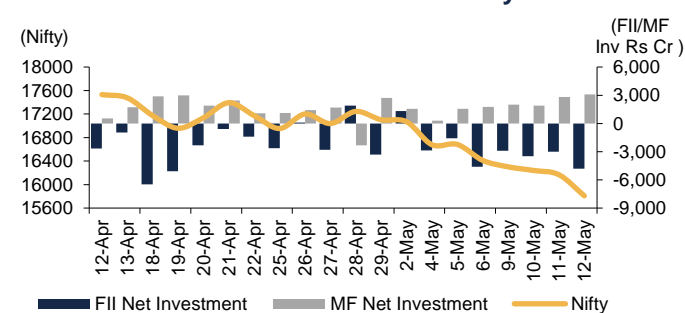


Indian equity benchmark indices' returns

| Broad Indices | May 13 | % chg week | % chg 3 Mth | % chg Year |
|------------------|--------|------------|-------------|------------|
| S&P BSE Sensex | 52,794 | -3.72 | -9.22 | 8.43 |
| Nifty 50 | 15,782 | -3.83 | -9.17 | 7.39 |
| Nifty 500 | 13,472 | -4.77 | -9.53 | 7.45 |
| S&P BSE 100 | 16,104 | -4.44 | -8.70 | 7.60 |
| S&P BSE Midcap | 21,816 | -5.68 | -10.04 | 5.16 |
| S&P BSE Smallcap | 25,316 | -6.56 | -11.77 | 12.68 |

FII and mutual fund investment vs. Nifty



| Sectoral Indices | May 13 | % chg week | % chg 3 Mth | % chg Year |
|----------------------|--------|------------|-------------|------------|
| S&P BSE Auto | 23,748 | -0.89 | -9.07 | 5.61 |
| S&P BSE FMCG | 13,482 | -1.71 | -0.18 | 5.86 |
| S&P BSE Healthcare | 22,318 | -2.61 | -8.39 | -8.47 |
| S&P BSE IT | 29,967 | -3.48 | -12.56 | 13.75 |
| S&P BSE Bankex | 38,241 | -4.11 | -13.26 | 3.64 |
| S&P BSE CG | 25,079 | -4.73 | -12.16 | 18.28 |
| S&P BSE Oil & Gas | 18,471 | -4.84 | 1.32 | 16.52 |
| S&P BSE CD | 36,710 | -5.78 | -13.02 | 16.51 |
| S&P BSE Realty Index | 3,058 | -5.79 | -16.56 | 23.78 |
| S&P BSE Power | 4,215 | -12.90 | 8.13 | 58.05 |
| S&P BSE Metal | 17,946 | -13.22 | -14.83 | -7.88 |

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

| Indicators | May 13 | Previous Week | 1 month ago |
|--------------------------|--------|---------------|-------------|
| Call Rate | 3.50% | 2.50% | 3.25% |
| 10 Yr G-Sec [^] | 7.31% | 7.45% | 7.23% |

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

Currencies vs INR

| Currency | May 13 | Week ago | 3 months ago | 1 year ago |
|------------------|--------|----------|--------------|------------|
| USD | 77.44 | 76.93 | 75.38 | 73.42 |
| GBP | 94.40 | 94.94 | 101.94 | 103.79 |
| Euro | 80.34 | 81.31 | 85.74 | 89.10 |
| Yen [*] | 60.10 | 58.99 | 64.89 | 67.51 |

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

Markets update

A. Domestic

1. Equity

- Indian equity indices posted losses for the fifth straight week on concerns that rising domestic and global inflation may prompt central banks to take a more aggressive monetary stance. S&P BSE Sensex and Nifty 50 dropped ~4% each
- Prospects of a slowdown in global economic growth, resurgence of Covid-19 cases in China, intermittent rise in oil prices, and weak domestic corporate earnings also aided the downside
- All sectors ended negative, with metal, power and realty declining the most. S&P BSE Metal, S&P BSE Power and S&P BSE Realty fell about 13.2%, 12.9% and 5.8%, respectively
- Shares of Bajaj Auto emerged the top gainer on the Nifty 50, up ~4% on week to settle at Rs 3642.1 per share on value buying
- Shares of Tata Steel emerged the top decliner on the Nifty 50, down ~15% on week to settle at Rs 1097 per share following its quarterly results

