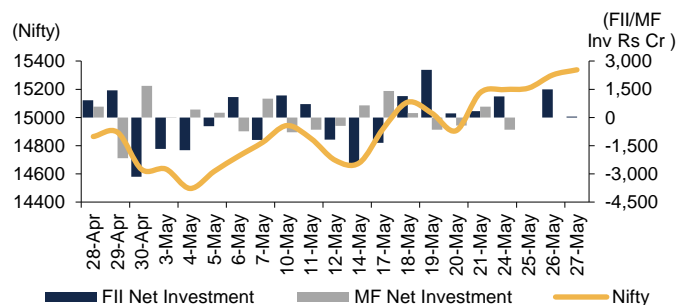


Indian equity benchmark indices' returns

Broad Indices	May 28	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	51,423	1.75	4.73	59.70
Nifty 50	15,436	1.72	6.24	62.65
Nifty 500	13,117	1.54	7.68	69.64
S&P BSE 100	15,677	1.63	6.47	63.51
S&P BSE Midcap	21,662	0.82	8.42	86.39
S&P BSE Smallcap	23,479	1.51	16.49	118.01

FII and mutual fund investment vs. Nifty



Sectoral Indices	May 28	% chg week	% chg 3 Mth	% chg Year
S&P BSE Realty Index	2,645	3.69	-5.10	95.82
S&P BSE IT	27,627	3.38	13.12	94.49
S&P BSE Oil & Gas	16,251	2.84	4.55	42.00
S&P BSE CG	22,477	1.81	4.45	86.88
S&P BSE Auto	23,572	1.75	2.77	70.02
S&P BSE Bankex	39,863	1.47	2.26	81.02
S&P BSE CD	33,160	1.46	4.42	74.01
S&P BSE FMCG	12,996	0.41	8.60	22.70
S&P BSE Healthcare	24,417	-0.23	17.08	59.62
S&P BSE Metal	18,461	-0.97	34.57	175.90
S&P BSE Power	2,783	-1.50	15.05	89.32

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	May 28	Previous Week	1 month ago
Call Rate	3.35%	3.00%	3.00%
10 Yr G-Sec [^]	6.00%	5.97%	6.06%

[^]5.85% 2030 paper [^]Weighted Average Yield

Currencies vs INR

Currency	May 28	Week ago	3 months ago	1 year ago
USD	72.44	72.83	73.47	75.75
GBP	102.75	103.53	101.83	92.79
Euro	88.29	89.06	88.76	83.30
Yen*	65.93	67.00	68.89	70.32

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equities recorded gains for the second consecutive week. S&P BSE Sensex and Nifty 50 rose nearly 2% each
- Market was primarily buoyed by falling number of daily Covid-19 cases in the country as well as some positive global cues
- Buying interest was seen in realty, information technology (IT) and oil & gas stocks.
- Shares of Grasim Industries emerged the top gainer on the Nifty 50, rising 6.8% on week to settle at Rs 1465.45 per share following announcement of its March 2021 quarter earnings.
- However, further gains were capped as investors exercised caution on Federal Reserve's tone regarding bond buying program post the improved US economic data.
- Sell-off was witnessed in power, metal and healthcare stocks.
- Shares of NPTC emerged the biggest laggard on the Nifty 50, declining 3.5% on week to settle at Rs 108.95 per share weighed by weak investor sentiment for the power sector.

2. Debt

- Government bond prices ended lower after moving in a narrow range amid a lack of strong triggers in the truncated trading week
- The yield of the 10-year benchmark 5.85% 2030 paper settled at 6.00% on May 28 compared to 5.98% on May 21
- Concerns that the Centre may raise its market borrowing to bridge a shortfall in compensation to states put bond prices under pressure
- Market players also trimmed positions ahead of the weekly debt sale
- In the gilt auction on May 28, the RBI sold the 4.26% 2023 paper, the 6.76% 2061 paper, and the 5.85% 2030 paper for a total notified amount of Rs 26,000 crore
- The 10-year benchmark was partially devolved on primary dealerships, resulting in some yield hardening in the last session

