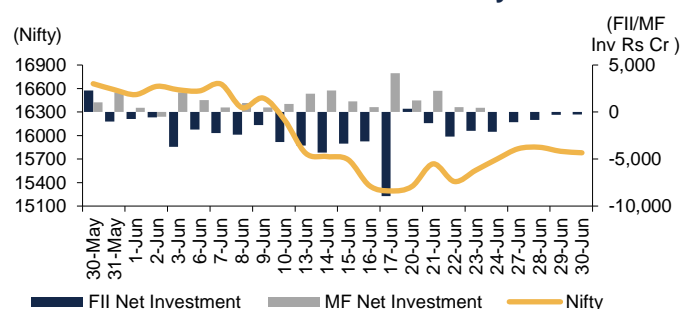


Indian equity benchmark indices' returns

Broad Indices	Jul 1	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	52,908	0.34	-10.74	1.13
Nifty 50	15,752	0.34	-10.86	0.46
Nifty 500	13,394	0.54	-11.22	-0.44
S&P BSE 100	16,015	0.32	-10.78	0.23
S&P BSE Midcap	21,859	0.26	-10.57	-2.82
S&P BSE Smallcap	24,808	1.17	-13.56	-1.99

FII and mutual fund investment vs. Nifty



Sectoral Indices	Jul 1	% chg week	% chg 3 Mth	% chg Year
S&P BSE Power	4,036	3.07	-3.25	48.59
S&P BSE CG	26,027	2.59	-6.45	13.86
S&P BSE FMCG	14,106	2.39	4.40	3.95
S&P BSE Realty Index	3,119	2.24	-17.22	14.18
S&P BSE Metal	15,613	2.20	-30.72	-16.29
S&P BSE Auto	26,794	1.39	9.94	11.83
S&P BSE IT	28,518	1.31	-21.81	-4.82
S&P BSE Oil & Gas	17,443	0.53	-9.40	8.03
S&P BSE Healthcare	21,740	0.34	-10.76	-15.59
S&P BSE Bankex	38,626	-0.20	-9.32	-1.64
S&P BSE CD	34,866	-1.56	-17.82	-2.11

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Jul 1	Previous Week	1 month ago
Call Rate	3.70%	4.00%	3.80%
10 Yr G-Sec [^]	7.42%	7.44%	7.42%

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

Currencies vs INR

Currency	Jul 1	Week ago	3 months ago	1 year ago
USD	79.02	78.34	75.79	74.57
GBP	95.37	96.06	99.55	102.72
Euro	82.67	82.53	84.20	88.38
Yen*	58.42	58.12	62.24	66.80

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices extended their gains from the previous week, driven by an intermittent decline in crude oil prices, which cooled inflation concerns, and easing of Covid-19 restrictions in China. S&P BSE Sensex and Nifty 50 rose ~0.3% each.
- Most sectors ended in the green, with power, capital goods and FMCG gaining the most. S&P BSE Power, S&P BSE Capital Goods and S&P BSE FMCG rose about 3.1%, 2.6% and 2.4%, respectively.
- However, imposition of export duties on oil products domestically, recession fears following weak US growth data and worries over potential monetary policy tightening by central banks limited gains.
- A sell-off in consumer durables and banks also weighed on the market. S&P BSE Consumer Durables and S&P BSE Bankex fell 1.6% and 0.2%, respectively.
- Shares of ITC Ltd emerged the top gainer on the Nifty 50, up ~7% on week to settle at Rs 284.35 per share on defensive buying by investors.
- Shares of Indian Oil Corp emerged the top decliner on the Nifty 50, down ~31% on week to settle at Rs 74.55 per share as it turned ex-bonus.

2. Debt

- Government bond prices extended gains for the second consecutive week in the week ended July 01, 2022. The yield on the 10-year benchmark 6.54% 2032 settled at 7.42% on July 01, 2022, compared with 7.44% on June 24, 2022.
- The rally in bond prices was buoyed by a pullback in global crude oil prices and a fall in US Treasury yields.
- However, a higher-than-scheduled quantum of state debt auction in the previous week, which prompted supply concerns, limited a further fall in the yields.
- In the debt sale held on July 01, 2022, the RBI auctioned 7.38% GS (government security) 2027, GOI FRB (floating-rate bond) 2028 (partially devolved), 7.54% GS 2036 and 6.99% GS 2051, for a notified amount of Rs 32,000 crore.

3. Forex

- The rupee ended at a record low against the US dollar on a strong dollar index, as investors feared about recession and economic slowdown.
- Further, dollar demand by oil refiners following a fall in crude oil prices also weighed on the local unit.
- Persistent foreign fund outflows continued to play spoilsport.
- However, reports of dollar sales by public sector banks on behalf of the RBI restricted a further decline in the currency.

