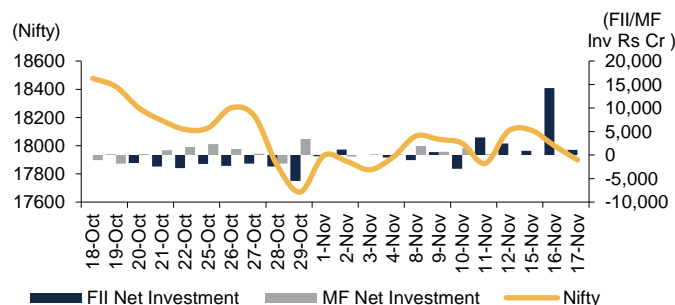


Indian equity benchmark indices' returns

| Broad Indices | Nov 18 | % chg week | % chg 3 Mth | % chg Year |
|------------------|--------|------------|-------------|------------|
| S&P BSE Sensex | 59,636 | -1.73 | 7.20 | 34.98 |
| Nifty 50 | 17,765 | -1.87 | 7.22 | 37.30 |
| Nifty 500 | 15,303 | -1.77 | 8.56 | 44.52 |
| S&P BSE 100 | 18,117 | -1.74 | 7.71 | 39.35 |
| S&P BSE Midcap | 25,919 | -1.71 | 12.10 | 58.58 |
| S&P BSE Smallcap | 28,798 | -1.49 | 9.76 | 79.39 |

FII and mutual fund investment vs. Nifty



| Sectoral Indices | Nov 18 | % chg week | % chg 3 Mth | % chg Year |
|----------------------|--------|------------|-------------|------------|
| S&P BSE Auto | 26,479 | 0.55 | 17.39 | 34.89 |
| S&P BSE Power | 3,559 | 0.14 | 31.36 | 86.05 |
| S&P BSE Healthcare | 25,186 | 0.11 | -3.87 | 27.93 |
| S&P BSE FMCG | 14,214 | -0.33 | 2.12 | 24.55 |
| S&P BSE IT | 35,111 | -0.68 | 4.59 | 63.99 |
| S&P BSE CD | 44,697 | -1.31 | 22.05 | 73.40 |
| S&P BSE Bankex | 43,324 | -2.06 | 7.09 | 26.88 |
| S&P BSE CG | 28,488 | -2.12 | 18.50 | 68.88 |
| S&P BSE Oil & Gas | 18,476 | -3.21 | 15.99 | 42.51 |
| S&P BSE Realty Index | 4,134 | -4.09 | 33.82 | 106.79 |
| S&P BSE Metal | 19,076 | -5.84 | -8.17 | 96.46 |

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

| Indicators | Nov 18 | Previous Week | 1 month ago |
|---------------|--------|---------------|-------------|
| Call Rate | 3.90% | 3.40% | 3.00% |
| 10 Yr G-Sec*^ | 6.34% | 6.36% | 6.39% |

*6.10% 2031 paper ^Weighted Average Yield

Currencies vs INR

| Currency | Nov 18 | Week ago | 3 months ago | 1 year ago |
|----------|--------|----------|--------------|------------|
| USD | 74.23 | 74.44 | 74.24 | 74.19 |
| GBP | 100.17 | 99.72 | 102.07 | 98.62 |
| Euro | 84.11 | 85.19 | 87.00 | 88.21 |
| Yen* | 65.03 | 65.28 | 67.72 | 71.43 |

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equities ended their two-week winning streak, tracking weak global cues in the form of rising inflation rates. S&P BSE Sensex and Nifty 50 lost about 2% each
- Inflation in the United States (US), Eurozone and the United Kingdom (UK) accelerated in October. This led to apprehension among investors that higher inflation may prompt central banks to hike rates sooner than expected
- There was a heavy selloff in metal, realty and oil & gas counters this week. S&P BSE Metal, S&P BSE Realty and S&P Oil & Gas dropped nearly 6%, 4% and 3%, respectively
- Shares of Coal India declined 8.1% on week to settle at Rs 153.4 per share as investor sentiment for the company remained muted following the announcement of the miner's September quarter earnings
- S&P BSE Auto gained 0.5%, while S&P BSE Power and S&P BSE Healthcare rose 0.1% each the most this week.
- Shares of Maruti Suzuki India emerged the top gainer on the Nifty 50, rising 8.5% on week to settle at Rs 8117.15 per share following market reports that the company has received the state government's approval for setting up a third passenger vehicle manufacturing plant in Haryana in Sonipat district

