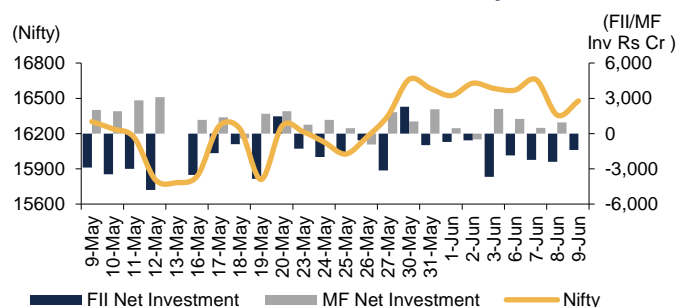


## Indian equity benchmark indices' returns

Broad Indices	Jun 10	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	54,303	-2.63	-2.09	3.83
Nifty 50	16,202	-2.31	-2.37	2.95
Nifty 500	13,782	-2.10	-2.87	1.96
S&P BSE 100	16,471	-2.17	-2.25	2.65
S&P BSE Midcap	22,490	-1.25	-3.08	-1.77
S&P BSE Smallcap	25,857	-2.00	-3.87	3.36

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Jun 10	% chg week	% chg 3 Mth	% chg Year
S&P BSE Auto	25,957	0.76	13.62	8.20
S&P BSE Oil & Gas	18,965	0.64	5.76	10.80
S&P BSE Healthcare	22,031	-0.07	-6.65	-12.75
S&P BSE Power	4,067	-0.62	3.89	34.48
S&P BSE Realty Index	3,187	-1.57	-6.29	10.69
S&P BSE CG	26,597	-1.94	-1.20	15.29
S&P BSE FMCG	13,716	-2.10	5.08	2.84
S&P BSE Bankex	39,736	-2.28	0.63	-0.35
S&P BSE Metal	17,619	-2.74	-18.87	-6.39
S&P BSE IT	29,539	-2.78	-15.84	4.44
S&P BSE CD	36,315	-3.35	-12.35	2.30

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Jun 10	Previous Week	1 month ago
Call Rate	3.35%	3.70%	3.80%
10 Yr G-Sec^A	7.52%	7.45%	7.31%

\*6.54% 2032 paper ^Weighted Average Yield

## Currencies vs INR

Currency	Jun 10	Week ago	3 months ago	1 year ago
USD	77.84	77.63	76.32	73.05
GBP	96.95	97.52	100.43	102.96
Euro	82.49	83.43	84.27	88.87
Yen*	58.17	59.75	65.75	66.70

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Indian equity indices snapped their three weeks' gains after the Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) raised interest rates by 50 bps and increased its inflation projection for the fiscal at its meeting. The S&P BSE Sensex and Nifty 50 ended the week down around 2.6% and 2.3%, respectively
- Further, caution ahead of the US inflation data and worries over rate increase in that country also weighed on investors' sentiment
- Consumer durables, information technology (IT) and metal sectors fell the most. The S&P BSE Consumer Durables declined 3.4%, S&P BSE IT 2.8% and S&P BSE Metal 2.7%
- However, buying in auto and oil and gas stocks capped some losses. The S&P BSE Auto and S&P BSE Oil & Gas rose around 0.8% and 0.6% respectively
- Shares of ONGC emerged the top gainer on the Nifty 50, up ~9% on week to settle at Rs 164.65 per share following rise in crude oil prices
- Shares of Shree Cement emerged the top decliner on the Nifty 50, down ~7% on week to settle at Rs 19178.85 per share continued to be weighed down by UltraTech's capex plan announcement

#### 2. Debt

- Government bond prices fell this week. The yield on the 10-year benchmark 6.54% 2032 settled at 7.52% on June 10 compared with 7.46% a week back
- Yields rose after the MPC hiked key rates, projected a spike in inflation and hinted at more rate hikes in the coming months
- Rising global crude oil price and US treasury yield also pushed up the local yields
- Bond prices fell further following an increase in supply after the weekly debt auction. In the debt sale held on June 10, the RBI auctioned 4.56% GS (Government Security) 2023, 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 plunged against the US dollar as investors remained cautious ahead of the US inflation data, which would provide cues over the US Federal Reserve's (Fed) monetary policy stance
- The local unit also fell after the European Central Bank (ECB) decided to end bond buying on July 1 and raise interest rates by 25 basis points later that month. The bank also increased its inflation projection and trimmed its growth forecast
- Further, soaring crude oil price continued to play spoilt sport raising concerns over inflation and deficit
- However, sharp losses in the rupee were capped after the RBI hiked rates to tame inflationary pressure

## International equity benchmark indices' returns

Indices	Jun 10	% chg week	% chg 3 Mth	% chg Year
DJIA*	32,273	-1.91	-3.04	-6.31
Nasdaq Composite*	11,754	-2.15	-11.33	-15.51
FTSE 100*	7,476	-0.75	3.97	5.58
Nikkei 225	27,824	0.23	8.31	-3.92
Straits Times	3,182	-1.55	-1.82	0.61
Hang Seng	21,806	3.43	4.38	-24.12
Shanghai Comp	3,285	2.80	-0.34	-9.03

\*As of Jun 9

## International debt market indicators

Indicators	Jun 10	Jun 3
US 10-Year*	3.04%	2.96%
UK 10-Year*	2.34%	2.17%
German 10-Year*	1.44%	1.27%
Japan 10-Year	0.25%	0.23%
3-M USD Libor*	1.72%	1.63%
6-M USD Libor*	2.29%	2.11%
1-Y USD Libor*	2.96%	2.78%

