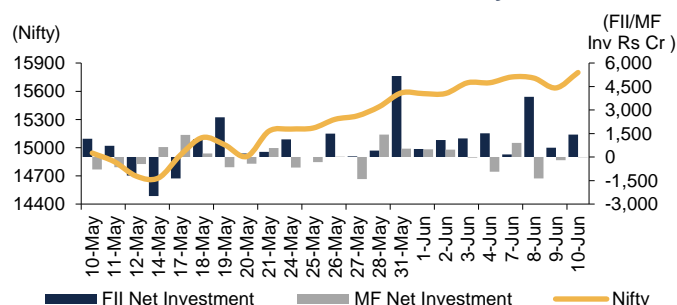


Indian equity benchmark indices' returns

Broad Indices	Jun 11	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	52,475	0.72	2.33	56.46
Nifty 50	15,799	0.82	4.12	59.56
Nifty 500	13,564	1.27	6.87	66.69
S&P BSE 100	16,100	0.93	4.89	60.71
S&P BSE Midcap	22,928	1.85	10.92	83.71
S&P BSE Smallcap	25,116	3.52	18.58	112.30

FII and mutual fund investment vs. Nifty



Sectoral Indices	Jun 11	% chg week	% chg 3 Mth	% chg Year
S&P BSE Power	3,025	4.82	21.21	94.64
S&P BSE IT	28,697	4.51	9.09	96.71
S&P BSE Healthcare	25,466	2.88	18.88	58.74
S&P BSE Metal	19,426	2.03	38.81	174.91
S&P BSE FMCG	13,298	1.58	7.73	22.06
S&P BSE CD	35,382	1.29	6.57	74.89
S&P BSE Realty Index	2,848	1.06	1.53	81.86
S&P BSE Auto	24,109	0.33	1.16	67.07
S&P BSE Oil & Gas	17,135	0.08	7.97	38.17
S&P BSE Bankex	39,731	-0.76	-1.93	69.57
S&P BSE CG	22,918	-1.55	2.39	81.51

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Jun 11	Previous Week	1 month ago
Call Rate	3.00%	2.75%	3.00%
10 Yr G-Sec*^	6.01%	6.02%	6.01%

*5.85% 2030 paper ^Weighted Average Yield

Currencies vs INR

Currency	Jun 11	Week ago	3 months ago	1 year ago
USD	73.06	73.00	72.91	75.78
GBP	103.39	102.92	101.12	96.12
Euro	88.82	88.45	86.64	86.19
Yen*	66.72	66.25	66.99	70.78

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equities advanced for the fourth consecutive week. The S&P BSE Sensex and Nifty 50 (up nearly 1% each) ended at new, record highs.
- The market gained on the expectation that the government's capital expenditure programme for the current fiscal would aid economic recovery.
- A fall in daily COVID-19 cases and easing of lockdowns by many states further lifted sentiment.
- The benchmarks were also supported by strong global cues in the form of an accommodative stance by the European Central Bank (ECB) and hopes that the US Federal Reserve will not taper stimulus sooner than expected, despite even a rise in inflation.
- Most sectors witnessed huge buying interest, with power, information technology (IT) and healthcare gaining the most.
- Shares of Power Grid Corporation emerged the biggest gainer on the Nifty 50, rising ~8.9% on week to settle at Rs 246.3 per share on bullish sentiment after the company said it had acquired transmission project SATL.
- However, a further rally was capped by a sell-off in capital goods and banking stocks. Shares of HDFC emerged the biggest laggard on the Nifty 50, declining 2.3% on week to settle at Rs 2559.8 per share on weak investor sentiment.

2. Debt

- Government bond prices moved in a narrow range and ended marginally higher. The yield of the 10-year benchmark 5.85% 2030 paper settled 2 basis points lower on week at 6.01% on June 11.
- Debt purchases ahead of the RBI's upcoming bond purchase auction under G-SAP 1.0 on June 17 aided prices.
- The central bank notified on its website that the Rs 40,000 crore bond purchase auction would include six government securities, including the 10-year benchmark paper. The apex bank will also purchase 20 state development bonds.
- Prices rose in the last session despite devolvement of the 10-year benchmark paper in the weekly gilt sale. Sentiment was supported as market players expected the RBI to purchase the 10-year benchmark paper in the bond purchase auction.

