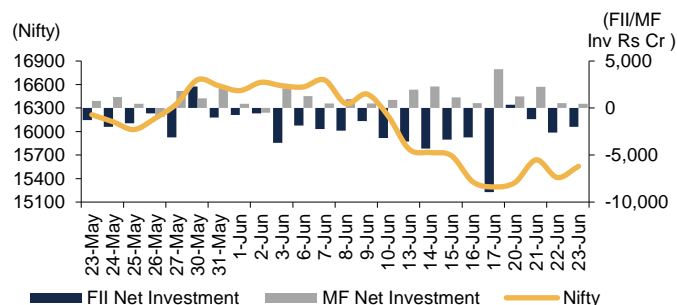


Indian equity benchmark indices' returns

Broad Indices	Jun 24	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	52,728	2.66	-8.45	0.05
Nifty 50	15,699	2.65	-8.85	-0.58
Nifty 500	13,323	2.52	-9.37	-1.08
S&P BSE 100	15,963	2.57	-8.65	-0.47
S&P BSE Midcap	21,803	2.38	-8.68	-2.32
S&P BSE Smallcap	24,522	1.61	-12.08	-1.51

FII and mutual fund investment vs. Nifty



Sectoral Indices	Jun 24	% chg week	% chg 3 Mth	% chg Year
S&P BSE Auto	26,425	7.01	11.05	11.26
S&P BSE CD	35,419	4.84	-17.70	-1.30
S&P BSE FMCG	13,776	3.86	4.66	1.79
S&P BSE IT	28,148	3.61	-22.61	-5.78
S&P BSE Healthcare	21,666	3.14	-11.50	-12.64
S&P BSE Bankex	38,702	2.48	-4.75	-1.84
S&P BSE Power	3,915	1.94	-1.86	39.22
S&P BSE Realty Index	3,051	1.37	-13.43	10.89
S&P BSE Oil & Gas	17,351	0.89	-7.07	4.04
S&P BSE CG	25,369	0.55	-7.21	11.23
S&P BSE Metal	15,276	-4.09	-33.44	-16.04

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Jun 24	Previous Week	1 month ago
Call Rate	4.00%	3.85%	3.55%
10 Yr G-Sec [^]	7.44%	7.56%	7.36%

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

Currencies vs INR

Currency	Jun 24	Week ago	3 months ago	1 year ago
USD	78.34	78.07	76.37	74.16
GBP	96.06	96.04	100.43	103.58
Euro	82.53	82.11	83.83	88.59
Yen*	58.12	57.95	62.70	66.92

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices snapped two-week losses, as a fall in global crude oil prices eased investors' worries over inflationary pressures and widening deficits. S&P BSE Sensex and Nifty 50 gained about 2.7% each.
- Positive global sentiments — as the US Federal Reserve (Fed) Chair Jerome Powell's Congressional testimony was not as aggressive as expected — also supported the markets.
- Most sectors ended in green, with auto, consumer durables and FMCG gaining the most. S&P BSE Auto, S&P BSE Consumer Durables and S&P BSE FMCG rallied about 7%, 5% and 4% respectively.
- Meanwhile, metal stocks fell owing to the impact of export duty imposition by the government and worries over rate hike by global central banks. S&P BSE Metal dropped 4%.
- Shares of Hero MotoCorp emerged the top gainer on the Nifty 50, up ~12% on week to settle at Rs 2759.95 per share following a decline in global commodity prices.
- Shares of Tata Steel emerged the top decliner on the Nifty 50, down ~6% on week to settle at Rs 852.85 per share as metal stocks declined on fears of global recession.

2. Debt

- Government bond prices snapped a three-week fall in the week ended June 24, 2022. The yield of the 10-year benchmark 6.54% 2032 settled at 7.44% on June 24, 2022, compared with 7.55% on June 17, 2022.
- Rally in the bond prices were buoyed by a pullback in global crude oil prices and fall in the US Treasury yield.
- Yields also fell tracking global cues after Fed Chair Jerome Powell in his testimony said the US central bank's focus on curbing inflation was unconditional and acknowledged that it came with the risk of higher unemployment.
- Fresh supply of debt in the gilt auction and profit booking limited further fall in the yields. In the debt sale held on June 24, 2022, the RBI auctioned new government securities (GS) 2024, 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 ended at record low against the US dollar as investors worried over a global recession.
- Further, consistent selling by foreign investors also kept the local unit under stress.
- However, it got a bit of relief on falling crude oil prices and reports of intervention by the RBI.

International equity benchmark indices' returns

Indices	Jun 24	% chg week	% chg 3 Mth	% chg Year
DJIA*	30,677	2.64	-10.71	-9.44
Nasdaq Composite*	11,232	4.02	-19.32	-21.30
FTSE 100*	7,020	0.06	-5.90	-0.76
Nikkei 225	26,492	2.04	-5.76	-8.25
Straits Times	3,112	0.44	-8.47	-0.26
Hang Seng	21,719	3.06	-1.03	-24.80
Shanghai Comp	3,350	0.99	3.06	-6.08

*As of Jun 23

International debt market indicators

Indicators	Jun 24	Jun 17
US 10-Year*	3.07%	3.24%
UK 10-Year*	2.30%	2.51%
German 10-Year*	1.44%	1.66%
Japan 10-Year	0.32%	0.32%
3-M USD Libor*	2.20%	2.10%
6-M USD Libor*	2.84%	2.78%
1-Y USD Libor*	3.53%	3.59%

