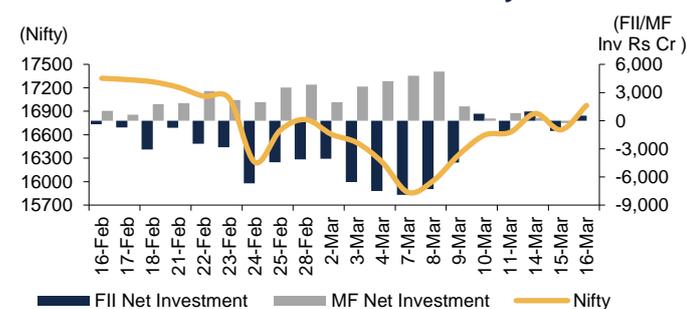


Indian equity benchmark indices' returns

Broad Indices	Mar 17	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	57,864	4.16	1.49	16.19
Nifty 50	17,287	3.95	1.78	17.43
Nifty 500	14,722	3.40	0.33	19.50
S&P BSE 100	17,532	3.78	1.47	17.73
S&P BSE Midcap	23,825	2.21	-2.92	18.86
S&P BSE Smallcap	27,706	2.08	-2.63	33.76

FII and mutual fund investment vs. Nifty



Sectoral Indices	Mar 17	% chg week	% chg 3 Mth	% chg Year
S&P BSE Auto	24,087	5.81	-0.27	4.97
S&P BSE CD	43,968	5.66	3.80	35.44
S&P BSE Bankex	41,773	5.51	3.18	8.21
S&P BSE Realty Index	3,580	4.77	-5.20	33.63
S&P BSE FMCG	13,497	2.97	0.91	9.99
S&P BSE CG	27,644	2.60	-1.47	29.17
S&P BSE IT	35,563	1.40	-1.11	33.75
S&P BSE Power	3,961	0.95	11.98	60.41
S&P BSE Healthcare	24,267	0.74	-0.97	17.28
S&P BSE Oil & Gas	18,209	0.57	2.85	19.70
S&P BSE Metal	21,738	-0.47	13.35	59.01

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Mar 17	Previous Week	1 month ago
Call Rate	3.25%	3.25%	3.25%
10 Yr G-Sec [^]	6.78%	6.85%	6.67%

^{*}6.54% 2032 paper [^]Weighted Average Yield

Currencies vs INR

Currency	Mar 17	Week ago	3 months ago	1 year ago
USD	75.80	76.45	76.08	72.54
GBP	99.97	100.16	101.57	100.97
Euro	83.80	84.01	86.41	86.37
Yen [*]	63.87	65.50	67.11	66.51

^{*}exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices extended gains for the second straight week, following an interest rate hike by the US Federal Reserve (Fed), citing inflationary pressures. S&P BSE Sensex and Nifty 50 rose around 4% each.
- The market gained further amid hopes of progress in Russia-Ukraine peace talks and a pullback in oil prices.
- Most sectors ended positive with auto, consumer durables and banking gaining the most. S&P BSE Auto, S&P BSE Consumer Durables and S&P BSE Bankex rose about 5.8%, 5.7% and 5.5%, respectively.
- However, some gains were capped, due to a lockdown in China to contain the resurgence of Covid-19 cases and selling in metal stocks. S&P BSE Metal fell 0.5%.
- Shares of Titan Company emerged the top gainer on the Nifty 50, up ~8% on week to settle at Rs 2703 per share on hopes that the company will reap margin benefit of recent rally in gold prices.
- Shares of ONGC emerged the top decliner on the Nifty 50, down ~3% on week to settle at Rs 170.3 per share following a pullback in crude oil prices.

2. Debt

- Government bond prices ended higher in the week. The yield on the 10-year benchmark 6.54% 2032 settled at 6.78% on March 17, 2022, compared with 6.86% on March 11, 2022.
- Bond prices rose as global crude oil prices retreated from higher levels, following reports of peace talks between Russia and Ukraine.
- Short covering following a sharp fall in the past week also buoyed bond prices.
- However, higher inflation numbers for February cut short gains in bond prices.

3. Forex

- The rupee ended higher against the US dollar, tracking positive trend in the domestic equity markets, weak dollar index and an intermittent fall in the global crude oil prices.

International equity benchmark indices' returns

Indices	Mar 17	% chg week	% chg 3 Mth	% chg Year
DJIA*	34,063	3.40	-5.11	3.77
Nasdaq Composite*	13,437	4.61	-11.49	-0.26
FTSE 100*	7,292	1.90	0.43	7.17
Nikkei 225	26,653	5.92	-6.63	-10.90
Straits Times	3,323	2.25	6.78	6.85
Hang Seng	21,501	4.61	-7.29	-25.94
Shanghai Comp	3,215	-2.86	-11.49	-6.69

*As of Mar 16

International debt market indicators

Indicators	Mar 17	Mar 11
US 10-Year*	2.19%	2.00%
UK 10-Year*	1.64%	1.50%
German 10-Year*	0.39%	0.27%
Japan 10-Year	0.20%	0.18%
3-M USD Libor [^]	0.95%	0.83%
6-M USD Libor [^]	1.26%	1.13%
1-Y USD Libor [^]	1.72%	1.60%