International equity benchmark indices' returns

Indices	Jul 1	% chg week	% chg 3 Mth	% chg Year
DJIA*	30,775	-2.30	-12.64	-10.80
Nasdaq Composite*	11,029	-4.99	-23.64	-23.96
FTSE 100*	7,169	-0.55	-5.40	1.87
Nikkei 225	25,936	-2.10	-6.25	-9.65
Straits Times	3,096	-0.52	-9.46	-0.92
Hang Seng*	21,860	0.65	-1.67	-24.17
Shanghai Comp	3,388	1.13	3.20	-5.60

*As of Jun 30

International debt market indicators

Indicators	Jul 1	Jun 24
US 10-Year*	2.97%	3.13%
UK 10-Year*	2.27%	2.30%
German 10-Year*	1.37%	1.44%
Japan 10-Year	0.21%	0.32%
3-M USD Libor*	2.29%	2.23%
6-M USD Libor*	2.94%	2.87%
1-Y USD Libor*	3.62%	3.54%

*As of Jun 30

Commodities

Commodity	Jul 1	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	109.03	-3.62	1.04	46.11
Indian gold (Rs per 10 gm)	51,791.00	1.89	0.30	9.58
Indian Silver (Rs per Kg)	57,773.00	-2.66	-13.63	-16.46

*As of Jun 30

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Most global equity markets ended lower on recession fears.
- US stocks plunged as investors fretted over a potential recession following weak economic data.
- The US consumer confidence fell to 98.7 in June from 106.4 in May.
- Further, concerns over aggressive rate hikes by the Federal Reserve owing to inflationary pressures and a sell-off in growth stocks weighed on markets.
- Britain's FTSE fell 0.55% on concerns that inflationary pressures may force global central banks to tighten monetary policy, resulting in economic slowdown.
- However, sharp losses were restricted by easing of Covid-19 restrictions in China and buying in healthcare, consumer staples, oil and mining and commodity-related stocks.
- Asian equities ended mixed. Japan's Nikkei plunged 2% mirroring similar weakness in the US market as investors fretted over a looming recession risk.
- A decline in domestic industrial production also weighed on the market.
- Hong Kong's Hang Seng rose 0.65% after China declared victory over Covid-19, raising hopes of economic recovery in the country.
- However, weakness in the broader global markets kept gains in check.
- China's Shanghai Composite advanced 1% amid hopes of economic recovery in the country after the People's Bank of China Governor Yi Gang said the monetary policy would continue to be accommodative, and as Beijing declared victory over Covid-19.

2. Commodity

- Crude oil prices fell in this week due to a rise in US gasoline and distillate inventories, concerns over global economic growth and easing of supply worries after OPEC+ alliance decided to increase output in August.
- Gold prices rose this week tracking global cues and after the government hiked import duty on the metal.
- Silver prices fell this week on demand concerns following worries over global economic recession.

C. News summary

1. Domestic

- India's fiscal deficit widened to Rs 2.04 lakh crore in April-May 2022 or 12.3% of the full-year target, compared with Rs 1.23 lakh crore in the same period a year ago.
- India's core-sector output grew 18.1% on-year in May, compared with a revised 9.3% growth in April, driven by cement, coal, fertiliser and electricity.
- Prime Minister Narendra Modi unveiled the 'Raising and Accelerating MSME Performance' scheme.
- The goods & services tax (GST) Council cleared changes in tax rates on some goods and services while allowing states to issue an e-way bill for intra-state movement of gold and precious stones. It also agreed to waive mandatory registration for small online retailers, with an aim to boost unorganised sector.
- The GST collection rose 56% on-year to Rs 1.45 lakh crore in June.
- The government approved Rs 2,516 crore for computerisation of 63,000 Primary Agriculture Credit Societies (PACS), in a bid to promote financial inclusion.
- The government raised export duty on diesel by Rs 13/litre and that on petrol by Rs 6/litre. It also raised import duty on gold to 15% from 7.5%.
- The Cabinet approved the deregulation of sale of domestically produced crude oil.
- The RBI, in its Financial Stability Report (FSR) for June, said that the gross net performing assets ratio of banks fell to a six-year low of 5.9% in March 2022.
- The RBI pegged the market borrowing by state governments for July-September at Rs 2.12 lakh crore.
- SEBI allowed foreign portfolio investors to participate in the exchange-traded commodity derivatives segment.
- SEBI provided an additional payment option of UPI to retail investors to apply in the public issue of REITs and InvITs for application value up to Rs 5 lakh.

2. International

- US economy contracted at a 1.6% annualized rate in the first quarter of 2022, compared to 6.9% expansion in the previous quarter.
- Eurozone consumer confidence declined to -23.6 in June, from -21.1 in May.
- UK economy expanded at a 8.7% annualized rate in the first quarter of 2022 compared to 6.6% growth in the previous quarter.
- China Caixin manufacturing PMI rose to 51.7 in June, from 48.1 in May.

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D. Week ahead

Day	Events
Monday, Jul 04, 2022	<ul style="list-style-type: none"> Eurozone Producer Prices Index, May
Tuesday, Jul 05, 2022	<ul style="list-style-type: none"> US Factory Orders, May UK Global/CIPS Services/Composite PMI, June China Caixin Services/Composite PMI, June India S&P Global Services/Composite PMI, June
Wednesday, Jul 06, 2022	<ul style="list-style-type: none"> US FOMC Minutes US S&P Global Services/Composite PMI, June
Thursday, Jul 07, 2022	<ul style="list-style-type: none"> US ADP Employment Change, June US Initial Jobless Claims, June 24
Friday, Jul 08, 2022	<ul style="list-style-type: none"> US Non-farm Payrolls, June US Unemployment Rate, June



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