2. Debt

- Government bond prices ended 2 basis points lower on week. The yield of the 10-year benchmark paper settled at 6.35% on November 18 compared with 6.37% on November 12.
- The firm demand for dated securities seen in the current and previous week's gilt sales provided bonds with positive cues
- Intraweek, bonds gave up some gains, weighed by a rise in US benchmark treasury yields
- US treasury yields rose on concerns that a spike in US inflation may lead to an early increase in benchmark interest rates by the US Federal Reserve
- A dip in both US bond yields and crude prices provided support to local gilts towards the end of the week
- Global crude oil prices fell after OPEC and the International Energy Agency (IEA) warned of an impending oversupply, while the US 10-year bond yield dipped following the release of the latest US housing starts data

3. Forex

- The rupee rose against the US dollar on the back of lower crude oil prices and sporadic dollar sales by foreign banks
- The rupee also gained owing to intermittent advances by other Asian currencies. The Asian units benefitted from improved risk appetite following the release of Chinese industrial output and retail sales data
- Periodic dollar demand from importers and broad dollar strength following the release of upbeat US retail sales data put the rupee under some pressure

International equity benchmark indices' returns

| Indices | Nov 19 | % chg week | % chg 3 Mth | % chg Year |
|-------------------|--------|------------|-------------|------------|
| DJIA* | 35,871 | -0.64 | 2.60 | 21.85 |
| Nasdaq Composite* | 15,994 | 0.84 | 10.10 | 35.52 |
| FTSE 100* | 7,256 | -1.25 | 1.21 | 13.64 |
| Nikkei 225 | 29,746 | 0.46 | 9.03 | 16.04 |
| Straits Times | 3,232 | 0.12 | 4.71 | 16.40 |
| Hang Seng | 25,050 | -1.10 | -1.05 | -4.96 |
| Shanghai Comp | 3,560 | 0.60 | 2.74 | 5.87 |

*As of Nov 18

International debt market indicators

| Indicators | Nov 19 | Nov 12 |
|-----------------|--------|--------|
| US 10-Year* | 1.59 | 1.58 |
| UK 10-Year* | 0.92 | 0.91 |
| German 10-Year* | -0.28 | -0.26 |
| Japan 10-Year | 0.07 | 0.07 |
| 3-M USD Libor* | 0.16% | 0.16% |
| 6-M USD Libor* | 0.22% | 0.23% |
| 1-Y USD Libor* | 0.39% | 0.40% |

*As of Nov 18

Commodities

| Commodity | Nov 18 | % chg week | % chg 3 Mth | % chg Year |
|---------------------------------|-----------|------------|-------------|------------|
| Brent Crude Oil (\$ per barrel) | 81.24 | -1.13 | 19.07 | 83.22 |
| Indian gold (Rs per 10 gm) | 49,235.00 | 0.47 | 4.14 | -2.96 |
| Indian Silver (Rs per Kg) | 66,486.00 | 0.30 | 4.97 | 6.19 |

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Most global equities ended higher on region-specific cues.
- US stocks ended mixed, with the Dow Jones falling 0.64% while the Nasdaq gained nearly 1% this week
- Markets fell earlier as the high inflation rate and a resultant surge in yields spooked investors into fearing the Fed may soon hike interest rates
- US University of Michigan consumer sentiment index slid to 66.8 in November from a final reading of 71.7 in October
- The US New York Fed's general business conditions index rose to 30.9 in November from 19.8 in October
- However, losses were reversed, especially from the Nasdaq, owing to intermittent gains in technology stocks and as strong retail sales data boosted hopes of economic recovery
- US retail sales spiked by 1.7% in October after rising by an upwardly revised 0.8% in September
- Britain's FTSE lost 1.3% as a rise in domestic inflation raised concerns that the country's central bank may raise interest rates next month
- UK consumer price inflation advanced to 4.2% in October from 3.1% in September; output price inflation increased to 8% in October from 7% in September
- A sell-off in mining and energy stocks also weighed on the benchmark
- Asian equities ended on a mixed note. Japan's Nikkei rose 0.5% owing to buying interest in the chip-related, technology and auto stocks
- However, rising material prices and selloff in the cyclical and oil stocks chipped off some gains
- Hong Kong's Hang Seng ended lower by 1% due to a selloff in the technology and real estate firms and weak corporate earnings
- China's Shanghai Composite advanced 0.60% on expectations of some policy measures to support the struggling property sector, and positive signs in talks between the US and China
- China's retail sales grew 4.9% on-year in October compared to 4.4% rise in September
- However, some gains were capped on concerns of a slowdown in the economy amid some weak domestic corporate earnings