*As of Mar 16

Commodities

Commodity	Mar 17	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	98.02	-13.00	30.66	43.33
Indian gold (Rs per 10 gm)	51,564.00	-1.71	5.68	15.19
Indian Silver (Rs per Kg)	68,005.00	-2.45	10.02	2.12

*As of Mar 16

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Most global equities ended higher after the Fed hiked rates as expected.
- US stocks closed higher this week after the Fed at its policy meeting hiked rates as expected to fight against soaring inflation.
- Fed hiked its benchmark short-term interest rate by 0.25% to a range of 0.25%-0.5% and signalled hikes at all six remaining meetings this year. The central bank expects inflation to end 2022 at 4.3%, and forecast economic growth of 2.8% this year, down from its 4% estimated in December 2021.
- Markets also rose as investors hoped for a positive progress in the Ukraine and Russia peace talks, which cooled off crude oil prices.
- Britain's FTSE gained 1.9% due to a rise in the stocks of financials and industrial miners, strong domestic growth data, hope of Russia-Ukraine peace talks and China stimulus announcement.
- The Bank of England increased the Bank Rate by 0.25% to 0.75%
- Other European equities advanced, with France's CAC 40 and Germany's DAX rallying about 5.2% and 5.9% respectively, on optimism over diplomatic solution between Ukraine and Russia and as China rolled out more stimulus.
- Asian equities ended mixed. Japan's Nikkei soared 5.9%, tracking similar trend in the global markets, as the Fed decided to hike rates, citing rising inflation and on hopes of a breakthrough in Russia-Ukraine peace talks.
- Hong Kong's Hang Seng advanced 4.6%, after China announced its stimulus plan and as Fed hiked its key interest rates.
- China's Shanghai Composite declined 2.8%, as investors worried about rising Covid-19 cases in the country and after the Chinese's central bank kept some of its policy rates unchanged in a liquidity operation.
- However, sharp losses were reduced after Chinese Vice Premier Liu He announced plans to roll-out policies to support the economy.

2. Commodity

- Crude oil prices extended fall for the second consecutive week on easing of supply disruption fears amid hopes of progress in Russia-Ukraine peace talks, unexpected rise in US crude inventories and as surging Covid-19 cases in China led to demand concerns.
- Gold price fell in this week tracking the global metal prices due to rise in US treasury yield and hopes of Russia-Ukraine peace negotiations.
- Silver prices declined this week tracking similar trend in gold and industrial metals.

C. News summary

1. Domestic

- India's CPI-based inflation came in at 6.07% in February, compared with 6.01% in January.
- India's WPI-based inflation accelerated 13.11% on-year in February compared with a 12.96% rise in January, owing to a rise in the prices of crude oil and non-food items.
- The Finance Ministry said State Bank of India and Government of Sri Lanka inked a pact for \$1 bn credit facility for procurement of food, medicine and other essential items to Sri Lanka.
- The Finance Ministry sought an approval from the Parliament to spend around Rs 15,000 crore towards fertiliser subsidy.
- The government slashed the GST rate from 18% to 5% for domestic maintenance, repair and overhaul (MRO) services to meet the increasing demand in the aviation sector.
- The government received Rs 6,752 crore as dividend tranches from 10 public sector enterprises.
- The government "amended and aligned" the existing definitions of the real estate business.
- The RBI did away with the interest rate ceiling on loans offered by NBFC-MFIs to bring them at par with other microfinance lenders, including banks.
- The SEBI relaxed its earlier norms on one-time mandate for mutual fund transactions and permitted one-time mandates of the existing holders to continue as of now.

2. International

- US producer price index rose 10% on-year in February, same as that in the previous month.
- US industrial production rose 7.5% on-year in February compared to 3.6% rise in January.
- US retail sales rose 17.6% on-year in February compared to a 14% rise in January.
- Eurozone annual inflation rate rose 5.9% in February, from 5.1% in the month earlier.
- UK GDP grew 10% on-year in January compared to a 6% growth in December.
- China's industrial production grew 7.5% on-year in January-February combined, accelerating from 4.3% rise in December.
- Japan reported a trade deficit of 668.26 billion yen in February, compared to a surplus of 175.93 billion yen in February 2021.

D. Week ahead

Day	Events
Monday, Mar 21, 2022	<ul style="list-style-type: none"> • China Loan Prime Rate 1Y/5Y, March 2022
Tuesday, Mar 22, 2022	<ul style="list-style-type: none"> • Eurozone Current Account, January 2022
Wednesday, Mar 23, 2022	<ul style="list-style-type: none"> • US New Home Sales, February 2022 • Eurozone Consumer Confidence, March 2022 • UK Producer Price Index, February 2022 • UK Inflation Rate YoY, February 2022
Thursday, Mar 24, 2022	<ul style="list-style-type: none"> • US Initial Jobless Claims, March 18, 2022 • US Durable Goods Orders, February 2022 • US Markit Manufacturing PMI, March 2022 • US Markit Composite/Services PMI, March 2022 • Eurozone Markit Manufacturing PMI, March 2022 • Eurozone Markit Services/Composite PMI, March 2022 • Japan Jibun Bank Manufacturing PMI, March 2022 • Japan Jibun Bank Services PMI, March 2022
Friday, Mar 25, 2022	<ul style="list-style-type: none"> • US Michigan Consumer Sentiment Index, March 2022 • US Pending Home Sales, February 2022 • UK Gfk Consumer Confidence, March 2022 • UK Retail Sales YoY, February 2022

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