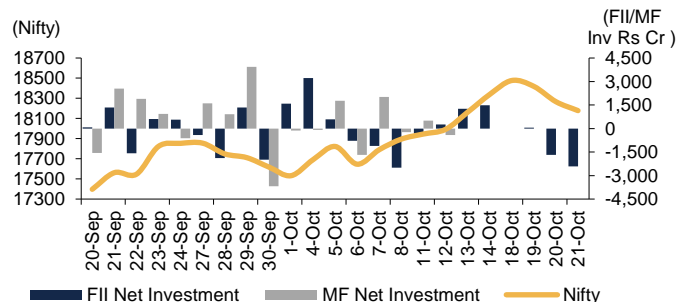


## Indian equity benchmark indices' returns

Broad Indices	Oct 22	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	60,822	-0.79	15.11	49.96
Nifty 50	18,115	-1.22	14.48	52.27
Nifty 500	15,400	-2.34	12.65	58.03
S&P BSE 100	18,332	-1.80	13.48	53.34
S&P BSE Midcap	25,567	-4.24	10.98	71.72
S&P BSE Smallcap	28,336	-5.21	7.34	88.56

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Oct 22	% chg week	% chg 3 Mth	% chg Year
S&P BSE Bankex	46,105	3.01	17.13	65.82
S&P BSE Power	3,480	-0.99	28.96	108.13
S&P BSE CG	26,835	-1.54	11.58	90.75
S&P BSE IT	34,497	-1.56	13.17	58.31
S&P BSE Oil & Gas	18,716	-2.61	19.09	53.10
S&P BSE Auto	25,570	-3.28	11.78	43.86
S&P BSE Realty Index	4,081	-4.78	29.82	118.01
S&P BSE Healthcare	25,073	-5.18	-4.72	27.46
S&P BSE Metal	20,334	-5.39	5.21	135.97
S&P BSE CD	43,468	-6.06	20.14	77.39
S&P BSE FMCG	14,304	-6.08	5.52	29.69

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Oct 22	Previous Week	1 month ago
Call Rate	3.25%	3.30%	3.25%
10 Yr G-Sec*^	6.36%	6.33%	6.13%

\*6.10% 2031 paper ^Weighted Average Yield

## Currencies vs INR

Currency	Oct 22	Week ago	3 months ago	1 year ago
USD	74.89	75.26	74.47	73.54
GBP	103.38	103.19	102.39	96.57
Euro	87.19	87.48	87.83	87.17
Yen*	65.81	66.39	67.52	70.29

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Indian equities ended a two-week positive trend on profit booking, amid higher valuations following a rally in recent trading sessions.
- The market also retreated as investors exercised caution ahead of earnings announcements by some major companies next week.
- Most counters ended in the red, with fast moving consumer goods (FMCG), consumer durables and metal declining the most.
- Shares of Asian Paints emerged the top laggard on the Nifty 50, declining 9.6% on week to settle at Rs 2982.4 per share after the company reported lower than expected profit in the September quarter.
- However, the markets found some support in tracking positive global cues, a pullback in domestic inflation and buying interest in banking stocks.
- Shares of Kotak Mahindra Bank emerged the top gainer on the Nifty 50, rising 7.6% on week to settle at Rs 2171.4 per share aided by the bullish sentiment for banking stocks and after the lender announced that it was partnering with Pine Labs.

#### 2. Debt

- Government bond prices ended lower. The yield of the 10-year benchmark paper settled at 6.36% on October 22, as compared with 6.33% on October 14.
- A rise in global crude oil prices contributed to a decline in domestic bond prices as it fuelled concerns of an acceleration in inflation.
- Rising US benchmark treasury yields also led to a decline in local gilt prices.
- Expectations that the RBI would make an open market bond purchase announcement also supported domestic gilt prices earlier in the week.
- In the final session, bond prices moved in a narrow range as market players awaited the outcome of the weekly gilt auction and the minutes of the RBI's October monetary policy meeting for further cues.
- In the minutes, the RBI Chief said that continued policy accommodation is necessary as the economic recovery still remains delicately poised. He added that growth is yet to take firmer roots and that the central bank will remain focused on bringing back the consumer inflation to 4% over a period of time in a non-disruptive manner.

