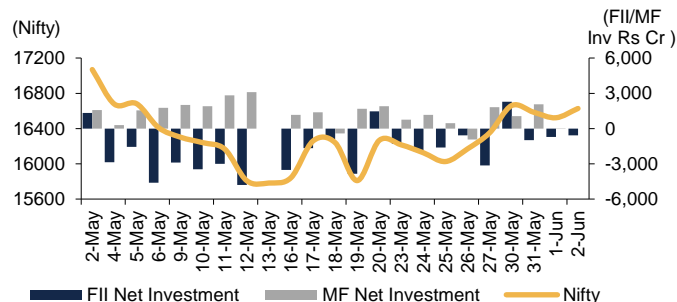


Indian equity benchmark indices' returns

Broad Indices	Jun 3	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	55,769	1.61	1.21	6.77
Nifty 50	16,584	1.42	0.52	5.70
Nifty 500	14,078	1.48	-0.41	5.21
S&P BSE 100	16,836	1.19	0.29	5.47
S&P BSE Midcap	22,775	1.14	-1.69	1.81
S&P BSE Smallcap	26,384	2.98	-1.27	9.59

FII and mutual fund investment vs. Nifty



Sectoral Indices	Jun 3	% chg week	% chg 3 Mth	% chg Year
S&P BSE Realty Index	3,237	4.83	-4.97	15.07
S&P BSE IT	30,384	4.33	-9.83	10.64
S&P BSE CG	27,122	3.36	0.07	17.81
S&P BSE Oil & Gas	18,843	2.94	5.50	11.42
S&P BSE Metal	18,116	2.55	-17.74	-4.20
S&P BSE CD	37,575	2.45	-11.23	6.77
S&P BSE FMCG	14,010	0.14	8.94	6.60
S&P BSE Auto	25,761	0.14	10.22	7.82
S&P BSE Bankex	40,662	-1.30	1.21	0.60
S&P BSE Healthcare	22,045	-1.90	-4.48	-11.04
S&P BSE Power	4,093	-4.48	2.48	42.06

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Jun 3	Previous Week	1 month ago
Call Rate	3.70%	3.50%	3.00%
10 Yr G-Sec [^]	7.45%	7.35%	7.12%

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

Currencies vs INR

Currency	Jun 3	Week ago	3 months ago	1 year ago
USD	77.63	77.57	75.91	72.90
GBP	97.52	97.94	101.53	103.45
Euro	83.43	83.28	84.09	88.89
Yen*	59.75	61.11	65.54	66.46

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices extended two week's gains this week on buying across sectors and upbeat corporate earnings reports. The S&P BSE Sensex and Nifty 50 rose around 1.6% and 1.4%, respectively
- Relaxation in Covid-19 restrictions in China also buoyed investor sentiments
- Realty, information technology (IT) and capital goods sectors rose the most. The S&P BSE Realty rose 4.8%, S&P BSE IT 4.3% and S&P BSE Capital Goods 3.4%
- However, caution ahead of the Reserve Bank of India's (RBI) monetary policy meeting next week, geopolitical tension in Europe, potential interest rate hike by the US Federal Reserve (Fed) and worries over global economic slowdown kept gains under check
- Shares of Coal India emerged the top gainer on the Nifty 50, up ~8% on week to settle at Rs 197 per share following upbeat quarterly results
- Shares of Shree Cement emerged the top decliner on the Nifty 50, down ~6% on week to settle at Rs 20638 per share after competitor UltraTech Cement announced huge capex plan

2. Debt

- Government bond prices fell this week. The yield of the 10-year benchmark 6.54% 2032 settled at 7.46% June 3, 2022 compared with 7.35% on May 27, 2022
- The yield rose as rallying global crude oil price rekindled inflation concerns and fear that the central bank may vote for aggressive rate hike when the RBI's Monetary Policy Committee meets next week
- Further, bond prices fell following a weak demand at the weekly debt auction. In the debt sale, the RBI auctioned 5.74% GS (government security) 2026, GOI FRB (floating rate bonds) 2028, 7.54% GS 2036 and 6.99% GS 2051 totalling a notified amount of Rs 32,000 crore
- However, intermittent pullback in oil price prevented a sharper fall in the bond prices
- Meanwhile, the domestic GDP numbers did not elicit any strong reaction from investors

3. Forex

- The rupee ended lower against the US dollar as soaring crude oil price raised concerns over domestic inflationary pressure and widening current account deficit
- Further, strong US manufacturing data and mounting inflation worries raised the prospects of aggressive rate hike by the Fed
- However, intermittent fall in global crude oil price and better-than-expected domestic growth data buoyed the local unit

International equity benchmark indices' returns

Indices	Jun 3	% chg week	% chg 3 Mth	% chg Year
DJIA*	33,248	0.11	-1.90	-3.91
Nasdaq Composite*	12,317	1.53	-10.44	-10.46
FTSE 100^	7,533	-0.69	2.77	5.98
Nikkei 225	27,762	3.66	4.46	-4.46
Straits Times	3,232	0.04	-0.67	2.12
Hang Seng*	21,082	1.86	-5.65	-27.22
Shanghai Comp*	3,195	2.08	-8.29	-10.85

*As of Jun 2 ^As of Jun 1

International debt market indicators

Indicators	Jun 3	May 27
US 10-Year*	2.91%	2.74%
UK 10-Year*	2.17%	1.93%
German 10-Year*	1.24%	0.96%
Japan 10-Year	0.23%	0.22%
3-M USD Libor*	1.63%	1.60%
6-M USD Libor*	2.11%	2.09%
1-Y USD Libor*	2.78%	2.70%

