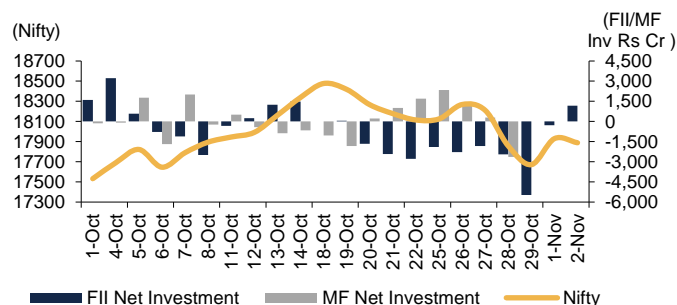


Indian equity benchmark indices' returns

Broad Indices	Nov 3	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	59,772	0.78	11.05	48.46
Nifty 50	17,829	0.89	10.53	50.92
Nifty 500	15,283	1.30	9.64	57.61
S&P BSE 100	18,113	1.07	9.93	52.36
S&P BSE Midcap	25,803	2.08	10.39	71.78
S&P BSE Smallcap	28,513	1.89	5.08	92.21

FII and mutual fund investment vs. Nifty



Sectoral Indices	Nov 3	% chg week	% chg 3 Mth	% chg Year
S&P BSE Realty Index	4,352	9.20	30.17	139.93
S&P BSE CG	27,829	4.33	15.72	93.76
S&P BSE Power	3,426	2.65	29.56	96.65
S&P BSE IT	34,242	2.24	8.40	63.92
S&P BSE Metal	20,462	2.22	-2.62	144.77
S&P BSE CD	44,012	1.83	18.38	81.07
S&P BSE Auto	25,542	0.80	10.36	44.04
S&P BSE Oil & Gas	18,275	0.73	15.27	54.82
S&P BSE Bankex	44,937	0.64	12.42	52.60
S&P BSE Healthcare	25,178	0.58	-5.09	30.16
S&P BSE FMCG	14,051	0.34	2.19	28.40

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Nov 3	Previous Week	1 month ago
Call Rate	3.25%	3.25%	3.00%
10 Yr G-Sec*^	6.36%	6.39%	6.24%

*6.10% 2031 paper ^Weighted Average Yield

Currencies vs INR

Currency	Nov 3	Week ago	3 months ago	1 year ago
USD	74.45	74.87	74.28	74.40
GBP	101.50	103.27	103.37	96.25
Euro	86.27	87.28	88.28	86.78
Yen*	65.39	65.85	68.07	71.11

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equities snapped the two-week negative trend on optimism over strong quarterly earnings and encouraging domestic economic data. S&P BSE Sensex and Nifty 50 rose around 1% each.
- Investors cheered after Goods and Services Tax (GST) collection surged to Rs 1.3 lakh crore in October 2021, the second highest since GST was rolled out in 2017, and as data from IHS Markit showed India's manufacturing activity grew 55.9 in October after rising 53.7 in September.
- All sectoral counters witnessed strong buying. Realty, capital goods and power gained the most.
- Shares of L&T gained 7% on week to settle at Rs 1889.5 per share on the Nifty 50, on expectation of strong orders inflows after the management indicated that the tender pipeline remained strong at Rs 6.83 lakh crore, largely from infra and Hydrocarbon.
- However, the market witnessed some pressure as investors turned cautious ahead of the US Federal Reserve (Fed) policy meet to gauge cues over stimulus and interest rates.
- Shares of Mahindra & Mahindra emerged the biggest laggard on the Nifty 50, declining 4% on week to settle at Rs 849 per share. The automaker had reported a year-on-year decline in vehicle sales in October.

2. Debt

- Government bond prices ended higher in the festival-shortened trading week. The yield of the 10-year benchmark paper settled at 6.36% on November 3 compared with 6.39% on October 29.
- Bond prices moved in a tight range through most of the week in the absence of strong cues.
- The absence of a bond auction during the week provided support to prices.
- Comfortable liquidity conditions with the RBI holding more reverse repo auctions to provide participants with opportunities to park idle cash, also boosted interest in debt.
- Market players remained on the sidelines in the last session of the week awaiting the outcome of the US Fed's policy meeting.

3. Forex

- The rupee ended higher against the US dollar on the back of foreign banks' dollar sales and aided by foreign fund inflows into the local financial market for initial public offerings.
- Broad strength in the US dollar earlier in the week put the rupee and other Asian units under some pressure.
- The US dollar index rose after data showed that the US Personal Consumption Expenditure (PCE) Price Index, excluding the volatile food and energy components, had gained 0.2% in September after a 0.3% rise in August. In the 12 months through September, the core PCE Price Index advanced 3.6% after a similar gain in August.
- Data supported the view that the US central bank would begin hiking interest rates around the middle of 2022.