#### 3. Forex

- The rupee settled higher against the US dollar.
- The rupee rose, tracking intermittent gains in local equities and other Asian units.
- A dip in the US dollar index in the first half of the week also aided the rupee.
- Sporadic dollar demand from importers prevented the rupee from rising further.

## International equity benchmark indices' returns

Indices	Oct 22	% chg week	% chg 3 Mth	% chg Year
DJIA*	35,603	0.87	3.16	26.20
Nasdaq Composite*	15,216	2.14	4.94	32.49
FTSE 100*	7,190	-0.60	4.49	24.48
Nikkei 225	28,805	-0.91	4.56	22.71
Straits Times	3,205	0.98	1.45	26.77
Hang Seng	26,127	3.14	-5.76	5.41
Shanghai Comp	3,583	0.29	0.22	8.15

\*As of Oct 21

## International debt market indicators

Indicators	Oct 22	Oct 15
US 10-Year*	1.68	1.58
UK 10-Year*	1.21	1.12
German 10-Year*	-0.09	-0.16
Japan 10-Year	0.10	0.07
3-M USD Libor*	0.12%	0.12%
6-M USD Libor*	0.17%	0.16%
1-Y USD Libor*	0.30%	0.28%

\*As of Oct 21

## Commodities

Commodity	Oct 22	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	84.61	-0.29	17.14	102.76
Indian gold (Rs per 10 gm)	47,805.00	-0.66	0.28	-6.54
Indian Silver (Rs per Kg)	65,294.00	3.17	-2.20	4.36

\* As of Oct 21

Source: Respective commodity exchanges, ibjrates.com

## B. International

### 1. Equity

- Global equities ended on a mixed note on region-specific cues.
- US stocks ended higher this week, on optimism over third quarter corporate earnings and upbeat economic data.
- US retail sales rose 0.7% on-month in September, following an upwardly revision to 0.9% in August.
- US existing home sales rose by 7% to an annual rate of 6.29 million in September, after slumping by 2% to a rate of 5.88 million in August
- Markets also rose on the back of buying in technology and healthcare stocks.
- However, some gains were capped due to concerns over China's economic growth.
- Britain's FTSE fell 0.6% on worries over rising inflation and supply chain disruptions.
- UK output price inflation accelerated to 6.7% in September from 6% in August.
- A sell-off in mining stocks and persistent concerns over China's Evergrande debt crisis also dented market sentiment.
- Asian equities posted a mixed performance. Japan's Nikkei fell about 1% on uncertainty over a rate hike by the US Fed and caution ahead of local elections and the commencement of the corporate earnings season.
- Japan posted a trade deficit of 622.8 billion yen in September, following the downwardly revised 637.2 billion yen deficit in August.
- Hong Kong's Hang Seng rallied 3%, mainly after China's Evergrande made an unexpected bond payment.
- Optimism over corporate earnings and gains in energy and technology stocks boosted the market further.
- China's Shanghai Composite rose 0.3% after realty major Evergrande paid interest on a US dollar bond.
- However, gains were capped on growth concerns surrounding the country.
- China's gross domestic product (GDP) grew 4.9% in the third quarter, as compared with 7.9% growth in the second quarter.
- China's industrial production rose 3.1% on-year in September, as compared with a 5.3% rise in August.
- China maintained its benchmark loan prime rates for the 18th consecutive month. The one-year and five-year loan prime rate was kept unchanged at 3.85% and 4.65%, respectively.