2. Debt

- Government bond prices rose in the week ended May 13. The yield of the 10-year benchmark 6.54% 2032 settled at 7.32% on May 13 compared with 7.45% on May 6
- Yields began the week on a higher note as the spike in inflation raised concerns of aggressive rate hikes. Retail inflation surged 7.79% on-year in April, up from 6.95% in March, owing to higher edible oil and fuel prices
- However, short covering by investors, and fall in United States (US) Treasury yields and crude prices cut short a further fall in bond prices
- Bond prices rose further on speculation that the RBI may step in to cap the rise in bond yields
- Meanwhile, in the weekly debt sale, the RBI auctioned 4.56% government security (GS) 2023, 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 slumped against the US dollar after soaring domestic inflation numbers heightened concerns that the RBI may turn more aggressive in its stance at its next policy meet
- Further, fears over a more hawkish tone by the US Federal Reserve after higher-than-expected US inflation data, fresh Ukraine-Russia crisis and China's stricter Covid-19 restrictions also pressurised the local currency
- Additionally, weak trend in the domestic equity market also dampened the rupee
- However, sharp losses in the local currency were restricted after the dollar index retreated from a 20-year high after crude prices cooled

International equity benchmark indices' returns

| Indices | May 13 | % chg week | % chg 3 Mth | % chg Year |
|-------------------|--------|------------|-------------|------------|
| DJIA* | 31,730 | -3.55 | -8.66 | -5.53 |
| Nasdaq Composite* | 11,371 | -6.37 | -17.55 | -12.74 |
| FTSE 100* | 7,233 | -2.09 | -5.58 | 3.27 |
| Nikkei 225 | 26,428 | -2.13 | -4.58 | -3.72 |
| Straits Times | 3,191 | -3.22 | -6.93 | 2.17 |
| Hang Seng | 19,899 | -0.52 | -20.11 | -28.21 |
| Shanghai Comp | 3,084 | 2.76 | -10.93 | -10.07 |

*As of May 12

International debt market indicators

| Indicators | May 13 | May 6 |
|-----------------|--------|-------|
| US 10-Year* | 2.82% | 3.12% |
| UK 10-Year* | 1.70% | 2.02% |
| German 10-Year* | 0.87% | 1.13% |
| Japan 10-Year | 0.24% | 0.24% |
| 3-M USD Libor* | 1.41% | 1.40% |
| 6-M USD Libor* | 1.96% | 1.96% |
| 1-Y USD Libor* | 2.63% | 2.69% |

*As of May 12

Commodities

| Commodity | May 13 | % chg week | % chg 3 Mth | % chg Year |
|----------------------------------|-----------|------------|-------------|------------|
| Brent Crude Oil (\$ per barrel)* | 107.45 | -4.40 | 13.78 | 56.75 |
| Indian gold (Rs per 10 gm) | 50,465.00 | -2.37 | 3.16 | 5.65 |
| Indian Silver (Rs per Kg) | 59,106.00 | -5.48 | -4.91 | -16.69 |

*As of May 12

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Most global equities ended lower on fears over an aggressive rate hike by the Fed
- US stocks plummeted this week after soaring inflation raised concerns that the Fed may turn more aggressive in its monetary policy at its next meet
- A sell-off in the technology stocks also added pressure to the markets
- US consumer price inflation rose 8.3% on-year in April compared with a 8.5% rise in March, while the producer price index rose 11% on-year in April compared with an 11.5% rise in March
- Britain's FTSE slumped 2.09% on concerns over a slowdown in economic growth after the Bank of England warned of recession due to a disappointing quarterly corporate earnings report
- Further, rising inflation numbers from the US also played spoilsport
- The British economy expanded 8.7% on-year in the first quarter of 2022, from 6.6% in the fourth quarter of 2021
- Asian equities ended lower. Japan's Nikkei dropped 2% as investors expected rising inflation to prompt global central banks to tighten their monetary policy stance
- The Ukraine-Russia crisis and concerns over slowdown in the Chinese economy also weighed on the benchmark
- Japan Jibun Bank's Japan Services PMI rose to 50.7 in April, compared with 49.4 in March, while the composite PMI was at 51.1 in April, compared to 50.3 in March
- Hong Kong's Hang Seng fell 0.52% after the city's central bank intervened in the currency market, which raised concerns over liquidity outflows
- However, sharp losses were prevented after a drop in Covid-19 cases in China.
- China's Shanghai Composite rallied nearly 3% this week as investors cheered signs of lower Covid-19 cases in the country and as US President Joe Biden decided to consider eliminating tariffs on Beijing
- However, further gains were restricted after higher US inflation data raised concerns over tighter monetary action by the Fed