International equity benchmark indices' returns

Indices	Nov 3	% chg week	% chg 3 Mth	% chg Year
DJIA*	36,053	0.65	3.49	33.90
Nasdaq Composite*	15,650	0.98	6.60	42.82
FTSE 100*	7,275	0.51	2.73	28.64
Nikkei 225*	29,521	2.17	6.26	26.72
Straits Times	3,220	0.67	2.24	28.93
Hang Seng	25,025	-1.39	-4.47	0.34
Shanghai Comp	3,499	-1.38	1.47	6.95

*As of Nov 2

International debt market indicators

Indicators	Nov 2	Oct 29
US 10-Year	1.55	1.56
UK 10-Year	1.04	1.04
German 10-Year	-0.16	-0.11
Japan 10-Year	0.07	0.10
3-M USD Libor	0.15%	0.13%
6-M USD Libor	0.22%	0.20%
1-Y USD Libor	0.36%	0.36%

Commodities

Commodity	Nov 3	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	84.72	0.40	16.23	117.40
Indian gold (Rs per 10 gm)	47,538.00	-0.91	-1.00	-6.91
Indian Silver (Rs per Kg)	63,175.00	-2.07	-6.76	1.61

* As of Nov 2

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Most global equities ended higher on tracking region-specific cues.
- US stocks closed higher this week because of strong corporate earnings.
- US Institute of Supply Management (ISM) Manufacturing Index slipped to 60.8 in October from 61.1 in September.
- US personal income fell 1% in September after inching up 0.2% in August; spending rose 0.6% in September after rising by an upwardly revised 1% in August.
- However, sharp gains in the markets were capped as investors turned wary ahead of the Fed meeting outcome on November 3 and non-farm payrolls data.
- Britain's FTSE ended about 0.51% higher on heavy buying interest in the banking shares and weak pound.
- UK IHS Markit/CIPS Purchasing Managers Index (PMI) was 57.8 in October, up from 57.1 in September.
- However, gains were pared due to concerns about potential interest rate hikes and sell-off in mining firms.
- Asian equities ended on a mixed note. Japan's Nikkei rallied 2% on hopes of a stable government and more fiscal stimulus after Prime Minister Fumio Kishida's victory in the parliamentary election.
- However, investors' caution ahead of the Fed meet to take cues over stimulus tapering and rate hike prevented further rise in the market.
- Japan's Jibun Bank manufacturing PMI in October rose to 53.2 from 51.5 in September.
- Hong Kong's Hang Seng declined 1.4% as investor sentiment dampened over fresh Covid-19 cases in China and wariness ahead of the Fed policy outcome.
- China's Shanghai Composite slumped 1.4% due to economic growth concerns after Premier Li Keqiang warned of downward pressure in the country and as new Covid-19 cases spiked to a near three-month high.
- China's official manufacturing PMI came in at 49.2 in October from 49.6 in September, while services PMI fell to 52.4 in October from September's 53.2.

2. Commodity

- Crude oil prices rose marginally in this week on expectations that OPEC+ would maintain production cuts and on strong demand outlook.
- Gold prices fell in this week tracking weak global metal prices on caution ahead of the Federal Reserve policy meet.
- Indian silver prices fell in this week on tracking weakness in gold and industrial metals.

C. News summary

1. Domestic

- Government's fiscal deficit worked out to be Rs 5.26 lakh crore or 35% of the budget estimates at the end of September 2021 compared to 114.8% of the estimates over the corresponding period of the previous fiscal.
- India's IHS Markit manufacturing Purchasing Managers' Index (PMI) came in at 55.9 in October, rising from 53.7 in September.
- India's retail inflation for industrial workers eased to 4.41% in September mainly due to lower prices of certain food items. The inflation growth rate was 4.79% in August.
- Finance Ministry came out with a uniform staff accountability framework for NPA accounts up to Rs 50 crore effective from April 1, 2022, for accounts turning NPAs beginning next fiscal. It also unveiled a four-tier structure for staff accountability in public sector banks (PSBs) in a move to allay fears of bank employees to extend loans.
- Finance Ministry revised guidelines on public procurement and project management which outline innovative rules for faster, efficient and transparent execution of projects.
- Prime Minister Narendra Modi set a five-pronged target for India and committed to a Net Zero emission target by 2070.
- RBI modified current account rules for bank exposures less than Rs 5 crore, allowing lenders to open current account, cash credit and overdraft facilities for borrowers without any restriction.
- RBI modified its prompt corrective action (PCA) framework to exclude the profitability parameter from its list of triggers.
- SEBI constituted an IT Projects Advisory Committee to advise the markets regulator on projects aimed to utilise advanced technologies.

2. International

- US' University of Michigan consumer sentiment index for October was upwardly revised to 71.7 from the preliminary reading of 71.4.
- US ISM manufacturing index edged down to 60.8 in October from 61.1 in September.
- Eurozone GDP grew 3.7% in the third quarter compared to downward revision of 14.2% growth in the second quarter.
- UK IHS Markit/CIPS PMI posted 57.8 in October, up from 57.1 in September.
- China's Caixin/Markit manufacturing PMI rose to 50.6 in October from 50.0 in September.
- Japan's Jibun Bank manufacturing PMI in October rose to 53.2 compared to 51.5 in September.

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D. Week ahead

Day	Events
Monday, Nov 8, 2021	<ul style="list-style-type: none"> • Eurozone Sentix Index, November 2021
Tuesday, Nov 9, 2021	<ul style="list-style-type: none"> • US Producer Prices, October 2021 • Eurozone ZEW Economic Sentiment Index, November 2021 • Japan Current Account Balance, September 2021 • Japan Eco-Watchers Survey, October 2021
Wednesday, Nov 10, 2021	<ul style="list-style-type: none"> • US Consumer Prices, October 2021 • Japan Tankan Index, November 2021 • China Consumer Prices, October 2021 • China Producer Prices, October 2021
Thursday, Nov 11, 2021	<ul style="list-style-type: none"> • UK GDP, Q3 2021 • UK Manufacturing Production, September 2021 • UK Industrial production, September 2021 • Japan Producer Prices, October 2021
Friday, Nov 12, 2021	<ul style="list-style-type: none"> • University of Michigan Consumer Sentiment Index, November 2021 • Eurozone Industrial Production, September 2021 • India Consumer Prices, October 2021 • India Industrial Production, September 2021



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