ended mixed this week with France's CAC 40 gaining 0.33% while Germany's DAX declined 0.17%. Markets were dragged on fear that the rising Covid-19 delta variant may hamper global economic growth. However, some losses were recouped on dovish comments by the European Central Bank (ECB) and strong second quarter earnings.
- ECB kept its key interest rates unchanged, with the rate on the main deposit facility remaining at -0.5% and the benchmark refinancing rate at 0%.
- Asian equities ended mixed. Japan's Nikkei lost 1.6% in the curtailed week due to rising concerns that the surge in Covid-19 cases might dent economic recovery
- The Bank of Japan's (BoJ) Board voted 8-1, to hold the interest rate at -0.1% on current accounts that financial institutions maintain at the central bank
- Japan's exports rose 48.6% on-year in June while imports rose 32.7%, resulting in a trade surplus of 383.2 bn yen
- Hong Kong's Hang Seng plunged 2.4% this week due to concerns over spread of Covid-19 delta variant and decline in technology stocks following Beijing's tight regulation
- China's Shanghai Composite rose 0.3% after a report showed that Foreign Institutional Investors bought A-shares through the Stock Connect scheme for four trading sessions.
- China's central bank maintained the one-year loan prime rate at 3.85% and the five-year loan prime rate at 4.65%.

2. Commodity

- Crude oil prices rose slightly in this week as earlier losses on demand concerns amid rising Covid-19 cases and the OPEC+ agreement to increase supply were outweighed by gains due to decline in crude stocks at the Cushing, Oklahoma storage hub.
- Gold prices fell in this week on tracking weak global metal prices.
- Indian silver prices fell in this week following weakness in gold amid concerns about industrial demand.

C. News summary

1. Domestic

- India's Chief Economic Advisor K Subramanian said the economy will start witnessing a growth of 6.5-7% from fiscal 2023 onwards. He expressed hope that economic growth during the current fiscal would be around 11%.
- The Asian Development Bank (ADB) downgraded India's economic growth forecast for the current fiscal to 10% from 11% projected in April, on account of the adverse impact of the coronavirus pandemic.
- Government sought approval for additional expenditure of Rs 1.87 lakh cr from Lok Sabha, as part of the first batch of supplementary demand for grants for fiscal 2022.
- Government approved nearly Rs 40000 cr for prevention of Covid-19 and ramping up health infrastructure, in addition to funds allocated under the National Health Mission.
- The Centre said that an amount of Rs 81179 cr was yet to be released to the state governments towards fully compensating them for their goods and services tax (GST) revenue shortfall for the fiscal 2021.
- According to RBI data, the overseas direct investment of domestic firms rose to \$2.8 bn in June 2021, compared with \$1.39 bn in the year-ago month.
- SEBI came out with a framework for segregation and monitoring of collateral at client level amid instances of misuse of client collateral by trading members.
- SEBI said investors will soon have the option to block securities on their respective demat accounts for sale transactions apart from the existing early pay-in mechanism.
- SEBI proposed introducing a swing-pricing mechanism to protect mutual fund investors in an event of market dislocation.

2. International

- US retail sales rose by 0.6% in June after plunging by a revised 1.7% in May.
- Eurozone inflation eased to 1.9% in June from 2% in the prior month.
- Eurozone consumer confidence fell by 1.1 points to -4.4 in July.
- UK public sector net borrowing decreased 5.5 bn pounds from the last year to 22.8 bn in June.
- China's central bank maintained the one-year loan prime rate at 3.85% and the five-year loan prime rate at 4.65%.
- Japan's exports rose 48.6% on-year in June while imports rose 32.7%, resulting in a trade surplus of 383.2 bn yen.
- Japan's core consumer prices rose 0.2% on-year in June compared with a 0.1% rise in May.

D. Week ahead

Day	Events
Monday, July 26, 2021	<ul style="list-style-type: none"> US Dallas Fed Manufacturing Index, July 2021 US New Home Sales, June 2021 Japan Manufacturing PMI, July 2021
Tuesday, July 27, 2021	<ul style="list-style-type: none"> US Conference Board Consumer Confidence, July 2021 US Case-Shiller House Price Index, May 2021 US Durable Goods Orders, June 2021 China Industrial Profits, June 2021
Wednesday, July 28, 2021	<ul style="list-style-type: none"> US Advance Goods Trade Balance, June 2021 US Fed Interest Rate Decision Japan Leading Economic Index, May 2021
Thursday, July 29, 2021	<ul style="list-style-type: none"> US Pending Home Sales, June 2021 US GDP, Q2 2021 Japan Industrial Production, June 2021 Japan Retail Sales, June 2021 Japan Unemployment Rate, June 2021
Friday, July 30, 2021	<ul style="list-style-type: none"> US Chicago PMI, July 2021 US University of Michigan Consumer Sentiment, July 2021 US Personal Income & Spending, June 2021 Eurozone Consumer Prices, July 2021 Eurozone GDP, Q2 2021 Eurozone Unemployment Rate, June 2021 UK Housing Prices, July 2021 Japan Consumer Confidence Index, July 2021 India Fiscal Deficit, Apr – Jun 2021 India Core Sector Output, June 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](#)