3. Forex

- The rupee ended higher against the US dollar on heightened expectation that the US Federal Reserve may delay tapering of its bond purchases
- Intermittent decline in the US dollar index further aided sentiment
- Sporadic rise in Indian equities and sharp gains registered by the Chinese yuan also benefitted the rupee
- The rupee advanced further tracking gains in other Asian units following the release of a weekly jobless claims report and the latest gross domestic product (GDP) data in the US
- Importers' dollar bids at various levels and expectation that the RBI may intervene to curb significant rupee appreciation put some pressure on the exchange rate

International equity benchmark indices' returns

Indices	May 28	% chg week	% chg 3 Mth	% chg Year
DJIA*	34,465	0.75	11.42	34.90
Nasdaq Composite*	13,736	1.97	4.12	45.94
FTSE 100*	7,020	0.02	8.27	14.25
Nikkei 225	29,149	2.94	0.63	33.00
Straits Times	3,179	1.94	7.78	26.37
Hang Seng	29,124	2.34	0.50	25.90
Shanghai Comp	3,601	3.28	2.61	26.51

*As of May 27

International debt market indicators

Indicators	May 28	May 21
US 10-Year*	1.61	1.63
UK 10-Year*	0.81	0.83
German 10-Year*	-0.17	-0.13
Japan 10-Year	0.08	0.08
3-M USD Libor*	0.13%	0.15%
6-M USD Libor*	0.17%	0.18%
1-Y USD Libor*	0.25%	0.26%

*As of May 27

Commodities

Commodity	May 28	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	69.46	4.55	12.94	99.94
Indian gold (Rs per 10 gm)	48654.00	0.21	4.80	4.56
Indian Silver (Rs per Kg)	70500.00	-1.05	2.84	44.58

*As of May 27

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Most of the global equities ended on a positive note following the improved US economic data and easing worries about inflation.
- The US stocks ended higher after better-than-expected labour market and economic growth data bolstered economic recovery expectations.
- The US GDP rose 6.4% in the first quarter of 2021, unchanged from the previous estimate, but higher than the 4.3% growth seen in the last quarter of 2020.
- The US initial jobless claims slid to 406,000 for the week ended May 22, a decrease of 38,000 from the previous week's unrevised level of 444,000.
- Markets rose further after the Centers for Disease Control and Prevention said half of the country's adults are now fully vaccinated against Covid-19.
- More gains were added on the news that the US President Joe Biden will propose \$6 trillion in the US budget for fiscal 2022, which will rise to \$8.2 trillion by 2031.
- Britain's FTSE ended flat this week as gains on the back of encouraging domestic retail sales data was offset by concerns on spread of Indian coronavirus variant across the country.
- The UK retail sales expanded 9.2% month-on-month in April, faster than the 5.1% increase in March.
- Other European equities ended on a mixed note as investors continued to watch inflation-related developments closely. France's CAC 40 gained 0.77% while Germany's Dax fell 0.2%.
- Asian equities ended in the green this week. Japan's Nikkei (up nearly 3%) posted its best weekly gains in two weeks tracking positive global cues.
- However, gains were trimmed on rising concerns about domestic economic growth due to possible extension of emergency measures to curb the spread of Covid-19 infections.
- Japan's leading index grew to 102.5 in March from 98.9 in February.
- China's Shanghai Composite (up 3.3%) and Hong Kong's Hang Seng (up 2.3%) marked their best weekly gains in three months on tracking better-than-expected US labour data and as inflation and policy tightening worries receded.
- China's industrial profits were up 57% on-year in April, slower than the 92.3% expansion seen in March.

2. Commodity

- Crude oil prices rose in this week mainly due to upbeat US economic data, fall in US crude inventories along with rising demand from Northern Hemisphere, and as a potential difficulty was faced in bringing back the 2015 Iran nuclear deal.
- Gold prices rose this week due to uptick in the global metal prices on weak US dollar index and safe haven demand ahead of US policy meeting and inflation data.
- Indian silver prices fell in this week due to continued appreciation in rupee.