3. Forex

- The rupee gave up earlier gains to end lower against the US dollar.
- Broad dollar strength ahead of the release of inflation data in the US that could alter the Federal Reserve's policy outlook also dampened appetite for the rupee.
- However, the rupee gained tracking a rise in other Asian currencies following the release of US inflation figures as the broad market largely expected the Federal Reserve's policy stance to not be impacted by the data.
- Earlier in the week, weaker-than-expected US non-farm payroll data increased bets of the US Federal Reserve deferring the tapering of its bond purchases, and provided the rupee support.

International equity benchmark indices' returns

Indices	Jun 11	% chg week	% chg 3 Mth	% chg Year
DJIA*	34,466	-0.83	6.72	27.70
Nasdaq Composite*	14,020	1.49	7.28	39.92
FTSE 100*	7,088	0.27	5.39	11.99
Nikkei 225	28,949	0.02	-0.30	28.82
Straits Times	3,158	0.22	2.54	16.78
Hang Seng	28,842	-0.26	-0.23	17.82
Shanghai Comp	3,590	-0.06	6.91	22.90

*As of Jun 10

International debt market indicators

Indicators	Jun 11	Jun 4
US 10-Year*	1.46	1.56
UK 10-Year*	0.75	0.79
German 10-Year*	-0.26	-0.22
Japan 10-Year	0.03	0.09
3-M USD Libor*	0.12%	0.13%
6-M USD Libor*	0.15%	0.16%
1-Y USD Libor*	0.24%	0.25%

*As of Jun 10

Commodities

Commodity	Jun 11	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	72.52	0.88	12.54	73.78
Indian gold (Rs per 10 gm)	49028.00	0.93	10.23	5.14
Indian Silver (Rs per Kg)	72139.00	2.81	9.02	48.89

* As of Jun 10

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Global equities ended on a mixed note this week amid region-specific cues.
- US stocks ended on a mixed note, with the Dow Jones falling about 0.8% and the Nasdaq gaining around 1.5% this week.
- Markets rose earlier after weaker-than-expected monthly jobs data eased the Federal Reserve (Fed) monetary policy tightening woes.
- A further rally was witnessed, especially on the Nasdaq, due to gains in technology stocks and after investors ignored rise in US inflation on the view that the rise is a temporary effect, as mentioned earlier by the Fed.
- US consumer price index rose 0.6% in May after rising 0.8% in April.
- However, gains were erased, especially from the Dow Jones, as G7 countries agreed on a global minimum corporate tax rate of at least 15%, which is may squeeze more money out of many companies.
- Britain's FTSE ended slightly higher this week, tracking similar gains in the US markets and upbeat corporate earnings.
- Other European equities ended on a mixed note with France's CAC 40 gaining 0.5%, while Germany's Dax fell 0.8%. Investors cheered after the ECB kept rates unchanged and pledged to continue its bond buying programme. However, a sell-off in banking stocks kept the markets under pressure.
- Eurozone GDP declined 1.3% on-year in Q1 2021 versus a 4.7% fall in the previous quarter.
- Asian equities ended on a mixed note this week. Japan's Nikkei ended flat as gains on hopes of economic reopening and reports of government support were offset by sporadic profit booking in stocks of semi-conductor, banking and property firms.
- Japan's GDP shrank an annualised 3.9% in the first quarter of 2021, following the 11.7% surge in the three months prior.
- Hong Kong's Hang Seng fell 0.3% due to losses in stocks of financial and information technology companies, and raised investor concerns over the US Senate passing a bill that would boost the country's ability to compete with Chinese technology.
- China's Shanghai Composite ended largely unchanged as gains due to a lower-than-expected rise in domestic consumer inflation numbers were outweighed by persisting Sino-US tensions.

