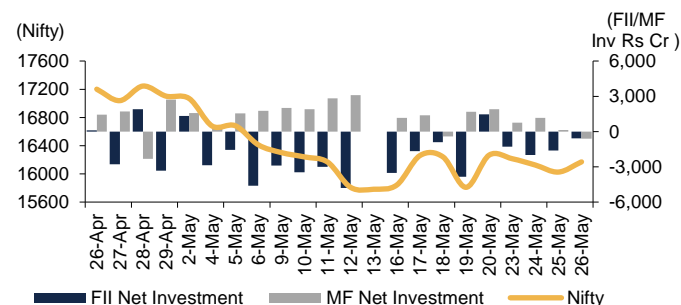


Indian equity benchmark indices' returns

Broad Indices	May 27	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	54,885	1.03	-1.74	7.37
Nifty 50	16,352	0.53	-1.84	6.62
Nifty 500	13,873	-0.16	-2.21	6.18
S&P BSE 100	16,638	0.30	-1.54	6.68
S&P BSE Midcap	22,518	0.05	-2.78	3.83
S&P BSE Smallcap	25,622	-2.77	-3.13	8.61

FII and mutual fund investment vs. Nifty



Sectoral Indices	May 27	% chg week	% chg 3 Mth	% chg Year
S&P BSE Bankex	41,196	3.95	-1.64	3.36
S&P BSE Auto	25,724	3.38	3.88	9.40
S&P BSE IT	29,122	-0.63	-12.16	5.13
S&P BSE CG	26,240	-0.68	-3.47	16.12
S&P BSE CD	36,677	-0.82	-13.16	9.75
S&P BSE FMCG	13,990	-1.00	8.22	7.66
S&P BSE Healthcare	22,472	-2.03	-3.22	-8.94
S&P BSE Power	4,284	-2.11	12.91	52.34
S&P BSE Realty Index	3,088	-3.23	-10.36	16.89
S&P BSE Oil & Gas	18,304	-3.67	8.33	13.96
S&P BSE Metal	17,666	-8.28	-10.36	-3.86

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	May 27	Previous Week	1 month ago
Call Rate	3.50%	3.30%	3.00%
10 Yr G-Sec*^	7.35%	7.36%	7.08%

*6.54% 2032 paper ^Weighted Average Yield

Currencies vs INR

Currency	May 27	Week ago	3 months ago	1 year ago
USD	77.57	77.54	75.29	72.59
GBP	97.94	96.76	101.21	102.49
Euro	83.28	81.98	84.57	88.50
Yen*	61.11	60.62	65.39	66.50

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices extended previous week's gains after the Centre cut excise duty on petrol and diesel. The S&P BSE Sensex and Nifty 50 rose 1% and 0.5%, respectively
- Further, sporadic positive global cues, including upbeat US retail earnings outlook and easing worries over aggressive rate hikes by the US Federal Reserve (Fed) aided the upside
- Banking and auto sectors rose the most. The S&P BSE Bankex and S&P BSE Auto advanced around 4.0% and 3.4%, respectively
- However, further gains were capped due to losses in metal stocks after the government hiked export duty on iron and steel intermediaries and owing to fears about global economic slowdown. The S&P BSE Metal fell 8.3%
- Shares of HDFC Life emerged the top gainer on the Nifty 50, up ~10% on week to settle at Rs 598.1 per share
- Shares of Divi's Labs emerged the top decliner on the Nifty 50, down ~18% on week to settle at Rs 3514.7 per share on worries pertaining to growth trajectory and valuations

2. Debt

- Government bond prices were little changed in the week ended May 27. The yield of the 10-year benchmark 6.54% 2032 settled at 7.35% on May 27 compared with 7.36% a week back
- The yields began the week on a higher note owing to concerns over the fiscal impact of the excise duty cut on petrol and diesel by the government and a spike in global crude oil price, which raised chances of rate hikes in the coming months
- Any further rise in the yield was, however, halted by waning fears of additional government borrowing and positive global cues, including pullback in US Treasury yields amid worries about the global economy
- In the weekly debt sale held on May 27, the RBI auctioned 4.56% GS (government security) 2023 (partially devolved on primary dealers), 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 ended lower against the US dollar due to a rise in global crude oil price and persistent foreign fund outflows
- Intermittent strength in the dollar index also kept the local unit under pressure
- However, positive domestic equities and sporadic dollar sales by banks prevented any further decline in the local currency

International equity benchmark indices' returns

Indices	May 27	% chg week	% chg 3 Mth	% chg Year
DJIA*	32,637	4.40	-4.17	-4.91
Nasdaq Composite*	11,741	3.40	-14.27	-14.54
FTSE 100*	7,565	2.37	1.01	7.66
Nikkei 225	26,782	0.16	1.15	-6.19
Straits Times	3,231	-0.31	-1.94	2.08
Hang Seng	20,697	-0.10	-9.09	-28.91
Shanghai Comp	3,130	-0.52	-9.31	-13.26

*As of May 26

International debt market indicators

Indicators	May 27	May 20
US 10-Year*	2.76%	2.79%
UK 10-Year*	1.99%	1.89%
German 10-Year*	1.00%	0.94%
Japan 10-Year	0.22%	0.23%
3-M USD Libor*	1.57%	1.51%
6-M USD Libor*	2.08%	2.07%
1-Y USD Libor*	2.68%	2.73%

