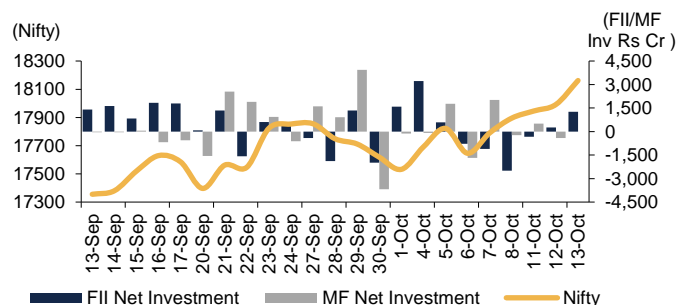


Indian equity benchmark indices' returns

Broad Indices	Oct 14th	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	61,306	2.08	15.88	50.28
Nifty 50	18,339	2.48	15.67	53.19
Nifty 500	15,769	2.63	15.43	61.51
S&P BSE 100	18,668	2.74	15.53	55.48
S&P BSE Midcap	26,700	3.34	16.31	81.31
S&P BSE Smallcap	29,893	1.92	13.87	101.17

FII and mutual fund investment vs. Nifty



Sectoral Indices	Oct 14th	% chg week	% chg 3 Mth	% chg Year
S&P BSE Power	3,515	6.82	30.23	118.69
S&P BSE Auto	26,436	6.33	13.02	45.52
S&P BSE Metal	21,493	5.79	12.43	169.49
S&P BSE CD	46,273	5.31	28.69	91.31
S&P BSE Bankex	44,760	4.08	10.71	65.38
S&P BSE Realty Index	4,285	3.52	42.70	153.21
S&P BSE CG	27,256	3.51	17.10	97.56
S&P BSE FMCG	15,230	3.48	12.40	37.37
S&P BSE Oil & Gas	19,217	1.30	21.72	61.61
S&P BSE Healthcare	26,442	0.93	1.47	32.23
S&P BSE IT	35,045	-1.98	16.61	57.06

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Oct 14th	Previous Week	1 month ago
Call Rate	3.30%	3.40%	3.25%
10 Yr G-Sec [^]	6.33%	6.32%	6.19%

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

Currencies vs INR

Currency	Oct 14th	Week ago	3 months ago	1 year ago
USD	75.26	74.98	74.58	73.30
GBP	103.19	102.17	103.27	94.56
Euro	87.48	86.75	87.97	86.08
Yen*	66.39	67.14	67.52	69.53

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equities ended the week at a fresh record high on the back of strong third quarter corporate earnings and approval of Covid-19 vaccination for children.
- Sensex topped 61000 and Nifty 50 crossed the 18300 mark, as investors' fear over potential power crisis was eased after the government said that a public sector coal major would ramp up coal supplies.
- A pullback in domestic inflation numbers also boosted market sentiment.
- Most of the counters ended higher. Power, auto and metal gained the most.
- Shares of Tata Motors emerged the biggest gainer on the Nifty 50, rising 29.9% on week to settle at Rs 497.6 per share after the automaker reported a rise in global wholesales in the September quarter.
- More gains were seen after the company said it will raise \$1 billion in its passenger electric vehicle (EV) business from TPG Rise Climate at a valuation of up to \$9.1 billion.
- However, some gains were trimmed due to a sell-off in information technology (IT) stocks, and weak global cues in the form of rising inflationary concerns.
- Shares of Tata Consultancy Services emerged the biggest laggard on the Nifty 50, declining 8.2% on week to settle at Rs 3611.45 per share after the company's September quarter earnings failed to live up to market expectations.

2. Debt

- Government bond prices ended marginally lower. The yield of the 10-year benchmark note settled 1 basis point (bp) higher at 6.33% on October 14 compared with October 8.
- The underlying sentiment for dated securities remained muted at the start of the week after the RBI halted its bond purchase programme.
- Local bond prices were pulled down further by sporadic rise in US benchmark treasury yields and as crude oil prices remained high.
- Prices dipped further following the weekly gilt auction, which also included the 10-year benchmark note.
- Data indicating that domestic retail inflation had eased for the fourth consecutive month in September provided gilts some support.

3. Forex

- The rupee ended lower against the US dollar.
- Banks' dollar purchases on behalf of corporate houses and importers pulled the rupee down.
- Local equities that hit fresh record high towards the end of the week helped the rupee recoup losses.
- A pullback in the US dollar index ahead of the release of US inflation data and the minutes of the US Federal Reserve's (Fed) latest policy meeting also aided sentiment for the rupee.

International equity benchmark indices' returns

Indices	Oct 14th	% chg week	% chg 3 Mth	% chg Year
DJIA*	34,378	-1.06	-1.46	19.87
Nasdaq Composite*	14,572	-0.05	-0.72	22.82
FTSE 100*	7,142	0.65	0.24	19.63
Nikkei 225	28,551	1.79	-0.20	20.84
Straits Times	3,165	1.67	0.37	23.84
Hang Seng^	24,963	0.50	-9.28	1.20
Shanghai Comp	3,558	-0.94	0.84	6.51

*As of Oct 13 ^As of Oct 12

International debt market indicators

Indicators	Oct 14th	Oct 8
US 10-Year*	1.55	1.61
UK 10-Year*	1.09	1.16
German 10-Year*	-0.13	-0.15
Japan 10-Year	0.08	0.08
3-M USD Libor*	0.12%	0.12%
6-M USD Libor*	0.16%	0.16%
1-Y USD Libor*	0.27%	0.25%

