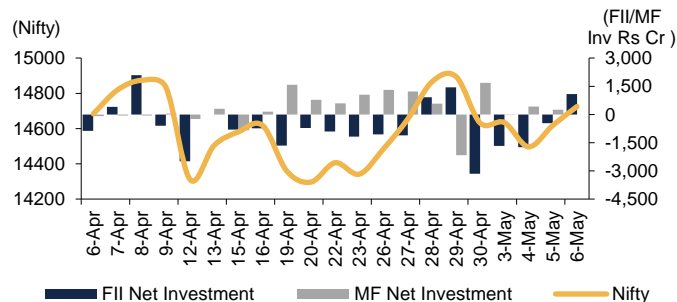


## Indian equity benchmark indices' returns

| Broad Indices    | May 7  | % chg week | % chg 3 Mth | % chg Year |
|------------------|--------|------------|-------------|------------|
| S&P BSE Sensex   | 49,206 | 0.87       | -3.01       | 56.49      |
| Nifty 50         | 14,823 | 1.31       | -0.68       | 61.14      |
| Nifty 500        | 12,563 | 1.61       | 2.31        | 67.04      |
| S&P BSE 100      | 15,039 | 1.38       | -0.04       | 61.74      |
| S&P BSE Midcap   | 20,609 | 1.46       | 6.16        | 80.47      |
| S&P BSE Smallcap | 22,218 | 2.53       | 16.35       | 107.90     |

## FII and mutual fund investment vs. Nifty



| Sectoral Indices     | May 7  | % chg week | % chg 3 Mth | % chg Year |
|----------------------|--------|------------|-------------|------------|
| S&P BSE Metal        | 19,655 | 10.29      | 59.45       | 220.02     |
| S&P BSE Power        | 2,563  | 3.28       | 14.91       | 78.07      |
| S&P BSE Oil & Gas    | 15,402 | 2.71       | 5.36        | 34.07      |
| S&P BSE Healthcare   | 24,049 | 2.20       | 10.29       | 59.67      |
| S&P BSE FMCG         | 12,744 | 1.88       | -0.24       | 29.03      |
| S&P BSE IT           | 26,787 | 1.83       | 5.17        | 99.61      |
| S&P BSE Auto         | 22,053 | 1.78       | -8.98       | 76.33      |
| S&P BSE CG           | 20,612 | 1.78       | -4.87       | 83.50      |
| S&P BSE Bankex       | 37,516 | 0.57       | -6.91       | 68.19      |
| S&P BSE Realty Index | 2,445  | -0.96      | -9.91       | 84.71      |
| S&P BSE CD           | 31,606 | -2.22      | -0.59       | 72.25      |

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

| Indicators               | May 7 | Previous Week | 1 month ago |
|--------------------------|-------|---------------|-------------|
| Call Rate                | 3.38% | 3.00%         | 2.90%       |
| 10 Yr G-Sec <sup>^</sup> | 6.00% | 6.04%         | 6.09%       |

<sup>^</sup>5.85% 2030 paper <sup>^</sup>Weighted Average Yield

## Currencies vs INR

| Currency | May 7  | Week ago | 3 months ago | 1 year ago |
|----------|--------|----------|--------------|------------|
| USD      | 73.51  | 74.06    | 72.92        | 75.77      |
| GBP      | 102.30 | 103.02   | 99.84        | 93.76      |
| Euro     | 88.76  | 89.60    | 87.35        | 81.77      |
| Yen*     | 67.37  | 68.07    | 69.03        | 71.27      |

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Indian equity markets ended on a positive note for the second straight week. S&P BSE Sensex gained 0.8% and Nifty 50 rose 1.3% this week
- Investors cheered the Reserve Bank of India's (RBI) relief measures, including Rs 50,000 crore emergency liquidity support to boost health infrastructure and additional loan restructuring schemes
- Further gains were seen on tracking upbeat global cues such as encouraging United States (US) labour market data
- Buying interest was seen across most sectors with metal, power and oil & gas gaining the most.
- Shares of Tata Steel emerged the biggest gainer on the Nifty 50, rising 14.3% on week to settle at Rs 1182.35 per share following the company's March quarter earnings announcement
- However, concerns about the impact of the second Covid-19 wave and subsequent lockdowns put some pressure on the market
- Selling pressure in consumer durables and realty stocks also trimmed some gains from the market.
- Shares of Reliance Industries emerged the biggest laggard on the Nifty 50, declining 3.1% on week to settle at Rs 1931.75 per share after the company reported March quarter earnings that were below expectations