2. Commodity

- Crude oil prices rose in this week as OPEC and its allies decided to stick to its supply restraints, and on rising demand expectations after a record fall in US unemployment claims.
- Gold prices rose this week following gains in global metal prices ahead of US inflation data and ECB meet.
- Indian silver prices rose in this weak on positive global cues.

C. News summary

1. Domestic

- The World Bank slashed India's GDP forecast to 8.3% for fiscal 2022, as against its earlier estimate of 10.1% citing the impact of the second wave of the Covid-19 pandemic.
- The Index of Industrial Production (IIP) for April 2021 shot up 134.4% due to low base effect. The IIP rose 24.1% on year in March 2021 and contracted 57.3% on year in April 2020.
- Finance Ministry released the third monthly instalment of Post Devolution Revenue Deficit (PDRD) Grant of Rs 9871 cr for fiscal 2022 to 17 states.
- The Cabinet approved Rs 25000 cr for Indian Railways over a five-year period for modernizing railways' communication networks.
- The Cabinet approved the increase in the Minimum Support Prices (MSPs) for all mandated kharif crops for marketing season 2021-22.
- RBI allowed an increase in the interchange fee structure for ATM transactions from Rs 15 to Rs 17 for financial transactions and from Rs 5 to Rs 6 for non-financial transactions, effective August 1, 2021.
- RBI said that it will provide operational flexibility for reporting of over-the-counter (OTC) transactions in Government securities (G-sec) undertaken by the Foreign Portfolio Investors (FPIs); the new rules will be effective from June 14.
- SEBI asked mutual funds to classify all debt schemes in terms of a potential risk class matrix based on interest and credit risk; in this regard, a display table has been made mandatory from December 1, 2021.
- SEBI streamlined the framework for centralised database for corporate bonds to provide further ease of access of information for investors.

2. International

- US consumer price index rose by 0.6% in May after rising by 0.8% in April. On an annualized basis, the inflation rose to 5% in May from 4.2% in April.
- Eurozone GDP declined 1.3% on-year in Q1 2021 versus a 4.7% fall in the previous quarter.
- UK CIPS construction Purchasing Managers' Index (PMI) rose to 64.2 in May from 61.6 in April.
- China's trade surplus widened to \$45.5 bn in May from \$42.8 bn in the previous month.
- Japan's GDP shrank an annualized 3.9% on-year in the first quarter of 2021 following the 11.7% surge in the three months prior.

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D. Week ahead

Day	Events
Monday, June 14, 2021	<ul style="list-style-type: none"> • Eurozone Industrial Production, April 2021 • Japan Industrial Production, April 2021 • India Consumer Prices, May 2021 • India Wholesale Prices, May 2021
Tuesday, June 15, 2021	<ul style="list-style-type: none"> • US New York Fed Manufacturing, June 2021 • US Producer Prices, May 2021 • US Retail Sales, May 2021 • US Business Inventories, April 2021 • US NAHB Housing Market Index, June 2021 • US Industrial Production, May 2021 • UK ILO Unemployment Rate, April 2021
Wednesday, June 16, 2021	<ul style="list-style-type: none"> • US Fed Funds Target Rate • US Housing Starts, May 2021 • US Import / Export Prices, May 2021 • UK Consumer Prices, May 2021 • UK Producer Prices, May 2021 • China Industrial Production, May 2021 • China Retail Sales, May 2021 • Japan Machinery Orders, April 2021 • Japan Trade Balance, May 2021
Thursday, June 17, 2021	<ul style="list-style-type: none"> • US Philly Fed Business Index, June 2021 • Eurozone Construction Output, April 2021 • Eurozone Consumer Prices, May 2021
Friday, June 18, 2021	<ul style="list-style-type: none"> • Eurozone Current Account Balance, April 2021 • UK Retail Sales, May 2021 • Japan Consumer Prices, May 2021 • Bank of Japan Interest Rate Decision



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