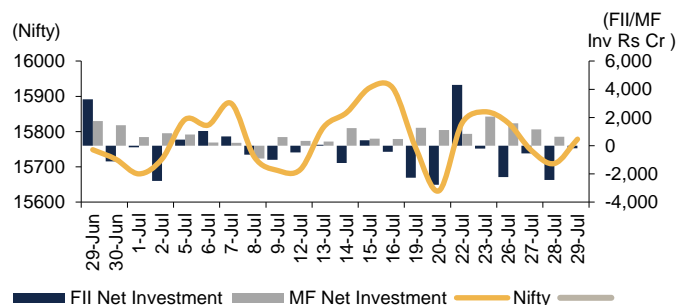


Indian equity benchmark indices' returns

Broad Indices	Jul 30	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	52,587	-0.73	5.80	39.35
Nifty 50	15,763	-0.59	5.93	41.98
Nifty 500	13,664	-0.17	8.86	51.29
S&P BSE 100	16,108	-0.44	6.91	44.23
S&P BSE Midcap	23,087	0.29	12.34	68.40
S&P BSE Smallcap	26,787	1.36	22.67	107.39

FII and mutual fund investment vs. Nifty



Sectoral Indices	Jul 30	% chg week	% chg 3 Mth	% chg Year
S&P BSE Metal	21,012	8.40	19.17	170.63
S&P BSE CD	36,386	1.08	11.19	69.64
S&P BSE IT	30,847	0.88	16.26	69.70
S&P BSE Realty Index	3,183	-0.21	27.62	104.54
S&P BSE Healthcare	26,156	-0.65	9.52	47.98
S&P BSE CG	23,672	-0.73	16.04	86.47
S&P BSE FMCG	13,481	-1.19	6.57	18.60
S&P BSE Auto	22,489	-1.35	1.44	36.31
S&P BSE Bankex	39,190	-1.61	2.69	59.13
S&P BSE Oil & Gas	15,442	-1.72	4.51	16.33
S&P BSE Power	2,617	-2.65	4.83	70.64

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Jul 30	Previous Week	1 month ago
Call Rate	3.35%	3.30%	2.60%
10 Yr G-Sec [^]	6.20%	6.16%	6.05%

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

Currencies vs INR

Currency	Jul 30	Week ago	3 months ago	1 year ago
USD	74.41	74.40	74.06	74.84
GBP	103.99	102.21	103.02	97.16
Euro	88.54	87.58	89.60	87.96
Yen*	67.91	67.38	68.07	71.28

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian benchmark equities extended losses for the second straight week, tracking weak global cues, including the impact of China's recent regulatory actions on a range of industries.
- Selling pressure in power, oil & gas and banking stocks also kept markets under pressure.
- Shares of Power Grid Corporation of India emerged the top laggard on the Nifty 50, declining 26.5% on week to settle at Rs 171.15 per share weighed by weak sentiment for the power sector.
- However, losses were capped following positive US economic growth data and some better-than-expected corporate earnings.
- Metal, consumer durables and information technology counters witnessed buying interest.
- Shares of Hindalco emerged the top gainer on the Nifty 50, rising 13.5% on week to settle at Rs 444.8 per share aided by improved business outlook for the metal sector.

2. Debt

- Government bond prices ended lower. Yield on the 10-year benchmark 6.10% 2031 paper settled at 6.20% on July 30 compared with 6.16% on July 23.
- Bonds fell as an uptick in crude oil prices prompted concerns about domestic inflationary pressures.
- Caution ahead of the US Fed's monetary policy statement and trimming of positions ahead of the weekly debt sale also pulled down gilt prices.
- In the debt auction, the RBI devolved ~Rs 7,465 crore of the 5.63% 2026 paper on primary dealers. Furthermore, a greenshoe amount of Rs 1,000 crore and Rs 2,000 crore was accepted for the floating rate bond maturing in 2033 and the 6.64% 2035 paper, respectively.
- Among other developments, three states raised a total notified Rs 7,000 crore via sale of dated securities in the state development loan auction.

3. Forex

- The rupee ended flat for the week after experiencing some volatility.
- The rupee fell tracking broad dollar strength against other Asian units, including the yuan. The yuan fell sharply as the selloff in Chinese stock markets continued on worries about the impact of tighter government regulations.
- The rising number of Covid-19 cases in Asia also dented sentiment for the rupee.
- The rupee recovered some losses following foreign banks' dollar sales ahead of the US Fed's monetary policy statement, and a broad decline in the greenback after the Federal Reserve Chairman said more progress was needed in the economy to withdraw stimulus.

International equity benchmark indices' returns

Indices	Jul 30	% chg week	% chg 3 Mth	% chg Year
DJIA*	35,085	0.07	3.01	32.20
Nasdaq Composite*	14,778	-0.40	4.94	40.17
FTSE 100*	7,078	0.72	1.68	15.44
Nikkei 225	27,284	-0.96	-6.14	22.13
Straits Times	3,167	0.31	-1.67	25.18
Hang Seng	25,961	-4.98	-4.72	5.06
Shanghai Comp	3,397	-4.31	2.13	3.36

*As of Jul 29

International debt market indicators

Indicators	Jul 30	Jul 23
US 10-Year*	1.26	1.29
UK 10-Year*	0.57	0.59
German 10-Year*	-0.45	-0.41
Japan 10-Year	0.02	0.02^
3-M USD Libor*	0.13%	0.13%
6-M USD Libor*	0.15%	0.16%
1-Y USD Libor*	0.24%	0.24%

*As of Jul 29 ^As of Jul 21

Commodities

Commodity	Jul 30	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	76.05	2.63	19.61	73.83
Indian gold (Rs per 10 gm)	48430.00	1.52	3.50	-8.79
Indian Silver (Rs per Kg)	68053.00	1.51	0.37	9.94

