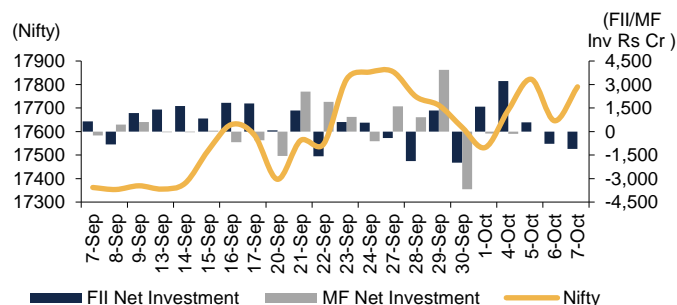


Indian equity benchmark indices' returns

Broad Indices	Oct 8	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	60,059	2.20	14.25	49.47
Nifty 50	17,895	2.07	13.78	51.21
Nifty 500	15,365	2.34	13.54	58.21
S&P BSE 100	18,170	2.05	13.31	52.43
S&P BSE Midcap	25,837	2.43	13.95	74.25
S&P BSE Smallcap	29,330	3.95	13.79	95.40

FII and mutual fund investment vs. Nifty



Sectoral Indices	Oct 8	% chg week	% chg 3 Mth	% chg Year
S&P BSE CD	43,941	5.39	22.96	78.89
S&P BSE IT	35,753	4.54	20.27	63.52
S&P BSE Auto	24,863	4.40	6.68	34.45
S&P BSE Oil & Gas	18,970	3.27	19.04	56.93
S&P BSE Power	3,291	2.69	21.87	101.85
S&P BSE Realty Index	4,140	2.48	45.44	139.66
S&P BSE CG	26,333	1.62	14.33	93.20
S&P BSE Bankex	43,004	1.17	7.75	63.69
S&P BSE Metal	20,316	0.05	9.34	147.25
S&P BSE Healthcare	26,198	-0.20	1.83	27.74
S&P BSE FMCG	14,719	-0.92	8.45	31.88

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Oct 8	Previous Week	1 month ago
Call Rate	3.40%	3.00%	3.40%
10 Yr G-Sec [^]	6.32%	6.24%	6.19%

[^]6.10% 2031 paper [^]Weighted Average Yield

Currencies vs INR

Currency	Oct 8	Week ago	3 months ago	1 year ago
USD	74.98	74.12	74.71	73.23
GBP	102.17	100.04	102.97	94.96
Euro	86.75	85.87	88.41	86.14
Yen [*]	67.14	66.72	68.01	69.12

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

Markets update

A. Domestic

1. Equity

- Indian equities reversed previous week's losses after the Reserve Bank of India (RBI) kept interest rates unchanged, retained current fiscal's gross domestic product (GDP) growth forecast at 9.5% and revised down retail inflation projection to 5.3% for the current fiscal. S&P BSE Sensex and Nifty 50 gained around 2% each this week.
- Expectations of better second quarter corporate earnings induced more buying.
- Market also rose tracking positive global cues, including a deal reached by US lawmakers to raise the debt ceiling, which eased concerns over a possible default by the government.
- Most of the sectors ended in green with consumer durables, information technology (IT) and auto rising the most. S&P BSE Consumer Durables, S&P BSE IT and S&P BSE Auto surged 5.3%, 4.5% and 4.4%, respectively.
- Shares of Tata Motors ended 14.9% higher on week on the Nifty 50, settling at Rs 382.95 per share on investor optimism about the company's business prospects.
- However, some gains were trimmed owing to a sell-off in fast moving consumer goods (FMCG) and healthcare counters. S&P FMCG and S&P BSE Healthcare fell 0.9% and 0.2%, respectively.
- Shares of Cipla emerged the biggest laggard on the Nifty 50, declining 7% on week to settle at Rs 917.1 per share weighed by weakness in healthcare counters.

2. Debt

- Government bond prices ended lower, weighed by the increase in crude oil prices and US benchmark treasury yields.
- The yield of the 10-year benchmark bond settled at 6.32% on October 8 compared to 6.24% on October 1.
- Crude oil prices rose amid worries over supply after the OPEC and its allies went ahead with an agreement to raise oil production only gradually.
- The risk of higher inflation has contributed to a rise in US benchmark treasury yields.
- Yields hardened further in the final session as the central bank said it will pause its debt purchases and announced a plan to withdraw more liquidity from the banking system.
- The weekly debt sale also added to the supply and put prices under more pressure.

3. Forex

- The rupee ended lower against the dollar, tracking intermittent losses in the Chinese yuan amid worries of a wider contagion effect of the China Evergrande Group's debt crisis.
- Higher crude oil prices raised concerns about the domestic inflation outlook and put the rupee under more pressure.
- Exporters' dollar sales and improvement in investor risk appetite after the US Senate voted to temporarily raise the nation's debt limit, helped the rupee recoup losses.

