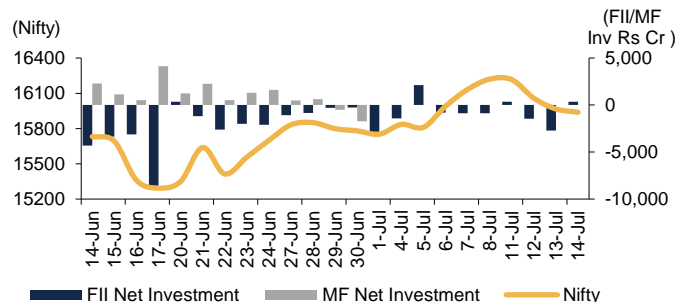


Indian equity benchmark indices' returns

Broad Indices	Jul 15	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	53,761	-1.32	-7.85	1.13
Nifty 50	16,049	-1.06	-8.16	0.78
Nifty 500	13,790	-0.28	-8.91	0.51
S&P BSE 100	16,421	-0.66	-8.52	1.20
S&P BSE Midcap	22,855	0.88	-8.53	-0.75
S&P BSE Smallcap	25,780	0.54	-12.68	-2.21

FII and mutual fund investment vs. Nifty



Sectoral Indices	Jul 15	% chg week	% chg 3 Mth	% chg Year
S&P BSE Power	4,390	4.54	-8.19	62.14
S&P BSE CD	38,169	2.78	-10.76	6.23
S&P BSE Oil & Gas	18,058	2.52	-9.30	15.38
S&P BSE Auto	28,407	2.22	16.59	21.89
S&P BSE Realty Index	3,345	2.15	-9.22	7.09
S&P BSE Healthcare	22,592	1.95	-9.23	-13.16
S&P BSE FMCG	15,092	1.50	7.21	11.12
S&P BSE CG	27,635	0.20	-2.29	16.36
S&P BSE Metal	15,925	-0.16	-30.48	-17.35
S&P BSE Bankex	40,074	-0.92	-6.97	-1.51
S&P BSE IT	27,123	-5.82	-21.61	-10.82

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Jul 15	Previous Week	1 month ago
Call Rate	5.05%	4.85%	4.00%
10 Yr G-Sec [^]	7.43%	7.41%	7.60%

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

Currencies vs INR

Currency	Jul 15	Week ago	3 months ago	1 year ago
USD	79.88	79.25	76.18	74.54
GBP	94.56	95.13	99.13	103.15
Euro	80.17	80.58	82.54	88.30
Yen*	57.50	58.41	60.52	67.83

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices snapped their last three-week gains following a surge in US inflation numbers, which raised fears over aggressive rate hikes by global central banks. S&P BSE Sensex and Nifty 50 fell about 1% each.
- Weak corporate earnings by major Information technology (IT) companies and the spread of a new Covid-19 variant in China aided the downside.
- IT, banking and metals stocks declined the most. S&P BSE IT, S&P BSE Bankex and S&P BSE Metal fell about 5.8%, 0.9% and 0.2%, respectively.
- However, buying in power and consumer durables stocks capped some losses. S&P BSE Power and S&P BSE Consumer Durables rose about 4.5% and 2.8%, respectively.
- Shares of HUL emerged the top gainer on the Nifty 50, up ~13% on week to settle at Rs 2568.5 per share following a decline in crude oil prices.
- Shares of TCS emerged the top decliner on the Nifty 50, down ~10% on week to settle at Rs 2994.6 per share as its first quarter earnings missed estimates.

2. Debt

- Government bond prices snapped their three-week gains in the week ended July 15, 2022. The yield on the 10-year benchmark 6.54% 2032 settled at 7.44% on July 15, 2022, compared with 7.41% on July 08, 2022.
- The yield rose earlier after RBI Governor Shaktikanta Das said the central bank would continue to take monetary measures to anchor inflation with a view to achieving strong and sustainable growth.
- Bonds declined further after a spike in US inflation readings for June raised fears of aggressive rate hikes by the Federal Reserve.
- However, a slower-than-expected rise in June retail inflation and a sharp fall in global crude oil prices curtailed further gains in the yields.
- In the debt sale held on July 15, 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 as the dollar index strengthened after US inflation soared to a four-decade high, raising possibilities of aggressive rate hikes by the Fed.
- Persistent sell-off by foreign investors and weakness in domestic equities also weighed on the sentiment.
- However, a slight pullback in domestic retail inflation in June, a fall in crude oil prices and reports of intervention by the RBI restricted some losses in the local unit.

International equity benchmark indices' returns

Indices	Jul 15	% chg week	% chg 3 Mth	% chg Year
DJIA*	30,630	-2.26	-11.09	-12.32
Nasdaq Composite*	11,251	-3.30	-15.73	-23.17
FTSE 100*	7,040	-2.17	-7.57	-0.72
Nikkei 225	26,788	1.02	-1.12	-5.27
Straits Times	3,099	-1.03	-7.10	-1.30
Hang Seng	20,298	-6.57	-5.67	-27.50
Shanghai Comp	3,228	-3.81	0.52	-9.44

*As of Jul 14

International debt market indicators

Indicators	Jul 15	Jul 8
US 10-Year*	2.96%	3.10%
UK 10-Year*	2.09%	2.24%
German 10-Year*	1.18%	1.33%
Japan 10-Year	0.23%	0.24%
3-M USD Libor*	2.74%	2.42%
6-M USD Libor*	3.38%	3.05%
1-Y USD Libor*	3.98%	3.64%

