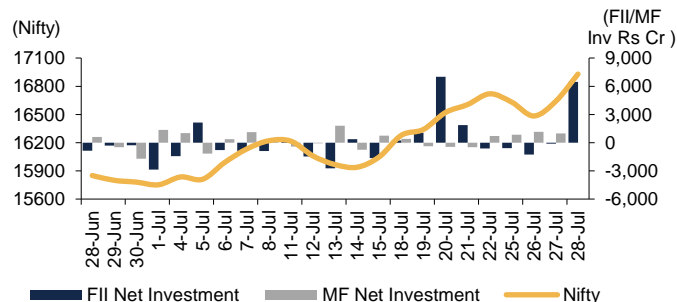


Indian equity benchmark indices' returns

Broad Indices	Jul 29	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	57,570	2.67	0.89	9.34
Nifty 50	17,158	2.62	0.33	8.74
Nifty 500	14,666	2.30	-0.80	7.49
S&P BSE 100	17,530	2.58	-0.25	8.84
S&P BSE Midcap	24,051	1.65	-1.50	4.71
S&P BSE Smallcap	27,056	1.06	-5.44	1.70

FII and mutual fund investment vs. Nifty



Sectoral Indices	Jul 29	% chg week	% chg 3 Mth	% chg Year
S&P BSE Metal	18,190	8.15	-16.00	-14.29
S&P BSE Oil & Gas	18,999	2.67	-2.56	22.82
S&P BSE IT	29,488	2.64	-7.82	-4.37
S&P BSE Realty Index	3,591	2.57	1.76	13.31
S&P BSE CG	29,717	2.44	8.57	25.34
S&P BSE Power	4,556	2.16	-4.59	74.25
S&P BSE Bankex	43,131	1.71	3.84	9.66
S&P BSE Healthcare	22,902	1.14	-5.91	-10.47
S&P BSE CD	39,570	1.05	-7.26	9.30
S&P BSE FMCG	15,489	0.29	9.99	15.04
S&P BSE Auto	28,729	-0.81	13.96	28.84

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Jul 29	Previous Week	1 month ago
Call Rate	4.25%	5.20%	4.90%
10 Yr G-Sec [^]	7.32%	7.41%	7.46%

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

Currencies vs INR

Currency	Jul 29	Week ago	3 months ago	1 year ago
USD	79.26	79.85	76.43	74.28
GBP	96.30	95.59	96.00	103.64
Euro	80.89	81.46	80.58	88.21
Yen*	59.49	58.06	58.72	67.63

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices gained for the second straight week on upbeat corporate earnings of major companies. S&P BSE Sensex and Nifty 50 rose about 3% each.
- Further, sentiments were lifted on positive global cues after the US Federal Reserve (Fed) hiked rates in line with expectations and hinted at a slower pace of rate hikes going forward.
- Almost all sectors ended positive, with metal, oil and gas, and information technology (IT) stocks rising the most. S&P BSE Metal, S&P BSE Oil & Gas, and S&P BSE IT advanced about 8.2%, 2.7%, and 2.6%, respectively.
- Shares of Bajaj Finserv emerged the top gainer on the Nifty 50, up 18% on week to settle at Rs 15047.6 per share after announcing a share split and a bonus issue.
- Shares of Dr. Reddy's Labs emerged the top decliner on the Nifty 50, down ~7% on week to settle at Rs 4090.35 per share as its quarterly earnings missed estimates.

2. Debt

- Government bond prices rose in the week ended July 29, 2022. The yield on the 10-year benchmark 6.54% 2032 paper settled at 7.32% on July 29, 2022, compared with 7.41% on July 22, 2022.
- Prices of the safe-haven government bonds rose after the IMF trimmed domestic and global growth forecasts for the current fiscal.
- The IMF slashed the global growth forecast for 2022 to 3.2% from its earlier forecast of 3.6%, citing downside risks from high inflation, the Ukraine war and a tighter monetary policy.
- Yields declined further in anticipation of a slower pace of rate hikes by the Fed going forward, owing to weak growth numbers.
- Expectations that the RBI may not raise rates by 50 basis points in its policy meet due next week also kept yields on the lower side.
- In the debt sale held on July 29, 2022, the RBI auctioned 7.38% GS (government securities) 2027, GOI (Government of India) FRB (floating rate bond) 2028 (it got partially devolved), 7.54% GS 2036, and 6.99% GS 2051 totalling a notified amount of Rs 32,000 crore.

3. Forex

- The rupee ended higher against the US dollar as the dollar index weakened after the Fed hiked rates in line with expectations and hinted at a slower pace of rate hikes in the future.
- Further, a contraction in US growth also raised expectations that the Fed would be less aggressive in its policy stance.
- A positive trend in the domestic equity market and return of foreign fund flow also aided the upside trend of the rupee.