#### 2. Debt

- Government bond prices ended nearly flat and off earlier highs. Yield on the 10-year benchmark 5.85% 2030 paper settled at 6.02% on May 7 compared with 6.03% on April 30
- Prices rose as market players continued to expect the central bank to support the bond market amid the relentless rise in domestic Covid-19 cases over the week
- More gains were seen after the RBI announced a slew of measures to aid recovery
- The RBI Governor announced higher-than-expected quantum of debt purchases to the tune of Rs 35,000 crore, under the second leg of government securities acquisition programme to be held on May 20
- Prices dipped in the last session following the weekly gilt sale

#### 3. Forex

- The rupee ended sharply higher against the dollar aided by the rise in investor risk appetite and sporadic gains in other Asian units
- Gains in other Asian units after the US Treasury Secretary Janet Yellen downplayed her comments about an interest rate hike, also supported the rupee
- Fears of a third wave of Covi-19 infections in India limited further rise in the local unit

## International equity benchmark indices' returns

| Indices           | May 7  | % chg week | % chg 3 Mth | % chg Year |
|-------------------|--------|------------|-------------|------------|
| DJIA*             | 34,549 | 1.99       | 10.92       | 45.99      |
| Nasdaq Composite* | 13,633 | -2.36      | -1.61       | 53.97      |
| FTSE 100*         | 7,076  | 1.53       | 9.04        | 20.88      |
| Nikkei 225        | 29,358 | 1.89       | 2.01        | 49.22      |
| Straits Times     | 3,200  | -0.56      | 10.08       | 23.49      |
| Hang Seng         | 28,611 | -0.40      | -2.31       | 19.31      |
| Shanghai Comp     | 3,419  | -0.81      | -2.22       | 19.06      |

\*As of May 6

## International debt market indicators

| Indicators      | May 7 | Apr 30 |
|-----------------|-------|--------|
| US 10-Year*     | 1.56  | 1.63   |
| UK 10-Year*     | 0.79  | 0.84   |
| German 10-Year* | -0.23 | -0.21  |
| Japan 10-Year   | 0.08  | 0.09   |
| 3-M USD Libor*  | 0.16% | 0.18%  |
| 6-M USD Libor*  | 0.20% | 0.20%  |
| 1-Y USD Libor*  | 0.27% | 0.28%  |

\*As of May 6

## Commodities

| Commodity                        | May 7    | % chg week | % chg 3 Mth | % chg Year |
|----------------------------------|----------|------------|-------------|------------|
| Brent Crude Oil (\$ per barrel)* | 68.09    | 1.25       | 19.77       | 129.10     |
| Indian gold (Rs per 10 gm)       | 47569.00 | 0.00       | 1.11        | 4.84       |
| Indian Silver (Rs per Kg)        | 69875.00 | 0.00       | 3.54        | 65.36      |

\*As of May 6

Source: Respective commodity exchanges, MCX

## B. International

### 1. Equity

- Global equities ended mostly higher on hopes of economic recovery and some region-specific cues.
- US stocks posted mixed performance with Dow Jones rising 2%, while Nasdaq lost 2.4%
- Profit booking in major technology stocks weighed on the market, especially Nasdaq
- However, losses were recouped, especially from Dow Jones, following upbeat corporate earnings and encouraging jobs data
- The US Automatic Data Processing (ADP) said private sector employment rose by 742,000 in April from March's upwardly revised 565,000
- Initial jobless claims in the US slid to 498,000 for the week ended May 1, a decrease of 92,000 from the previous week's revised level of 590,000
- US personal income soared 21.1% in March after plunging by a revised 7% in February; personal spending rose 4.2% following a 1% decrease
- Britain's FTSE index rose 1.5% due to strong earnings updates and optimism about speedy economic recovery from the pandemic
- The Bank of England's monetary policy committee (MPC) unanimously decided to leave the key interest rate unchanged at 0.10%. It decided to reduce the weekly bond purchases to £3.4 billion from £4.4 billion
- Asian equities ended mixed. Japan's Nikkei index rose nearly 2% in the holiday shortened week due to gains in cyclical and technology stocks
- Hong Kong's Hang Seng index fell slightly as gains in energy stocks were outweighed by persisting US-China tensions and sell-off in consumer discretionary and technology stocks
- China's Shanghai Composite fell around 1% on worries about the Sino-US tensions
- China's Caixin/Markit manufacturing PMI rose to 51.9 in April from 50.6 in March, while services PMI rose to 56.3 from 54.3. Composite PMI rose to 54.7 from 53.1

### 2. Commodity

- Crude oil prices rose in this week as upbeat Chinese economic data, US vaccination rates and easing of lockdowns by many US states hinted at strong fuel demand from the two largest economies.
- Indian gold and silver prices remained unchanged as physical markets were closed.