*As of Jul 14

Commodities

Commodity	Jul 15	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	99.10	-7.40	-5.29	32.56
Indian gold (Rs per 10 gm)	50,403.00	-0.88	-5.29	4.09
Indian Silver (Rs per Kg)	54,767.00	-2.94	-20.99	-20.89

*As of Jul 14

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Most global equity markets ended lower on rate-hike concerns.
- US stocks plunged as investors feared over recession risk and slow economic growth after a higher-than-expected rise in inflation fuelled worries over aggressive interest rate hikes by the Fed.
- Weak corporate earnings by major companies also weighed on the sentiment.
- US consumer prices accelerated 9.1% on-year in June, the highest since November 1981, compared with 8.6% in May.
- Britain's FTSE slumped 2.17% on prospects of rate hikes by global central banks to tame inflation, and as weak earnings reports triggered fears over an economic slowdown.
- Asian equities ended mixed. Japan's Nikkei advanced 1.02% on optimism over long-term stability of the country's political base after the coalition government proved its majority in the upper house of the parliament in the election.
- Gains in chip-related stocks, airlines and automakers supported the market.
- However, fears over a global economic slowdown kept gains in check.
- Hong Kong's Hang Seng nosedived 6.6% tracking negative sentiment from the Chinese markets after dismal growth numbers and real estate crisis.
- Further, a surge in US inflation raised concerns over interest rate hikes by the Fed, spiking worries over a potential recession.
- China's Shanghai Composite declined nearly 4% on weak growth data, sell-off in property and financial stocks amid reports of a real estate market crisis, and flaring Covid-19 cases resulting in lockdowns.
- China's economy expanded 0.4% on-year in the second quarter of 2022, compared with 4.8% growth in the previous period.
- However, a sharp sell-off was restricted on hopes of a stimulus from the government to support the struggling economy and assurance from the country's regulator to solve the real estate issues.

2. Commodity

- Crude oil prices plunged this week due to intermittent strength in dollar index, persistent demand worries following Covid-19 restrictions in China and potential recession risk.
- Gold prices fell this week tracking similar trend in the global metal prices and intermittent strength in dollar index.
- Silver prices declined this week tracking similar trend in gold and industrial metals.

C. News summary

1. Domestic

- India retail inflation marginally eased to 7.01% on-year in June, from 7.04% in May while WPI-based inflation eased slightly to 15.18% in June from 15.88% in May.
- India's Index of Industrial Production increased 19.6% on-year in May, compared to revised 6.7% growth in April.
- India's trade deficit rose to \$26.18 billion in June 2022, compared to \$9.60 billion a year earlier. Imports jumped by a whopping 57.55% on year to an all-time high of \$66.31 billion while exports rose 23.52% to \$40.13 billion.
- The United Arab Emirates will invest \$2 billion to develop food parks across India under the framework of the four-nation grouping 'I2U2'.
- The Cabinet approved the construction of Taranga Hill-Ambaji- Abu Road new rail line at an estimated cost of Rs 2798 crore.
- The Centre relaxed norms for adjusting states' off-budget loans.
- Government extended the Scheme for Rebate of State and Central Taxes and Levies (RoSCTL) till March 31, 2024 for exports of apparel/garments.
- RBI gave payment aggregator licences approval to several payment providers including Razorpay, Pine Labs, Stripe, and 1Pay.
- RBI decided to set up an additional arrangement for invoicing, payment, and settlement of exports / imports in the rupee.
- RBI governor Shaktikanta Das said that the central bank is for an orderly appreciation or depreciation in the currency and is intervening in all market segments to curb volatility.
- SEBI came out with a discussion paper to include trading in the units of mutual funds under the ambit of insider trading.
- SEBI empanelled eight firms for providing digital forensic services.

2. International

- US industrial production rose 4.2% on-year in June compared to revised 4.8% gain in May.
- US retail sales rose 1% on-month in June compared to revised 0.1% fall in May.
- UK economy expanded 3.5% on-year in May compared to a revised 3.7% rise in April.
- China's consumer price index (CPI) rose 2.5% on year in June compared to 2.1% in the previous month.
- China trade surplus surged to \$97.94 billion in June from \$78.76 billion in May.

D. Week ahead

Day	Events
Monday, Jul 18, 2022	<ul style="list-style-type: none"> US NAHB Housing Market Index, July
Tuesday, Jul 19, 2022	<ul style="list-style-type: none"> US Housing Starts & Building Permits, June Eurozone Inflation Rate, June UK Unemployment Rate, May
Wednesday, Jul 20, 2022	<ul style="list-style-type: none"> US Existing Home Sales, June UK Inflation Rate, June China Loan Prime Rate 1Y/5Y, July
Thursday, Jul 21, 2022	<ul style="list-style-type: none"> US Initial Jobless Claims, July 15 US Philadelphia Fed Manufacturing, July ECB Interest Rate Decision BoJ Interest Rate Decision
Friday, Jul 22, 2022	<ul style="list-style-type: none"> US S&P Global Manufacturing/Composite PMI Flash, July 2022 UK Gfk Consumer Confidence, July 2022 UK Retail Sales, June 2022 Japan Inflation Rate, June 2022

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