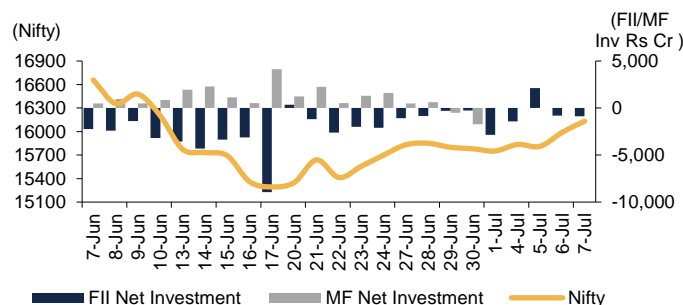


Indian equity benchmark indices' returns

Broad Indices	Jul 8	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	54,482	2.97	-8.35	3.64
Nifty 50	16,221	2.97	-8.79	3.13
Nifty 500	13,828	3.24	-9.87	2.18
S&P BSE 100	16,531	3.22	-9.15	3.09
S&P BSE Midcap	22,656	3.64	-10.46	-0.08
S&P BSE Smallcap	25,641	3.36	-13.86	-0.52

FII and mutual fund investment vs. Nifty



Sectoral Indices	Jul 8	% chg week	% chg 3 Mth	% chg Year
S&P BSE CD	37,136	6.51	-14.17	3.92
S&P BSE CG	27,581	5.97	-4.38	19.74
S&P BSE FMCG	14,868	5.41	5.37	9.55
S&P BSE Realty Index	3,275	5.00	-13.08	15.05
S&P BSE Bankex	40,446	4.71	-6.58	1.34
S&P BSE Power	4,200	4.07	-7.60	55.55
S&P BSE Auto	27,791	3.72	12.11	19.24
S&P BSE Metal	15,950	2.16	-32.11	-14.16
S&P BSE Healthcare	22,160	1.94	-11.23	-13.87
S&P BSE IT	28,798	0.98	-19.33	-3.13
S&P BSE Oil & Gas	17,615	0.98	-10.89	10.54

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Jul 8	Previous Week	1 month ago
Call Rate	4.85%	3.70%	4.45%
10 Yr G-Sec [^]	7.41%	7.42%	7.49%

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

Currencies vs INR

Currency	Jul 8	Week ago	3 months ago	1 year ago
USD	79.25	79.02	75.91	74.71
GBP	95.13	95.37	98.85	102.97
Euro	80.58	82.67	82.31	88.41
Yen*	58.41	58.42	61.08	68.01

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices gained for the third consecutive week on easing of inflation worries due to a decline in oil prices and strong domestic service activity data. S&P BSE Sensex and Nifty 50 rose about 3% each.
- Further, market sentiment was boosted after the Reserve Bank of India (RBI) announced a slew of measures to attract foreign funds.
- All the sectors ended in green, with consumer durables, capital goods and fast-moving consumer goods (FMCG) gaining the most. S&P BSE Consumer Durables, S&P BSE Capital Goods and S&P BSE FMCG rose about 6.5%, 6.0% and 5.4%, respectively.
- Shares of Titan Company Ltd emerged the top gainer on the Nifty 50, up ~10% on week to settle at Rs 2144.35 per share after posting upbeat first quarter sales.
- Shares of ONGC emerged the top decliner on the Nifty 50, down ~7% on week to settle at Rs 121.5 per share following a decline in crude oil prices.

2. Debt

- Government bond prices extended their gains for the third consecutive week in the week ended July 08, 2022. The yield of the 10-year benchmark 6.54% 2032 settled at 7.41% on July 08, 2022 compared with 7.42% on July 01, 2022.
- Bond prices were buoyed by an intermittent fall in global crude oil prices and declining US treasury yields.
- However, worries that upbeat domestic services activity data might add to the inflationary pressure capped further gains in bond prices.
- Meanwhile, in the debt sale held on July 08, 2022, the RBI auctioned 6.69% government securities (GS) 2024, 7.10% GS 2029, 6.54% GS 2032 and 6.95% GS 2061 totalling a notified amount of Rs 33,000 crore.

3. Forex

- The rupee ended lower against the US dollar on a strong dollar index as investors eye key US jobs data which would provide an overview on the US Federal Reserve's (Fed) rate hike stance.
- Further, persistent foreign fund outflows continued to weigh on the currency.
- However, sharp losses were trimmed amid hopes of foreign fund inflows in the future after RBI's measures to attract foreign investors and on reports of dollar sales by the central bank.
- Additionally, an intermittent fall in crude oil prices eased worries over inflation and a record deficit.