*As of Oct 13

Commodities

Commodity	Oct 14th	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	83.18	0.96	-0.06	-4.64
Indian gold (Rs per 10 gm)	48125.00	2.44	-0.06	-4.64
Indian Silver (Rs per Kg)	63290.00	3.62	-8.43	4.38

* As of Oct 13

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Most global equities closed higher on region-specific cues. US treasury advanced as investors largely ignored data showing a rise in consumer inflation.
- US stocks closed lower owing to inflationary pressure, cautious ahead of the third quarter earnings and lower-than-expected US jobs growth.
- US non-farm payroll employment rose by 194,000 jobs in September after rising by an upwardly revised 366,000 jobs in August. The unemployment rate fell to 4.8% in September from 5.2% in August
- The US Fed's September 21-22 meeting minutes showed that the officials broadly agreed they should start reducing stimulus in mid-November or mid-December, even though the delta variant continued to create headwinds.
- US consumer price index (CPI) rose 5.4% on-year in September compared with 5.3% rise in August.
- However, a sharp fall in the markets was prevented following intermittent buying in technology stocks.
- Britain's FTSE rose 0.7% on some upbeat quarterly earnings and gains in the shares of mining and energy firms.
- The UK's gross domestic product (GDP) grew 0.4% on-month in August compared with a revised 0.1% fall in July
- Industrial output in the Eurozone dropped 1.6% on-month in August, reversing a 1.4% rise in July
- Asian equities posted mixed performance. Japan's Nikkei ended 1.8% higher on tracking gains in the global markets amid a fall in Covid-19 cases.
- Japan's producer price index (PPI) rose 6.3% on-year in September following an upwardly revised 5.8% growth in August.
- Hong Kong's Hang Seng rose 0.5% mirroring similar gains in regional markets and rise in shares of technology firms.
- China's Shanghai Composite lost ~1% after factory gate inflation accelerated to a 26-year high level amid continued uncertainty over power crisis in the country.
- China PPI rose 10.7% on-year in September compared with 9.5% rise in August.
- However, strong trade data capped the downside pressure.
- China's trade surplus rose to \$66.7 billion in September from \$58.3 billion a month ago.

2. Commodity

- Crude oil prices rose in this week due to a rebound in global oil demand amid tight supply.
- Gold prices rose in this week on tracking gains in the global metal prices.
- Indian silver prices advanced in this week on tracking gains in gold and industrial metals.

C. News summary

1. Domestic

- India's retail inflation eased to 4.35% in September from 5.3% in August following a pullback in food prices.
- India's factory output grew 11.9% in August compared to a 7.1% contraction a year ago and 11.45% growth in July.
- India's wholesale price-based inflation eased to 10.66% in September from 11.39% in August.
- International Monetary Fund (IMF) retained India's growth projection for current and next fiscal at 9.5% and 8.5% respectively; highlighted that India will again get the tag of the fastest-growing large economy in the world, both in FY22 and FY23.
- PM Narendra Modi launched the Rs 100 lakh crore 'PM GatiShakti National Master Plan' for multi-modal connectivity aiming to boost the country's infrastructure development on a common path. He also unveiled the Indian Space Association (ISpA), an industry body representing the country's space sector.
- The Cabinet approved the Atal Mission for Rejuvenation and Urban Transformation 2.0 (AMRUT 2.0) till 2025-26. Total indicative outlay for AMRUT 2.0 is Rs 2.77 lakh crore including central share of Rs 76760 crore for five years from fiscal 2022 to fiscal 2026.
- Finance Ministry released Rs 9871 crore of revenue deficit grant to 17 states.
- RBI's consumer confidence index came in at 57.7 in September compared to 48.6 in July.
- RBI issued revised operational guidelines on the special long-term repo operations (SLTRO) scheme for small finance banks (SFBs).
- RBI allowed multinational banks operating in the country to store a limited set of data in offshore servers.

2. International

- US consumer price index rose by 0.4% in September after rising by 0.3% in August. On an annualized basis, prices increased 5.4% in September compared to 5.3% rise in August.
- IMF slashed its 2021 US growth forecast to 6.0% from its previous estimates of 7.0%.
- Eurozone industrial output dropped 1.6% on-month in August, reversing a 1.4% rise in July.
- UK gross domestic product (GDP) grew 0.4% on-month in August compared with a revised 0.1% fall in July.
- China's trade surplus rose to \$66.7 billion in September from \$58.3 billion a month ago.

D. Week ahead

Day	Events
Monday, Oct 18, 2021	<ul style="list-style-type: none"> US Industrial Production, September 2021 US NAHB Housing Market Index, October 2021 China Industrial Production, September 2021 China Retail Sales, September 2021 China GDP, Q3 2021
Tuesday, Oct 19, 2021	<ul style="list-style-type: none"> US Housing Starts / Building Permits, September 2021
Wednesday, Oct 20, 2021	<ul style="list-style-type: none"> US Fed's Beige Book Eurozone Consumer Prices, September 2021 UK Consumer Prices, September 2021 UK Producer Prices, September 2021 China Loan Prime Rate 1Y / 5Y Japan Trade Balance, September 2021
Thursday, Oct 21, 2021	<ul style="list-style-type: none"> US Philly Fed Business Index, October 2021 US Existing Home Sales, September 2021 Eurozone Manufacturing, Services & Composite PMI, October 2021 Eurozone Consumer Confidence, October 2021 UK Public Sector Net Borrowing, September 2021
Friday, Oct 22, 2021	<ul style="list-style-type: none"> US Manufacturing, Services & Composite PMI, October 2021 UK Manufacturing, Services & Composite PMI, October 2021 UK Retail Sales, September 2021 UK GfK Consumer Confidence, October 2021 Japan Jibun Bank Manufacturing PMI, October 2021 Japan Consumer Prices, September 2021

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