## C. News summary

### 1. Domestic

- Goods and Services Tax (GST) collections for April came in at a new record of Rs 1.41 lakh cr, 14% higher than the previous month's collection of Rs 1.24 lakh cr.
- India's exports in April rose a record 197.03% to \$30.21 bn while imports rose 165.99% to \$45.45 bn, widening trade deficit to \$15.24 bn during the month.
- S&P Global slashed India's GDP growth forecast to 9.8% for fiscal 2022 owing to concerns of economic disruptions due to the second wave of COVID-19.
- India and the UK rolled out a 10-year roadmap to boost cooperation in key areas, including defence, security and healthcare, and announced an enhanced trade partnership.
- Government released revenue deficit grant of Rs 9871 cr to 17 states for fiscal 2022.
- RBI announced a series of measures to help financial services industry amid the second wave of COVID-19, including announcement of Rs 50000 cr emergency liquidity support to boost health infrastructure and additional loan restructuring schemes.
- SEBI said updation of mutual fund scheme related documents for the half-year ended March 2021 can be completed by May 31 amid the ongoing coronavirus pandemic.
- The Association of Mutual Funds in India (AMFI) slashed the ARN (AMFI Registration Number) registration and renewal fees for most distributor types by 50%. The new rates came into effect from May 1, 2021.

### 2. International

- US non-farm payroll employment rose by 266,000 jobs in April after surging by a downwardly revised 770,000 jobs in March; the unemployment rate inched up to 6.1% in April from 6% in March.
- US ADP said private sector employment rose by 742,000 in April from March's upwardly revised 565,000.
- US personal income soared by 21.1% in March after plunging by a revised 7% in February; personal spending rose by 4.2% in March following a 1% decrease in February.
- The BoE forecast the UK economy to grow sharply by 7.25% in 2021 instead of 5% estimated in February. But, the outlook for 2022 was lowered to 5.75% from 7.25%, while that for 2023 was retained at 1.25%.
- Eurozone inflation rose to 1.6% in April from 1.3% in March.

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## D. Week ahead

| Day                     | Events   |
|-------------------------|--|
| Monday, May 10, 2021    | <ul style="list-style-type: none"> <li>• Euro Zone Sentix Investor Confidence Index, May 2021</li> <li>• China New Yuan Loans, April 2021</li> </ul>   |
| Tuesday, May 11, 2021   | <ul style="list-style-type: none"> <li>• Eurozone Economic Sentiment Index, May 2021</li> <li>• China Consumer Prices, April 2021</li> <li>• China Producer Prices, April 2021</li> </ul>  |
| Wednesday, May 12, 2021 | <ul style="list-style-type: none"> <li>• US Consumer Prices, April 2021</li> <li>• US Treasury Budget, April 2021</li> <li>• UK GDP, Q1 2021</li> <li>• UK Industrial Production, March 2021</li> <li>• UK Balance of Trade, March 2021</li> <li>• Eurozone Industrial Production, March 2021</li> <li>• Japan Leading / Coincident Index, March 2021</li> <li>• India Consumer Prices, April 2021</li> <li>• India Industrial Production, March 2021</li> </ul> |
| Thursday, May 13, 2021  | <ul style="list-style-type: none"> <li>• US Producer Prices, April 2021</li> <li>• Japan Current Account Balance, March 2021</li> <li>• Japan Eco-Watchers Survey, April 2021</li> </ul>   |
| Friday, May 14, 2021    | <ul style="list-style-type: none"> <li>• US Retail Sales, April 2021</li> <li>• US Industrial Production, April 2021</li> <li>• US Import / Export Prices, April 2021</li> <li>• US Business Inventories, March 2021</li> <li>• US University of Michigan Consumer Sentiment Index, May 2021</li> <li>• India Wholesale Inflation, April 2021</li> </ul>   |



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