International equity benchmark indices' returns

Indices	Jul 8	% chg week	% chg 3 Mth	% chg Year
DJIA*	31,385	0.92	-9.25	-9.51
Nasdaq Composite*	11,621	4.43	-16.38	-20.75
FTSE 100*	7,189	0.28	-4.80	0.53
Nikkei 225	26,517	2.24	-1.74	-5.69
Straits Times	3,131	1.15	-7.45	0.76
Hang Seng	21,726	-0.61	-0.67	-19.99
Shanghai Comp	3,356	-0.93	3.21	-4.81

*As of Jul 7

International debt market indicators

Indicators	Jul 8	Jul 1
US 10-Year*	3.01%	2.89%
UK 10-Year*	2.12%	2.08%
German 10-Year*	1.30%	1.23%
Japan 10-Year	0.24%	0.21%
3-M USD Libor*	2.43%	2.29%
6-M USD Libor*	3.06%	2.90%
1-Y USD Libor*	3.66%	3.56%

*As of Jul 7

Commodities

Commodity	Jul 8	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	104.65	-6.25	4.05	42.52
Indian gold (Rs per 10 gm)	50,853.00	-1.81	-1.90	5.23
Indian Silver (Rs per Kg)	56,427.00	-2.33	-15.32	-18.27

*As of Jul 7

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Global equity markets ended mostly higher on lower recession fears.
- US stocks rallied after two Fed officials hinted that the US economy may avoid a recession, raising hopes that the Fed may tame its aggressive rate hike stance.
- Strong factory order data and China stimulus plans also aided the upside trend.
- Britain's FTSE advanced 0.28% following the resignation of UK Prime Minister Boris Johnson and as exporters' stocks gained after a pullback in the pound.
- However, sharp gains were weighed down by losses in energy, mining and financial stocks amid worries over inflation and a recession.
- Asian equities ended mixed. Japan's Nikkei rallied 2.2% tracking the US markets on expectations that the Fed has moved away from its aggressive policy stance, easing recession worries
- Hong Kong's Hang Seng fell 0.61% owing to a rise in Covid-19 cases in China and on worries over a recession.
- However, positive global markets and China stimulus expectations chipped off losses.
- China's Shanghai Composite declined nearly 1% after the resurgence of Covid-19 cases in the country and lingering Sino-US tensions.
- However, losses were curtailed owing to strong services activity data, stimulus hopes in infrastructure and auto sectors and foreign fund inflows.

2. Commodity

- Crude oil prices fell in this week on demand worries following concerns over global recession and a new round of Covid-19 induced lockdowns in China.
- Gold prices fell this week tracking similar trend in the global metal prices, intermittent strength in dollar index, amid focus on US non-farm payroll print that could influence expectations of interest rate hikes.
- Silver prices declined this week tracking similar trend in gold and industrial metals.

C. News summary

1. Domestic

- India S&P Global Services Purchasing Managers' Index (PMI) rose to 59.2 in June from 58.9 in May, while the composite PMI came in at 58.2 in June compared with 58.3 in May.
- The government's preliminary data showed that exports rose 16.8% on-year to \$37.94 billion in June, while imports rose 51% to \$63.58 billion, resulting in a trade deficit of \$25.64 billion.
- The World Bank approved loans worth \$1.75 billion to fund Indian Prime Minister's Ayushman Bharat scheme and boost private investments to prop up economic growth.
- The Ministry of Finance released the fourth instalment of revenue deficit grant of Rs 7,183 crore to 14 states for the current financial year.
- The government earmarked Rs 80,000 crore as interest-free loans for states undertaking capital works in the current fiscal.
- It approved a Rs 2,415 crore project to connect Haryana with Jewar airport in Uttar Pradesh.
- The government exempted small businesses (with a turnover of up to Rs 2 crore) from filing annual returns for fiscal 2022.
- RBI announced a series of measures, including allowing banks to raise fresh foreign currency non-resident (bank) or FCNR (B) and non-resident external (NRE) deposits without being subject to current interest rate caps and increased the limit for external commercial borrowings under the automatic route to \$1.5 billion from \$750 million or its equivalent per financial year, to boost forex inflows and financial stability.
- The Securities and Exchange Board of India (SEBI) asked stocks, commodities exchanges and depositories to launch an online complaint redressal system of their own within six months.

2. International

- US non-farm payrolls for June came in at 372,000 compared to revised 384,000 in May. The unemployment rate stayed unchanged at 3.6%.
- US factory orders rose 1.6% on-month in May compared to a revised 0.7% rise in April.
- Eurozone producer prices fell to 36.3% on-year in May from 37.2% in April.
- UK S&P Global/CIPS services PMI increased to 54.3 in June from 53.4 in May.

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D. Week ahead

Day	Events
Monday, Jul 11, 2022	<ul style="list-style-type: none"> Japan Machinery Orders, May
Tuesday, Jul 12, 2022	<ul style="list-style-type: none"> Japan Producer Prices, June India Industrial Production, May India Consumer Prices, June
Wednesday, Jul 13, 2022	<ul style="list-style-type: none"> US Inflation Rate, June Eurozone Industrial Production, May UK GDP, May UK Industrial Production, May China Trade Balance, June
Thursday, Jul 14, 2022	<ul style="list-style-type: none"> US Producer Prices, June US Initial Jobless Claims, July 8 Japan Industrial Production, May India WPI Inflation, June
Friday, Jul 15, 2022	<ul style="list-style-type: none"> US Industrial Production, June China GDP, Q2 China Industrial Production, June



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