* As of Jul 29

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Global equities ended mixed this week amid region-specific cues.
- US stocks posted mixed performance this week, with Dow Jones rising 0.1%, while Nasdaq was down 0.4%
- Markets gained following positive economic growth data and second quarter earnings reports by major companies.
- US GDP grew at a 6.5% annualised pace in the second quarter of 2021 compared with a downwardly revised growth of 6.3% in the first quarter.
- The Fed held its benchmark interest rate near zero and said the economy continues to progress despite concerns over the pandemic.
- However, gains were capped, especially from Nasdaq, on stock-specific selling.
- Britain's FTSE rose 0.7% as positive corporate earnings raised investors' optimism about a swift economic recovery.
- However, sell-off in the mining, commodity-linked, insurance and healthcare firms kept the gains under check.
- Other European equities ended mixed with France's CAC 40 gaining 1%, while Germany's DAX declined 0.2%. Markets were buoyed by encouraging regional corporate earnings and after the Fed reiterated its dovish policy stance.
- However, gains were trimmed on fear that the rising number of Covid-19 Delta variant cases may hamper global economic growth.
- Eurozone manufacturing PMI was 62.6 in July compared with 63.4 in June, while services PMI stood at 60.4 in July versus 58.3 in June.
- Asian equities ended in the red. Japan's Nikkei lost 1% on concerns over the rising number of Covid-19 Delta variant cases.
- Some losses were recouped following robust earnings from Nissan Motor and some semiconductor firms, and as the Fed hinted that it would not withdraw its monetary policy support in the near future
- Hong Kong's Hang Seng declined 5% on concerns over impact of stringent Chinese regulations on a range of industries.
- China's Shanghai Composite plunged 4.3% on worries over the impact of tighter government regulations and a surge in Covid-19 cases.
- Chinese industrial profits increased by 20% on a yearly basis in June, much slower than the 36.4% growth posted in May.

2. Commodity

- Crude oil prices rose in this week following a sharp fall in US crude inventories.
- Gold prices rose in this week on tracking gains in global metal prices and on renewed signs that the US Federal Reserve may not taper stimulus support and hike interest rates in the near term.
- Indian silver prices rose in this week on tracking strength in the gold and industrial metals.

C. News summary

1. Domestic

- According to data released by the Controller General of Accounts (CGA), the central government's fiscal deficit stood at Rs 2.74 lakh crore or 18.2% of the full year's Budget estimate (BE) at the end of June 2021; the fiscal deficit at the end of June 2020 was 83.2% of the BE for FY21 at Rs 6.62 lakh crore.
- The output of India's eight core sectors grew 8.9% in June 2021, mainly due to a low base effect and uptick in production of natural gas, steel, coal and electricity; these key sectors had recorded a growth of 16.3% in May 2021.
- International Monetary Fund (IMF) cut India's growth forecast to 9.5% for fiscal 2022 from its previous projection of 12.5% owing to the second Covid-19 wave during March-May.
- The Cabinet approved changes to the Deposit Insurance and Credit Guarantee Corporation (DICGC) Act that will allow depositors to withdraw up to Rs 5 lakh in 90 days.
- The Cabinet approved amendments to the Limited Liability Partnership (LLP) Act, including decriminalising 12 offences under the law.
- RBI hiked the limit on loans to be sanctioned to directors or associates without board approval to Rs 5 crore from Rs 25 lakh last set in 1996.
- RBI laid out eligibility criteria and operational norms for non-bank companies seeking access to RBI's centralized payments systems (CPS), paving way potentially for fintech firms to process RTGS and NEFT transactions.
- SEBI asked registrar and transfer agents (RTA) to jointly develop a common platform for serving existing and future mutual fund investors. The platform will allow investors to place both transaction and service requests.

2. International

- US Federal Reserve held its benchmark interest rate near zero and said the economy continues to progress despite concerns over the pandemic spread.
- US GDP grew at a 6.5% annualized pace in the second quarter of 2021 compared to a downwardly revised growth of 6.3% in the first quarter.
- Eurozone GDP rebounded 13.7% on year in Q2 2021 after shrinking 1.3% in the first quarter.
- Chinese industrial profits increased by 20% on a yearly basis in June, slower than the 36.4% growth posted in May.
- Japan industrial production rose by 6.2% on-month in June compared with a 6.5% decline in May.

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D. Week ahead

Day	Events
Monday, Aug 2, 2021	<ul style="list-style-type: none"> US ISM Manufacturing Index, July 2021 US Markit Manufacturing PMI, July 2021 US Construction Spending, June 2021 Eurozone Markit Manufacturing PMI, July 2021 UK Markit/CIPS Manufacturing PMI, July 2021 China Caixin Manufacturing PMI, July 2021 Japan Jibun Bank Manufacturing PMI, July 2021 India Markit Manufacturing PMI, July 2021 India Trade Balance, July 2021
Tuesday, Aug 3, 2021	<ul style="list-style-type: none"> China Caixin Services PMI, July 2021
Wednesday, Aug 4, 2021	<ul style="list-style-type: none"> US ADP Employment Change, July 2021 Eurozone Retail Sales, June 2021 UK Markit Services & Composite PMI, July 2021 India Markit Services PMI, July 2021
Thursday, Aug 5, 2021	<ul style="list-style-type: none"> US Goods Trade Balance, June 2021 Bank of England Interest Rate Decision UK Markit Construction PMI, July 2021
Friday, Aug 6, 2021	<ul style="list-style-type: none"> US Nonfarm Payrolls & Unemployment Rate, July 2021 Japan Leading Economic Index, June 2021 RBI Interest Rate Decision



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