### 2. Commodity

- Crude oil prices rose marginally in this week due to supply deficit forecasts, and fall in US crude inventories and fuel stocks, which further signaled a rise in demand.
- Gold prices fell in this week on tracking global metal prices on rising US treasury yield.
- Indian silver prices advanced in this week on tracking a positive trend in industrial metals.

## C. News summary

### 1. Domestic

- India's wholesale price index (WPI)-based inflation eased to 10.66% in September from 11.39% in the previous month due to a fall in food prices.
- Government data showed that India's merchandise trade deficit widened to a record \$22.59 billion in September, the highest in at least about 14 years, as crude oil and gold imports surged. Exports in September had risen 22.6% over last year to \$33.79 billion while imports rose 85% on-year to \$56.39 billion.
- The International Monetary Fund (IMF) said it has pared down India's potential growth forecast by 25 basis points to 6% due to the impact of the pandemic which hit investments and labour market badly.
- India and the US agreed to increase assistance on a set of economic issues including climate change and infrastructure finance, financial regulation cooperation and tackling financial crimes.
- Prime Minister Narendra Modi launched seven defence public sector undertakings (PSUs), created through the restructuring of the Ordnance Factory Board (OFB).
- Government will invest Rs 50000 cr to set up 500 multi modal cargo terminals by 2025 under the Gati Shakti National Master Plan.
- SEBI came out with the modalities for Alternative Investment Funds (AIFs) with respect to filing of placement memorandum, including that merchant bankers have to independently exercise due diligence regarding the disclosures.
- SEBI set up a four-member high powered advisory committee on settlement orders and compounding of offences.

### 2. International

- US existing home sales rose by 7% to an annual rate of 6.29 million in September after slumping by 2% to a rate of 5.88 million in August.
- US housing starts fell by 1.6% to an annual rate of 1.56 million in September from a revised rate of 1.58 million in August; building permits plunged by 7.7% to an annual rate of 1.589 million in September from a revised rate of 1.721 million in August.
- Eurozone inflation rose to 3.4% in September from 3% in August.
- UK consumer price inflation slowed slightly to 3.1% in September from 3.2% in August; output price inflation accelerated to 6.7% in September from 6% in August.
- Japan posted a merchandise trade deficit of 622.8 billion yen in September following the downwardly revised 637.2 billion yen deficit in August.

## D. Week ahead

Day	Events
Monday, Oct 25, 2021	<ul style="list-style-type: none"> <li>US Chicago Fed National Activity Index, September 2021</li> <li>US Dallas Fed Manufacturing Index, October 2021</li> </ul>
Tuesday, Oct 26, 2021	<ul style="list-style-type: none"> <li>US Case-Shiller House Price Index, August 2021</li> <li>US Conference Board Consumer Confidence, October 2021</li> <li>US New Home Sales, September 2021</li> </ul>
Wednesday, Oct 27, 2021	<ul style="list-style-type: none"> <li>US Durable Goods Orders, September 2021</li> <li>US Advance Goods Trade Deficit, September 2021</li> <li>US Wholesale Inventories, September 2021</li> <li>China Industrial Profits, September 2021</li> </ul>
Thursday, Oct 28, 2021	<ul style="list-style-type: none"> <li>US GDP, Q3 2021</li> <li>US Pending Home Sales, September 2021</li> <li>Eurozone Consumer Confidence, October 2021</li> <li>ECB Interest Rate Decision</li> <li>BoJ Interest Rate Decision</li> </ul>
Friday, Oct 29, 2021	<ul style="list-style-type: none"> <li>US Personal Income, September 2021</li> <li>US Chicago PMI, October 2021</li> <li>US University of Michigan Consumer Sentiment, October 2021</li> <li>Eurozone Inflation Rate, October 2021</li> <li>Eurozone GDP, Q3 2021</li> <li>UK Nationwide Housing Prices, October 2021</li> <li>Japan Unemployment Rate, September 2021</li> <li>India Fiscal Deficit, April – September 2021</li> <li>India Core Sector Growth, September 2021</li> </ul>

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