International equity benchmark indices' returns

Indices	Oct 8	% chg week	% chg 3 Mth	% chg Year
DJIA*	34,755	1.25	0.21	22.79
Nasdaq Composite*	14,654	0.60	-0.08	28.94
FTSE 100*	7,078	0.73	-1.02	19.03
Nikkei 225	28,049	-2.51	-0.25	18.61
Straits Times	3,113	2.02	0.17	22.40
Hang Seng	24,838	1.07	-8.53	2.66
Shanghai Comp	3,592	0.67	1.89	11.63

*As of Oct 7

International debt market indicators

Indicators	Oct 8	Oct 1
US 10-Year*	1.57	1.46
UK 10-Year*	1.08	1.00
German 10-Year*	-0.19	-0.23
Japan 10-Year	0.08	0.05
3-M USD Libor*	0.12%	0.13%
6-M USD Libor*	0.16%	0.16%
1-Y USD Libor*	0.24%	0.23%

*As of Oct 7

Commodities

Commodity	Oct 8	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	81.95	3.37	11.60	95.17
Indian gold (Rs per 10 gm)	46,980.00	1.18	-2.78	-6.38
Indian Silver (Rs per Kg)	61,080.00	2.52	-11.53	1.77

* As of Oct 7

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Global equities ended mostly higher on region-specific cues. US treasury prices declined on concerns over inflationary pressures and a tighter monetary policy.
- US stocks advanced after US lawmakers reached a deal to raise the debt ceiling, thereby easing concerns over a possible government default.
- Positive economic data, reports of a new oral Covid-19 treatment, and buying interest in technology stocks also provided support to the market.
- US ADP said private sector employment rose by 568,000 jobs in September after rising by a downwardly revised 340,000 jobs in August.
- US ISM manufacturing index rose to 61.1 in September from 59.9 in August, while services index rose to 61.9 in September from 61.7 in August.
- US personal spending rose by 0.2% in August after rising by 1.1% in July; personal income rose by 0.1% in August after rising by 1.1% in July.
- However, rising treasury yields, and renewed US-China trade concerns capped gains in the market.
- Britain's FTSE rose 0.7% on optimism over an economic recovery after improved economic data.
- Markets also gained on the back of buying in banking, energy, travel and mining stocks.
- Asian equities posted a mixed performance. Japan's Nikkei declined 2.5% due to concerns over higher interest rates, and lack of public confidence in the new government.
- Hong Kong's Hang Seng closed 1% higher tracking a similar trend in the global equities and gains in shares of technology firms and property developers.
- China's Shanghai Composite opened on October 8 after a week-long break and ended 0.7% higher following improved services activity data and easing US-China trade tensions.
- China Caixin services PMI rose to 53.4 in September from 46.7 in August.

2. Commodity

- Crude oil prices rose in this week after the OPEC+ oil producers agreed to stick to its existing plan of gradually increasing output, and on hopes that the US will not release emergency crude oil reserves.
- Gold prices rose in this week tracking gains in the global metal prices and on expectations of improved local demand ahead of festivals.
- Indian silver prices advanced in this week tracking gains in industrial metals.

C. News summary

1. Domestic

- RBI kept the repo rate unchanged at 4% and decided to continue with its accommodative stance as long as necessary to sustain growth.
- RBI retained the fiscal 2022 GDP growth forecast at 9.5%, but cut the inflation forecast for the fiscal to 5.3% from its earlier estimate of 5.7%.
- Government released Rs 40000 cr to states and union territories with legislature under the back-to-back loan facility to meet the shortfall in GST compensation.
- Union Cabinet approved setting up of 7 Prime Minister Mega Integrated Textile Region & Apparel (PM MITRA) parks with a total outlay of Rs 4445 cr over 5 years.
- Government approved release of the second installment of its share of the State Disaster Response Fund (SDRF) amounting to Rs 7274 cr, in advance, to 23 states.
- RBI decided to stop any Government Securities Acquisition Programme (G-SAP) operations for the time being.
- RBI introduced a scheme to test technologies that enable digital payments even in remote places where internet connectivity is either absent or barely available.
- SEBI proposed a minimum price band of 5% for public issues through book built process and sub-categorisation of non-institutional investors.
- SEBI said that pooling of funds and units by stock brokers or clearing members shall be discontinued for mutual fund (MF) transactions.
- SEBI extended relaxations for companies with regard to compliance with procedural norms on rights issues opening till March 31, 2022.

2. International

- US ADP said private sector employment rose by 568,000 jobs in September after rising by a downwardly revised 340,000 jobs in August.
- US ISM manufacturing index rose to 61.1 in September from 59.9 in August, while services index inched up to 61.9 in September from 61.7 in August.
- Eurozone inflation advanced to 3.4% in September from 3% in August.
- UK Chartered Institute of Procurement & Supply (CIPS) construction Purchasing Managers' Index (PMI) fell to 52.6 in September from 55.2 in August.
- China Caixin/Markit services PMI rose to 53.4 in September from 46.7 in August; the composite PMI rose to 51.4 in September from 47.2 in August.

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D. Week ahead

Day	Events
Monday, Oct 11, 2021	<ul style="list-style-type: none"> • Japan Producer Price Index, September 2021
Tuesday, Oct 12, 2021	<ul style="list-style-type: none"> • Eurozone ZEW Economic Sentiment Index, October 2021 • UK ILO Unemployment Rate, August 2021 • Japan Machinery Orders, August 2021 • India Consumer Prices, September 2021 • India Industrial Production, August 2021
Wednesday, Oct 13, 2021	<ul style="list-style-type: none"> • US FOMC Meeting Minutes • US Consumer Prices, September 2021 • US Treasury Budget, September 2021 • Eurozone Industrial Production, August 2021 • UK GDP Jun-Aug 2021 • UK Industrial Output, August 2021 • UK Trade Balance, August 2021 • China Trade Balance, September 2021
Thursday, Oct 14, 2021	<ul style="list-style-type: none"> • US Producer Prices, September 2021 • China Consumer Prices, September 2021 • China Producer Prices, September 2021 • Japan Industrial Production, August 2021 • India Wholesale Prices, September 2021
Friday, Oct 15, 2021	<ul style="list-style-type: none"> • US University of Michigan Consumer Sentiment, October 2021 • US New York Fed Manufacturing, October 2021 • US Import / Export Prices, September 2021 • US Retail Sales, September 2021 • US Business Inventories, August 2021 • Eurozone Trade Balance, August 2021 • Japan Tertiary Industry Activity, August 2021 • India Trade Deficit, September 2021



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