\*As of Jun 9 & Jun 1 respectively

## Commodities

Commodity	Jun 10	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	123.07	2.80	10.73	70.41
Indian gold (Rs per 10 gm)	50,935.00	-1.01	-3.68	4.48
Indian Silver (Rs per Kg)	60,881.00	-3.04	-12.80	-14.52

\*As of Jun 9

Source: Respective commodity exchanges, ibjrates.com

## B. International

### 1. Equity

- Global equity markets ended mixed amid region-specific cues.
- US stocks slumped this week after the upbeat US jobs report for May raised expectations of interest rate hikes by the Fed
- Rising US treasury yield and soaring crude oil price also weighed on the market
- The market saw further losses as investors turned cautious ahead of the inflation data which would offer a clearer view of the Fed's policy stance
- Britain's FTSE slipped 0.75% owing to global economic growth worries and on prospects of monetary policy tightening by major central banks
- The rate hike fears came true after the ECB signalled first interest rate hike in a decade, thereby pulling down the benchmark.
- Asian equities ended higher. Japan's Nikkei rose 0.23% due to gains in technology stocks, tracking intermittent strength in the US market and a rise in energy shares on the back of higher oil prices
- However, gains were restricted as investors stayed on the sidelines ahead of the US inflation data
- Hong Kong's Hang Seng rallied 3.43% on hopes of economic recovery following easing of Covid-19 restrictions in China and gains in technology shares on prospects of an end to the Chinese crackdown on the sector
- China's Shanghai Composite advanced 2.8% amid hopes of economic growth recovery after the government relaxed Covid-19 lockdown
- However, gains in the markets were capped later in the week, after reports of fresh Covid-19 restrictions in a few parts of the country

### 2. Commodity

- Crude oil prices rose in this week on global supply worries amid fear that OPEC's production targets would not meet the demand and due to rising gasoline demand in the US
- Gold prices fell this week tracking similar trend in the global metal prices and on caution ahead of the US inflation data
- Silver prices declined this week tracking similar trend in gold and industrial metals

## C. News summary

### 1. Domestic

- The MPC hiked the policy repo rate by 50 basis points (bps) to 4.9%. Consequently, the standing deposit facility (SDF) rate got adjusted to 4.65%; and the marginal standing facility (MSF) rate and the Bank Rate to 5.15%
- The committee also decided unanimously to remain focused on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth
- It retained the real GDP growth projection for fiscal 2023 at 7.2%, but raised the inflation forecast for the year to 6.7% from 5.7%
- India's industrial production rose 7.1% on-year in April compared to revised 2.2% growth in March
- The government said it aims to monetise assets worth Rs 75,220 crore in the coal mining sector in the current fiscal
- Finance Minister Nirmala Sitharaman launched Enhanced Access and Service Excellence, or EaseNext, reforms for state-run lenders
- The finance ministry released the third monthly instalment of revenue deficit grant of Rs 7,183 crore to 14 states
- The RBI increased the limit on payments that can be made without any additional factor authentication (like OTP) through e-mandate to Rs 15,000 from Rs 5,000
- It doubled the individual housing loans limit for Urban Co-operative Banks (UCBs) and Rural Co-operative Banks (RCBs), besides allowing UCBs to offer doorstep banking services to its customers
- It proposed to allow the linking of credit cards (starting with RuPay cards) to the UPI platform

### 2. International

- US consumer prices rose 8.6% on-year in May compared to 8.3% rise in April
- Eurozone economy expanded 5.4% on-year in Q1 2022, compared to 4.7% growth in Q4 2021
- European Central Bank (ECB) kept the main refinancing operations, marginal lending facility and deposit facility rates unchanged at 0%, 0.25% and -0.5%, respectively. However, it said it will end bond buying on July 1 and raise interest rates by 25 basis points later that month
- China's consumer prices index rose 2.1% on-year in May, same as that in April. The producer price index rose 6.4% on-year in May compared to 8% in April
- Japan GDP contracted 0.5% on-year in Q1 of 2022, from 4% growth in Q4 of 2021

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## D. Week ahead

Day	Events
Monday, Jun 13, 2022	<ul style="list-style-type: none"> <li>• UK GDP YoY, April 2022</li> <li>• UK Goods Trade Balance, April 2022</li> <li>• UK Industrial Production, April 2022</li> <li>• India CPI Inflation, May 2022</li> </ul>
Tuesday, Jun 14, 2022	<ul style="list-style-type: none"> <li>• US Producer Prices index, May 2022</li> <li>• Eurozone ZEW Survey – Economic Sentiment, June 2022</li> <li>• UK Unemployment Rate, April 2022</li> <li>• Japan Industrial Production, April 2022</li> <li>• India WPI Inflation, May 2022</li> </ul>
Wednesday, Jun 15, 2022	<ul style="list-style-type: none"> <li>• US Fed Interest Rate Decision</li> <li>• US Retail Sales, May 2022</li> <li>• Eurozone Industrial Production, April 2022</li> <li>• Eurozone Trade Balance, April 2022</li> <li>• China Industrial Production, May 2022</li> <li>• China Retail Sales, May 2022</li> <li>• India Trade Balance, May 2022</li> </ul>
Thursday, Jun 16, 2022	<ul style="list-style-type: none"> <li>• US Building Permits/Building Permits, May 2022</li> <li>• US Initial Jobless Claims, June 10, 2022</li> <li>• UK BoE Interest Rate Decision</li> <li>• Japan Consumer Prices, May 2022</li> <li>• Japan Trade Balance, May 2022</li> </ul>
Friday, Jun 17, 2022	<ul style="list-style-type: none"> <li>• US Industrial Production, May 2022</li> <li>• Eurozone Inflation Rate, May 2022</li> <li>• UK Retail Sales, May 2022</li> <li>• BoJ Interest Rate Decision</li> </ul>



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