*As of Jun 23

Commodities

Commodity	Jun 24	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	110.05	-2.71	-9.50	46.36
Indian gold (Rs per 10 gm)	50,829.00	-0.66	-1.91	7.65
Indian Silver (Rs per Kg)	59,350.00	-3.62	-12.55	-12.88

*As of Jun 23

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Global equity markets ended mostly higher amid region specific cues.
- US stocks rallied after the Fed Chair Jerome Powell, at his testimony to the Congress, said the apex bank is committed to control inflation while trying not to cause a recession in the process.
- Further, gains in technology and defensive stocks also aided the upside.
- US existing home sales fell 3.4% on-month in May compared to a revised 2.6% decline in April.
- Britain's FTSE ended flat as gains due to rise in the shares of real estate, property, mining and energy firms were cut-off due to worries over recession, inflationary pressure and losses in the oil & mining stocks.
- UK consumer prices rose 9.1% on-year in May compared to 9% in April, while the producer prices rose 15.7% on-year in May compared to an upwardly revised 14.7% rise in April.
- Asian equities ended higher. Japan's Nikkei rallied 2% on easy monetary policy by the domestic central bank and on rise in technology shares tracking similar gains in the US markets.
- Japan annual inflation rate was unchanged from the previous month at 2.5% in May.
- Hong Kong's Hang Seng advanced 3% on tracking strong global market and gains in the technology shares on hopes that Chinese crackdown in the sector would end soon.
- China's Shanghai Composite rose around 1% after the People's Bank of China (PBOC) infused fresh capital into the banking system to support the Covid-19 hit economy and rise in technology shares on the government support.
- The PBOC held its one-year loan prime rate unchanged at 3.7%; while the five-year rate was also maintained at 4.45%.

2. Commodity

- Crude oil prices declined in this week due to persisting demand concerns following fear about a potential economic downturn as the Fed gets more aggressive in tightening monetary policy.
- Gold prices declined this week tracking similar trend in the global metal prices following strong dollar and weak demand.
- Silver prices fell this week amid demand worries for industrial metal following fear of economic recession.

C. News summary

1. Domestic

- The Reserve Bank of India (RBI) said India posted a current account deficit (CAD) of 1.2% of gross domestic product (GDP) in fiscal 2022, compared with a surplus of 0.9% in fiscal 2021, owing to a wider trade deficit. For the January-March 2022 quarter, the CAD came in at \$13.4 billion or 1.5% of GDP compared with \$22.2 billion or 2.6% of GDP in the previous quarter.
- The finance ministry's May monthly economic review stated that while the rest of the world is looking at a distinct possibility of widespread stagflation, India has a low risk of facing one, owing to its prudent stabilisation policies.
- The World Bank approved a \$245 million loan to support modernisation of rail freight and logistics infrastructure in India, and \$250 million additional financing for an educational project in Gujarat.
- The government extended the production-linked incentive scheme for the telecom industry by another year and expanded its scope to cover design-led manufacturing. It also raised incentives by Rs 4,000 crore under the amended scheme.
- The RBI came out with its 'Payments Vision 2025' document which seeks a three-fold jump in the number of digital payments.
- It deferred the implementation of some provisions of its April 2022 master direction on issuance of credit and debit cards by three months, to October 1, 2022. It also extended the debit and credit card tokenisation deadline by three months till September 30, 2022.
- The Securities and Exchange Board of India (Sebi) allowed mutual funds to accept fresh money in international schemes to the extent of the overall industry limit of \$7 billion.

2. International

- US S&P Global manufacturing PMI fell to 52.4 in June from 57 in May, while the services PMI fell to 51.6 in June from 53.4 in May. The composite PMI fell to 51.2 in June from 53.6 in May.
- US new home sales rose 10.7% on-month in May compared to revised 12% decline in April.
- Eurozone inflation rose 8.1% on-year in May compared to 7.4% rise in April.
- UK retail sales dropped by 4.7% on-year in May compared to a revised 5.7% decline in April.
- The People's Bank of China held its one-year loan prime rate (LPR) unchanged at 3.7%; while the five-year rate was also maintained at 4.45%.

D. Week ahead

Day	Events
Monday, Jun 27, 2022	<ul style="list-style-type: none"> US Pending Home Sales, May China Industrial Profit, May
Tuesday, Jun 28, 2022	<ul style="list-style-type: none"> US Consumer Confidence, June US S&P/ Case Shiller Home Price Index, April
Wednesday, Jun 29, 2022	<ul style="list-style-type: none"> US GDP, Q1 Eurozone Consumer/Industrial / Economic Confidence, June Japan Consumer Confidence, June
Thursday, Jun 30, 2022	<ul style="list-style-type: none"> US Chicago PMI, June UK GDP, Q1 China NBS Manufacturing / Non-manufacturing PMI, June Japan Industrial Production, May India Infrastructure Output, May India Fiscal Deficit, May
Friday, Jul 01, 2022	<ul style="list-style-type: none"> US S&P Global Manufacturing PMI, June US ISM Manufacturing PMI, June Eurozone S&P Global Manufacturing PMI, June China Caixin Manufacturing PMI, June Japan Jibun Bank Manufacturing PMI, June India S&P Global Manufacturing PMI, June India Preliminary Trade Balance, June

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