*As of Jun 2

Commodities

Commodity	Jun 3	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	117.61	-1.52	6.47	64.84
Indian gold (Rs per 10 gm)	51,455.00	0.49	-0.35	5.01
Indian Silver (Rs per Kg)	62,788.00	0.40	-7.69	-11.86

*As of Jun 2

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Most global equity markets ended higher amid region-specific cues
- US stocks gained this week on growing hopes that the Fed would tighten monetary policy without tipping the economy into recession and on upbeat corporate earnings reports
- Stock-specific buying added more gains in the market
- The US ISM manufacturing index rose to 56.1 in May from 55.4 in April
- However, sharper gains were capped as fears about inflation kept the investors on the edge
- Britain's FTSE slipped 0.69% owing to economic uncertainty and profit booking before a market holiday
- However, some losses were chipped off due to easing of Covid-19 restrictions in China, stock-specific gains and rally in mining stocks
- Asian equities ended higher. Japan's Nikkei soared 3.66% after China's stimulus measures and easing of Covid-19 restrictions raised expectations that growth will pick up
- Further, gains in auto, machinery and technology shares also boosted the market sentiments
- However, concerns over global economic outlook and rising inflation kept the gains under check
- Hong Kong's Hang Seng rallied 1.9% tracking similar trend in the Chinese market after relaxation in Covid-19 lockdown in the country.
- However, sharper gains were curtailed as investors worried over the impact of China's tough zero-Covid policy and feared rate hikes by global central banks
- China's Shanghai Composite advanced 2.08% after the country eased Covid-19 restrictions and as investors cheered over additional stimulus announced by the government to support the economy

2. Commodity

- Crude oil prices fell on reports that some of the OPEC countries planned to suspend Russia from oil production targets, which would allow other countries to pump more crude
- Gold prices rose this week tracking similar trend in the global metal prices and intermittent weakness in dollar index
- Silver prices advanced this week mirroring similar trend in gold and industrial metals

C. News summary

1. Domestic

- Indian economy grew 4.1% on-year in the fourth quarter of fiscal 2022 compared with 5.4% in the third quarter. The growth for the full fiscal was pegged at 8.7% compared with a 6.6% contraction in fiscal 2021
- The country's fiscal deficit for fiscal 2022 came in at 6.71% of the gross domestic product (GDP) or at Rs 15.87 lakh crore
- Eight core sector industries grew 8.4% on-year in April compared with a revised 4.9% growth in March
- The country's S&P Global manufacturing PMI came in at 54.6 in May compared to 54.7 in April and the services PMI rose to 58.9 from 57.9. The composite PMI increased to 57.6 from 54.3
- According to the Finance Ministry, GST collections for May stood at Rs 1.41 lakh crore compared with Rs 1.68 lakh crore in April
- The government released Rs 86,912 crore to cover the entire amount of GST compensation due to states until May 31
- On May 31, Prime Minister Narendra Modi released the 11th installment of financial benefits worth Rs 21,000 crore under the Pradhan Mantri Kisan Samman Nidhi scheme to more than 10 crore farmers
- The government approved continuation of the Prime Minister's Employment Generation Programme until fiscal 2026 with a total outlay of Rs 13,554.42 crore
- The government approved 8.1% interest rate on Employee Provident Fund deposits for fiscal 2022
- The RBI came out with guidelines to market participants regarding exchange of variation margin for non-centrally cleared derivatives
- The SEBI said initial public offering (IPO) applications should only be processed if there is supporting funds in an investor's bank account

2. International

- US non-farm payrolls came in at 390,000 in May compared to revised 436,000 in April. The unemployment rate remained unchanged at 3.6% in May
- US ADP Employment report showed that 0.13 mn private sector jobs were added in May compared to revised 0.20 mn added in April.
- US consumer confidence index fell to 106.4 in May from revised 108.6 in April.
- Eurozone inflation rate rose 8.1% on-year in May compared to 7.4% rise in April
- China official manufacturing PMI rose to 49.6 in May from 47.4 in April
- Japan industrial production fell 4.80% in April, from 1.7% decline in March

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D. Week ahead

Day	Events
Monday, Jun 6, 2022	<ul style="list-style-type: none"> China Caixin Services/Composite PMI, May 2022
Tuesday, Jun 7, 2022	<ul style="list-style-type: none"> US Goods Trade Balance, April 2022 UK S&P Global/CIPS Services/ Composite PMI, May 2022 Japan Coincident Index, April 2022 Japan Leading Economic Index, April 2022
Wednesday, Jun 8, 2022	<ul style="list-style-type: none"> US Wholesale Inventories, April 2022 US Consumer Credit, April 2022 Eurozone GDP, Q1 2022 UK S&P Global/CIPS Construction PMI 2022 Japan GDP, Q1 2022 Japan Current Account, April 2022 Japan Eco Watchers Survey Outlook, May 2022 RBI Interest Rate Decision
Thursday, Jun 9, 2022	<ul style="list-style-type: none"> US Initial Jobless Claims, June 3, 2022 European Central Bank Rate Decision China Trade Balance, May 2022 Japan Machine Tool Orders, May 2022
Friday, Jun 10, 2022	<ul style="list-style-type: none"> US Consumer Prices, May 2022 US Michigan Consumer Sentiment Index, June 2022 China Consumer Prices, May 2022 China Producer Prices, May 2022 Japan Producer Prices, May 2022 India Industrial Production, April 2022



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