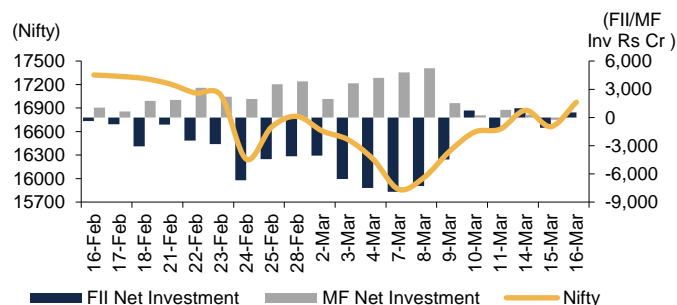


## Indian equity benchmark indices' returns

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 <sup>^</sup>	6.78%	6.85%	6.67%

<sup>^</sup>6.54% 2032 paper <sup>^</sup>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"> <li>China Loan Prime Rate 1Y/5Y, March 2022</li> </ul>
Tuesday, Mar 22, 2022	<ul style="list-style-type: none"> <li>Eurozone Current Account, January 2022</li> </ul>
Wednesday, Mar 23, 2022	<ul style="list-style-type: none"> <li>US New Home Sales, February 2022</li> <li>Eurozone Consumer Confidence, March 2022</li> <li>UK Producer Price Index, February 2022</li> <li>UK Inflation Rate YoY, February 2022</li> </ul>
Thursday, Mar 24, 2022	<ul style="list-style-type: none"> <li>US Initial Jobless Claims, March 18, 2022</li> <li>US Durable Goods Orders, February 2022</li> <li>US Markit Manufacturing PMI, March 2022</li> <li>US Markit Composite/Services PMI, March 2022</li> <li>Eurozone Markit Manufacturing PMI, March 2022</li> <li>Eurozone Markit Services/Composite PMI, March 2022</li> <li>Japan Jibun Bank Manufacturing PMI, March 2022</li> <li>Japan Jibun Bank Services PMI, March 2022</li> </ul>
Friday, Mar 25, 2022	<ul style="list-style-type: none"> <li>US Michigan Consumer Sentiment Index, March 2022</li> <li>US Pending Home Sales, February 2022</li> <li>UK Gfk Consumer Confidence, March 2022</li> <li>UK Retail Sales YoY, February 2022</li> </ul>

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