International equity benchmark indices' returns

Indices	Jul 29	% chg week	% chg 3 Mth	% chg Year
DJIA*	32,530	1.98	-4.09	-6.87
Nasdaq Composite*	12,163	2.78	-5.51	-17.61
FTSE 100*	7,345	0.95	-2.18	4.68
Nikkei 225	27,802	-0.40	3.55	0.07
Straits Times	3,212	0.95	-4.33	0.97
Hang Seng	20,157	-2.20	-4.42	-23.40
Shanghai Comp	3,253	-0.51	6.77	-4.65

*As of Jul 28

International debt market indicators

Indicators	Jul 29	Jul 22
US 10-Year*	2.68%	2.78%
UK 10-Year*	1.85%	1.94%
German 10-Year*	0.80%	1.02%
Japan 10-Year	0.18%	0.21%
3-M USD Libor*	2.78%	2.77%
6-M USD Libor*	3.34%	3.32%
1-Y USD Libor*	3.76%	3.81%

*As of Jul 28

Commodities

Commodity	Jul 29	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	107.14	3.82	-0.42	43.35
Indian gold (Rs per 10 gm)	51,466.00	1.28	-1.13	6.43
Indian Silver (Rs per Kg)	57,553.00	4.62	-11.15	-15.21

*As of Jul 28

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Most global equity markets ended higher on a less hawkish stance by the Fed.
- US stocks ended higher after the Fed hiked rates in line with expectations at its July policy meeting and Fed Chief Jerome Powell soothed investors' nerves by hinting that the central bank may slow the pace of rate hikes in the future.
- Further, a contraction in US growth also bolstered hopes that the Fed would be less hawkish than expected.
- Britain's FTSE advanced around 1% owing to gains in oil, mining, banking and commodity stocks and on strong revenue guidance by some major companies.
- Asian equities ended mixed. Japan's Nikkei fell 0.4% on weak corporate earnings and as a strong yen weighed on exporters' stocks.
- However, sharp losses were capped following an expected rate hike by the Fed and hopes of a slower pace of rate hikes in the future, and gains in chip-related stocks.
- Hong Kong's Hang Seng declined 2.2%, mirroring similar weakness in the Chinese markets on rising Covid-19 cases, and after the city's central bank raised its base rate by 75 basis points and losses in technology shares.
- China's Shanghai Composite closed 0.51% lower after the government expressed uncertainty over meeting its economic growth target and continued concerns over Covid-19 cases.
- However, these losses were cut short due to gains in property shares on Beijing's plan to provide financial support to the struggling sector.

2. Commodity

- Crude oil prices rose in this week following a cut in Russian gas flows to Europe, a drop in US crude inventory and intermittent weakness in US dollar index.
- Gold prices rose this week tracking similar trend in the global metal prices, weak demand in domestic market, intermittent weakness in dollar index and bets that the US Fed may ease pace of rate hikes going forward.
- Silver prices advanced this week tracking similar trend in gold and industrial metals.

C. News summary

1. Domestic

- India's core sector growth rose 12.7% on-year in June compared to revised 19.3% rise in May and 9.4% in June 2021.
- India's fiscal deficit came in at Rs 3.52 lakh cr or 21.2% of the annual budget target in the June quarter compared to 18.2% in the year-ago period.
- IMF trimmed India's economic growth forecast for the current fiscal to 7.4% from 8.2% estimated in April, owing to the impact of external conditions and rapid monetary policy tightening. It also cut the growth forecast for fiscal 2024 to 6.1% from 6.9% estimated earlier.
- According to the External Affairs Minister S Jaishankar, India extended 8 lines of credit (LOCs) to Sri Lanka amount to \$1.85 billion in the past ten years.
- Japan International Cooperation Agency (JICA) signed a loan agreement with the government to provide an Official Development Assistance (ODA) loan of about \$746 million as the third tranche for the construction of Mumbai-Ahmedabad High-Speed Rail (MAHSR).
- Union Cabinet approved a Rs 1.64 lakh crore package for the revival of BSNL. Further, it has also approved the merger of BSNL and Bharat Broadband Network.
- RBI asked urban co-operative banks (UCBs) that their board should review the loan policy at least once a year with immediate effect.
- RBI said that it would not extend the timeline for storing card data and directed all stakeholders except for card issuers and card networks to purge the customer data before October 1, 2022.
- The RBI allowed another window to payment aggregators (PAs) existing as of March 2020 and with a minimum net worth of Rs 15 crore as on March 31, 2022, to apply to the central bank for a licence by September 30, 2022.
- SEBI issued new norms on settlement of running accounts of clients' funds lying with stock brokers, to be applicable from October 1.

2. International

- US Federal Reserve hiked its benchmark rate by 0.75% to a range of 2.25%-2.5% to curb soaring inflation and hinted less hawkish stance on future rate hikes
- US GDP fell an annualised 0.9% on-quarter in Q2 of 2022 compared to 1.6% drop in Q1
- Eurozone economy expanded 4% annually in the second quarter of 2022, slow from 5.4% annual growth in the previous quarter.
- Eurozone annual inflation rate increased to record high of 8.9% in July, from 8.6% in June.

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D. Week ahead

Day	Events
Monday, Aug 1, 2022	<ul style="list-style-type: none"> US S&P Global Manufacturing PMI, July US ISM Manufacturing PMI, July Eurozone S&P Global Manufacturing PMI, July UK S&P Global Manufacturing PMI Final, July China Caixin Manufacturing PMI, July Japan Jibun Bank Manufacturing PMI, July India S&P Global Manufacturing PMI, July
Tuesday, Aug 2, 2022	<ul style="list-style-type: none"> India Trade Balance Preliminary, July
Wednesday, Aug 3, 2022	<ul style="list-style-type: none"> US S&P Global Services PMI, July Eurozone S&P Global Services PMI Final, July Eurozone Producer Prices, June UK S&P Global/CIPS Services PMI, July India S&P Global Services PMI, July
Thursday, Aug 4, 2022	<ul style="list-style-type: none"> US Trade Balance, June US Initial Jobless Claims, July 29 Eurozone S&P Global Construction PMI, July UK BoE Interest Rate Decision
Friday, Aug 5, 2022	<ul style="list-style-type: none"> US Non-farm Payrolls, July India RBI Interest Rate Decision



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