*As of May 26

Commodities

Commodity	May 27	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	117.40	4.31	19.88	70.47
Indian gold (Rs per 10 gm)	51,204.00	0.35	1.06	4.90
Indian Silver (Rs per Kg)	62,538.00	0.86	-4.04	-11.48

*As of May 26

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Global equities ended mixed amid region-specific cues.
- US stocks surged this week on hopes of strong earnings outlooks and easing concerns over aggressive rate hikes by the Fed to tame high inflation
- Buying in banking and technology stocks brought in more gains into the market
- Britain's FTSE rose 2.4% due to gains in banking and commodity stocks
- Upbeat domestic retail sales data and a cut in key lending rate by the China also buoyed the market
- Asian equities ended mixed. Japan's Nikkei rose 0.2% tracking positive trend in US markets, and as tourism-linked stocks rallied after Prime Minister Fumio Kishida said the country will resume accepting foreign travellers from June 10
- However, some gains were trimmed owing to losses in chip-related stocks and on concerns over rising global inflation and interest rates
- Japan Jibun Bank manufacturing PMI fell to 53.2 in May, from 53.5 in April, while services PMI rose to 51.7 from 50.7. The composite PMI, meanwhile, increased to 51.4 from 51.1
- The fall in Hong Kong's Hang Seng Index was marginal in the week as losses on worries about economic slowdown in China amid Covid-19 restrictions were cut short by hopes of improvement in US-China ties
- China's Shanghai Composite Index fell 0.5% on concerns over slowing economic growth in the Covid-hit economy
- However, some losses were recouped on hopes of improvement in Sino-US ties

2. Commodity

- Crude oil prices rose in this week on supply worries following a planned European Union ban on Russian oil and as easing Covid-19 lockdowns in China sparked demand hopes
- Gold prices advanced this week tracking similar trend in the global metal prices and intermittent weakness in the dollar index
- Silver prices rose this week tracking similar trend in gold and industrial metals

C. News summary

1. Domestic

- The Reserve Bank of India's (RBI) balance sheet expanded 8.46% in fiscal 2022 on the back of liquidity and foreign exchange operations, its annual report for the fiscal showed
- Data from the commerce and industry ministry said India recorded the "highest ever" annual foreign direct investment (FDI) inflow of \$83.57 billion in fiscal 2022, up 1.95% on-year
- Prime Minister Narendra Modi said India is the fastest growing economy among the G-20 nations.
- The government cut central excise duty on petrol by Rs 8 per litre and on diesel by Rs 6 per litre
- The Cabinet approved the sale of the residual 29.5% stake in Hindustan Zinc, which could fetch about Rs 38,000 crore to the Centre
- PM Modi rolled out mega projects worth Rs 31,400 crore in Chennai
- The RBI formed a committee to evaluate the efficacy, adequacy and quality of customer service in banks, NBFCs, and other entities regulated by it
- The central bank revised the ceiling on loans to individuals for carrying out repairs/additions/alterations of their homes to Rs 10 lakh in metros from Rs 5 lakh and Rs 6 lakh in rural to and semi-urban areas from Rs 2 lakh earlier
- It relaxed norms for non-bank entities to set up Bharat Bill Payment operating units by decreasing the net-worth requirement to Rs 25 crore from Rs 100 crore, to encourage entry of more players into the segment
- The Securities and Exchange Board of India (SEBI) permitted fund houses to roll out passive equity linked saving schemes
- It introduced a series of measures to improve liquidity in passive funds and to make them more transparent to increase retail investor participation

2. International

- US GDP contracted at a 1.5% annual pace in the first quarter of 2022, a slight downward revision from the first estimate of 1.4% contraction and compared to 6.9% growth in the fourth quarter of 2021
- Eurozone manufacturing PMI came in at 54.4 in May from 55.5 in April, while the services PMI fell to 56.3 in May from 57.7 in April. The composite PMI fell to 54.9 in May from 55.8 in April
- UK retail sales fell 4.9% on-year in April compared to an upwardly revised 1.3% rise in March
- China's industrial profits rose 3.5% on-year to 26.58 trillion yuan in April, from 8.5% rise in March

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D. Week ahead

Day	Events
Monday, May 30, 2022	<ul style="list-style-type: none"> • Eurozone Consumer/Economic & Services Sentiment, May 2022
Tuesday, May 31, 2022	<ul style="list-style-type: none"> • US Consumer Confidence, May 2022 • Eurozone Inflation Rate, May 2022 • China NBS Manufacturing PMI, May 2022 • Japan Industrial Production, April 2022 • India GDP, Q1 2022 • India Infrastructure Output, April 2022
Wednesday, Jun 1, 2022	<ul style="list-style-type: none"> • US ISM Manufacturing PMI, May 2022 • Eurozone Manufacturing PMI, May 2022 • UK Manufacturing PMI, May 2022 • China Caixin Manufacturing PMI, May 2022 • Japan Manufacturing PMI, May 2022 • India Manufacturing PMI, May 2022
Thursday, Jun 2, 2022	<ul style="list-style-type: none"> • US ADP Employment Change, May 2022 • US Initial Jobless Claims, May 27, 2022 • US Factory Orders, April 2022 • Eurozone Producer Inflation, April 2022
Friday, Jun 3, 2022	<ul style="list-style-type: none"> • US Non-Farm Payrolls & Unemployment Rate, May 2022 • US ISM Non-manufacturing PMI, May 2022 • Eurozone Services/Composite PMI, May 2022 • Eurozone Retail Sales, April 2022 • India Services/Composite PMI, May 2022



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