C. News summary

1. Domestic

- The commerce and industry ministry said FDI equity inflows rose 19% to \$59.64 bn during 2020-21 due to the government measures in terms of policy reforms, investment facilitation and ease of doing business.
- The GST Committee decided that the Centre will borrow Rs 1.58 lakh crore in 2021-22 and pass it on to the states to make up for the shortfall in their revenues from the implementation of the GST.
- An RBI study has advocated a mix of fiscal and monetary policies to mitigate economic downturn, saying demand side channel needs to be complemented with a conducive monetary transmission mechanism from the supply side.
- Government extended several income tax related deadlines including those for filing income tax return for fiscal 2021, issuing Form 16 and others.
- Finance Ministry said banks and financial institutions have sanctioned about Rs 15 lakh cr to over 28 cr beneficiaries under the Mudra scheme in the last six years.
- According to RBI's annual report, the central bank's balance sheet grew 6.99% to Rs 57.07 lakh cr for the financial year ended March 31, 2021.
- According to RBI's annual report, demand for cash surged in the economy due to Covid-19 pandemic; the value and volume of banknotes in circulation increased by 16.8% and 7.2% respectively during 2020-21.
- SEBI doubled the overseas investment limit of alternative investment funds and venture capital funds to \$1.5 bn.
- The Competition Commission of India (CCI) gave approval to a proposal relating to intra-group reorganization of the Motherson Group under the green channel route.

2. International

- US gross domestic product (GDP) rose by 6.4% in the first quarter of 2021, unchanged from the previous estimate, and higher than the 4.3% growth seen in the last quarter of 2020.
- Eurozone manufacturing PMI was 62.8 in May compared to 62.9 in April while services PMI was 55.1 in May compared to 50.5 in April. The composite PMI was 56.9 in May compared to 53.8 in April.
- UK manufacturing PMI was 66.1 in May compared to 60.9 in April while services PMI was 61.8 in May compared to 61.0 in April. The composite PMI was 62.0 in May compared to 60.7 in April.
- China's industrial profits were up 57% on-year in April, slower than the 92.3% expansion seen in March.

Disclaimer - Produced by SBM Bank India Limited based on information available at the time of publishing. We believe that the information in this report is correct and any opinion, conclusions or recommendations are reasonably held or made as at the time of its compilation, but no warranty is made as to accuracy, reliability or completeness. SBM Bank India Limited does not accept liability to any person for loss or damage arising from the use of this report. The report has been prepared without taking into account of the objectives, financial situation or needs of any particular individual or financial institution or corporate. For this reason any individual or financial institution or corporate should before action on the information in this report, consider the appropriateness of the information having regard to the individual's objectives, financial situation and needs and if necessary seek appropriate professional advice.

D. Week ahead

Day	Events
Monday, May 31, 2021	<ul style="list-style-type: none"> • China Caixin Manufacturing PMI, May 2021 • Japan Jibun Bank Manufacturing PMI, May 2021 • India GDP, Q4 FY21 • India Core Sector Growth, April 2021 • India Fiscal Deficit April – March 2021
Tuesday, June 1, 2021	<ul style="list-style-type: none"> • US ISM Manufacturing Index, May 2021 • US Markit Manufacturing PMI, May 2021 • US Construction Spending, April 2021 • Eurozone Markit Manufacturing PMI, May 2021 • Eurozone Consumer Price Index, May 2021 • UK Markit/CIPS Manufacturing PMI, May 2021 • India Markit Manufacturing PMI, May 2021
Wednesday, June 2, 2021	<ul style="list-style-type: none"> • Eurozone Producer Price Index, April 2021
Thursday, June 3, 2021	<ul style="list-style-type: none"> • US ADP Employment Report, May 2021 • US ISM Non-Manufacturing PMI, May 2021 • US Markit Services & Composite PMI, May 2021 • US Non-farm Productivity, Q1 2021
Friday, June 4, 2021	<ul style="list-style-type: none"> • US Non-farm Payrolls & Unemployment Rate, May 2021 • US Factory Orders, April 2021 • Eurozone Retail Sales, April 2021 • UK Construction PMI, May 2021 • RBI Interest Rate Decision



**ATTRACTIVE INTEREST RATES ON OUR
TERM DEPOSITS**

[Know More](#)