2. Commodity

- Crude oil prices fell in this week Due to demand worries following rising global economic recession risks and continued Covid-19 lockdowns in China coupled with rising US supply
- Gold prices fell tracking similar trend in the global metal prices on strong dollar index, rising US treasury yield and US jobs data in focus
- Silver prices declined this week tracking similar trend in gold and industrial metals

C. News summary

1. Domestic

- The Index of Industrial Production rose 1.9% on-year in March, up from a revised 1.5% rise in February
- India's retail inflation surged 7.79% on-year in April, up from 6.95% in March, owing to higher edible oil and fuel prices
- According to Reserve Bank of India (RBI) data, India's outward foreign direct investment came in at \$3.39 billion in April, compared with \$6.71 billion a year ago
- The government released Rs 7,183 crore as revenue deficit grant to 14 states
- The government made mentioning PAN or Aadhaar mandatory if cash deposits and withdrawals in a fiscal exceed Rs 20 lakh and in case of opening of current account or cash credit account with a bank
- The government fixed the issue price of LIC's shares at Rs 949 apiece, helping it raise about Rs 20560 crore.
- The government finalised the guidelines for dealing with stressed public private partnership (PPP) projects at major ports
- RBI permitted banks to lend to non-banking financial companies (NBFCs) for on-lending to priority sectors on an on-going basis
- The Securities and Exchange Board of India (SEBI) formed an advisory committee for advising on environmental, social and governance-related matters pertaining to the securities markets
- SEBI issued a new norm to implement draft filing fees to be paid by infrastructure investment trusts (InvITs) for the initial offer and rights issue

2. International

- US consumer price inflation rose 8.3% on-year in April compared to 8.5% rise in March
- US producer price index rose 11% on-year in April compared to 11.5% rise in March
- UK economy expanded 8.7% on-year in the first quarter of 2022, from 6.6% in fourth quarter of 2021
- UK industrial production increased 0.7% on-year in March, from 2.1% gain in February
- China's consumer price inflation rose 2.1% on-year in April compared to 1.5% in March
- China witnessed trade surplus of \$51.12 billion in April, from \$47.38 billion in March
- Japan Eco Watchers Survey Outlook rose to 50.3 in April from 50.1 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 16, 2022 | <ul style="list-style-type: none"> • Eurozone Trade Balance, March 2022 • China Industrial Production, April 2022 • China Retail Sales, April 2022 • Japan Producer Price Index, April 2022 |
| Tuesday, May 17, 2022 | <ul style="list-style-type: none"> • US Retail Sales, April 2022 • US Industrial Production, April 2022 • Eurozone GDP, Q1 2022 • UK Unemployment Rate, March 2022 • Japan Industrial Production, March 2022 • Japan Merchandise Trade Balance, April 2022 • India WPI Inflation, April 2022 |
| Wednesday, May 18, 2022 | <ul style="list-style-type: none"> • US Housing Starts & Building Permits, April 2022 • Eurozone Inflation Rate, April 2022 • UK Inflation Rate, April 2022 • UK Producer Prices, April 2022 • Japan GDP, Q1 2022 • Japan Machinery Orders, March 2022 |
| Thursday, May 19, 2022 | <ul style="list-style-type: none"> • US Initial Jobless Claims, May 6, 2022 • US Existing Home Sales, April 2022 • Japan Trade Balance, April 2022 |
| Friday, May 20, 2022 | <ul style="list-style-type: none"> • UK Retail Sales, April 2022 • UK Gfk Consumer Confidence, May 2022 • Eurozone Consumer Confidence, May 2022 • UK Retail Sales, April 2022 • China PBoC Interest Rate Decision • Japan Inflation Rate, April 2022 |



**ATTRACTIVE INTEREST RATES ON OUR
TERM DEPOSITS**

[Know More](#)