2. Commodity

- Crude oil prices fell in this week following warning by the OPEC and IEA about looming oversupply and worries that the rise in Covid-19 cases in Europe may impact global demand recovery.
- Gold price rose in this week tracking similar sentiments in the global metal prices on continued worries over inflationary pressure.
- Indian silver prices advanced in this week tracking a positive trend in gold and industrial metals.

C. News summary

1. Domestic

- India's wholesale inflation surged 12.54% on-year in October from 10.66% a month ago, owing to a rise in fuel and manufacturing prices.
- India's trade deficit fell to \$19.73 billion in October after expanding to a record high of \$22.59 billion in September. Merchandise exports grew for the eleventh straight month to \$35.65 billion, up 43% on-year during October while imports were at \$55.37 billion, up 62.5% on-year.
- PM Narendra Modi asked banks to support startups in the country and adopt a partnership model to help businesses thrive and move away from the idea of being a loan 'approver' to a loan 'applicant'. He also announced that the government will repeal the three contentious agricultural laws.
- Government will give Rs 95082 crore to states in November in two installments to push capital expenditure and aid growth.
- RBI clarified that lending institutions should reclassify a non-performing asset to "standard" asset only when the entire arrears of interest and principal are paid by the borrower.
- RBI introduced an internal Ombudsman mechanism for select Non-Banking Financial Companies (NBFCs).
- SEBI came out with investor charter for investors in securities market, aimed at protecting their interest.
- SEBI's Commodity Derivatives Advisory Committee approved a proposal to allow eligible foreign investment in listed futures contracts of 'non-sensitive commodities'.

2. International

- US retail sales rose by 1.7% in October after rising by an upwardly revised 0.8% in September.
- US industrial production rose by 1.6% in October after tumbling by 1.3% in September; capacity utilization in the industrial sector rose to 76.4% in October from 75.2% in September.
- Eurozone economic growth slowed to 3.7% on-year in Q3 from 14.2% in the preceding quarter.
- UK ILO unemployment rate was 4.3% for the September quarter compared to 4.5% over the three months ended August.
- China's industrial production rose 3.5% on-year in October from a 3.1% growth in September.
- Japan's GDP contracted 3% on an annualized basis in the third quarter of 2021, compared to a downwardly revised 1.5% expansion in the second quarter.

D. Week ahead

| Day | Events |
|-------------------------|---|
| Monday, Nov 22, 2021 | <ul style="list-style-type: none"> US Chicago Fed National Activity Index, October US Existing Home Sales, October Eurozone Consumer Confidence, November China Loan Prime Rate 1Y / 5Y |
| Tuesday, Nov 23, 2021 | <ul style="list-style-type: none"> US Manufacturing PMI, November US Services / Composite PMI, November Eurozone Manufacturing PMI, November Eurozone Services / Composite PMI, November UK Manufacturing PMI, November UK Services / Composite PMI, November Japan Manufacturing PMI, November |
| Wednesday, Nov 24, 2021 | <ul style="list-style-type: none"> US GDP, Q3 2021 US Personal Income & Spending, October US New Home Sales, October US Advance Goods Trade Balance, October US Durable Goods Orders, October University of Michigan Consumer Sentiment Index, November Japan Jibun Bank Services/ Composite PMI, November |
| Thursday, Nov 25, 2021 | <ul style="list-style-type: none"> Japan Leading Economic & Coincident Index, September |
| Friday, Nov 26, 2021 | <ul style="list-style-type: none"> UK Housing Prices, November |

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