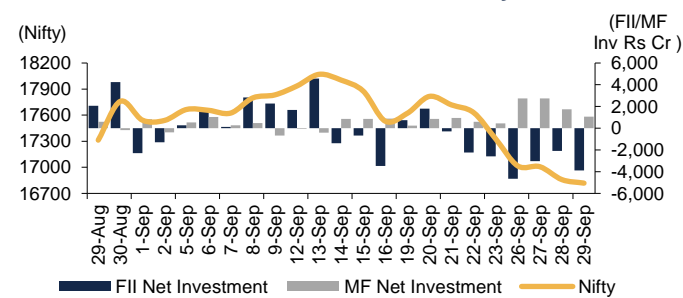


## Indian equity benchmark indices' returns

Broad Indices	Sep 30	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	57,427	-1.16	8.31	-2.87
Nifty 50	17,094	-1.34	8.33	-2.97
Nifty 500	14,829	-1.52	10.77	-1.48
S&P BSE 100	17,575	-1.42	9.75	-1.71
S&P BSE Midcap	24,854	-1.65	14.46	-1.58
S&P BSE Smallcap	28,453	-1.25	14.79	1.32

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Sep 30	% chg week	% chg 3 Mth	% chg Year
S&P BSE Healthcare	23,341	1.76	8.03	-10.55
S&P BSE IT	27,488	1.30	-2.91	-20.13
S&P BSE CD	42,489	0.09	22.45	2.78
S&P BSE FMCG	16,180	-1.12	17.54	8.87
S&P BSE CG	31,218	-1.51	19.95	20.22
S&P BSE Bankex	44,180	-2.43	14.82	3.40
S&P BSE Oil & Gas	18,559	-2.61	2.98	1.41
S&P BSE Auto	29,178	-2.82	9.00	22.26
S&P BSE Realty Index	3,377	-2.94	10.06	-17.71
S&P BSE Metal	18,015	-3.59	15.84	-10.74
S&P BSE Power	4,749	-4.69	16.77	48.46

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Sep 30	Previous Week	1 month ago
Call Rate	5.50%	5.65%	5.65%
10 Yr G-Sec <sup>^</sup>	7.43%	7.43%	7.19%

<sup>^</sup>6.54% 2032 paper <sup>^</sup>Weighted Average Yield

## Currencies vs INR

Currency	Sep 30	Week ago	3 months ago	1 year ago
USD	81.35	80.99	78.97	74.24
GBP	90.77	90.16	95.96	99.88
Euro	79.72	79.07	82.36	86.10
Yen*	56.33	56.67	57.96	66.32

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Indian equity indices declined for the third consecutive week on concerns over global growth and recessionary risks owing to the hawkish stance of global central banks. S&P BSE Sensex and Nifty 50 fell about 1.2% and 1.3%, respectively
- Almost all sectors ended negative, with power, metal and realty counters declining the most. S&P BSE Power, S&P BSE Metal and S&P BSE Realty fell about 4.7%, 3.6% and 2.9%, respectively
- The losses were checked after Reserve Bank of India (RBI) raised repo rate by 50 basis points (bps) in line with expectations and assured to shield the economy from global headwinds
- Buying in healthcare and information technology (IT) also capped some gains. S&P BSE Healthcare and S&P BSE IT rose about 1.8% and 1.3%, respectively
- Shares of Power Grid Corp emerged the top gainer on the Nifty 50, up ~5% on week to settle at Rs 212.2 per share, after the government rejected a proposal to acquire PFC's stake in REC
- Shares of Adani Ports & SEZ emerged the top decliner on the Nifty 50, down ~10% on week to settle at Rs 820.65 per share on profit booking

#### 2. Debt

- Government bond prices ended the week flat. The yield on the 10-year benchmark 6.54% GS 2032 closed at 7.43%, unchanged from the previous week. Yield on the 10-year benchmark 7.26% GS 2032 ended higher at 7.40%, compared with 7.39% on September 23.
- Yields began the week slightly higher amid worries over rate hike by the RBI. These fears came true on the last trading day of the week after the MPC hiked the repo rate under the liquidity adjustment facility (LAF) by 50 basis points (bps) to 5.90%
- However, further losses in gilts were prevented after the government cut its gross borrowing by Rs 10,000 crore to Rs 14.21 lakh crore. With this, the central government aims to borrow Rs 5.92 lakh crore during October-March fiscal 2023, including Rs 16,000 crore of green bonds
- A fall in crude oil prices and persisting hopes of inclusion of local bonds in international indices also buoyed bond prices
- Meanwhile, in the debt sale held on September 30, 2022, the RBI auctioned 6.69% GS 2024, 7.10% GS 2029, 7.26% GS 2032, and 7.40% GS 2062 for a total notified amount of Rs 33,000 crore

#### 3. Forex

- The rupee ended lower against the US dollar as the dollar index rallied after global central banks took turns with their aggressive monetary policy stance to tame inflation.
- Ukraine-Russia geopolitical tensions, a negative trend in domestic equities and foreign fund outflows also dented the local currency.
- However, the domestic currency found some support in the dollar index easing from higher levels and crude oil prices falling
- Reports of RBI intervention and rate hike by the RBI in line with expectations also supported the rupee

## International equity benchmark indices' returns

Indices	Sep 30	% chg week	% chg 3 Mth	% chg Year
DJIA*	29,226	-1.23	-5.81	-15.02
Nasdaq Composite*	10,738	-1.20	-3.94	-26.01
FTSE 100*	6,882	-1.95	-5.89	-3.19
Nikkei 225	25,937	-4.48	-1.73	-11.94
Straits Times	3,130	-3.00	0.90	1.41
Hang Seng	17,223	-3.96	-21.21	-29.92
Shanghai Comp	3,024	-2.07	-11.01	-15.24

\*As of Sep 29

## International debt market indicators

Indicators	Sep 30	Sep 23
US 10-Year*	3.75%	3.70%
UK 10-Year*	4.26%	3.82%
German 10-Year*	2.21%	2.03%
Japan 10-Year	0.24%	0.23%^
3-M USD Libor*	3.74%	3.63%
6-M USD Libor*	4.21%	4.20%
1-Y USD Libor*	4.79%	4.83%

\*As of Sep 29 ^As of Sep 22

## Commodities

Commodity	Sep 30	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	88.49	2.72	-23.89	12.53
Indian gold (Rs per 10 gm)	50,302.00	1.76	-1.10	9.71
Indian Silver (Rs per Kg)	56,338.00	0.42	-4.19	-3.06

\*As of Sep 29

Source: Respective commodity exchanges, ibjrates.com

## B. International

### 1. Equity

- Global equity markets ended lower on global recession risk
- US stocks ended lower on fears of slowdown in economic growth and heightened recession risk following the aggressive monetary policy stance of global central banks to curb inflation
- US Chicago Fed National Activity index fell to 0 in August from 0.29 in July
- Some losses were cut short following a decline in treasury yields and heavy buying in energy and communication services
- US S&P Global manufacturing PMI rose to 51.8 in September from 51.5 in August
- Britain's FTSE slumped about 2% after the country's new finance minister unveiled historic tax cuts and spending plans, which raised prospects of a surge in government borrowing and worries over aggressive monetary policy plan by global central banks
- The losses were limited after the local central bank stepped in for a temporary programme of bond purchases to stabilise the bond market
- Asian equities ended lower. Japan's Nikkei slumped more than 4.5% tracking similar weakness in the US amid global economic slowdown fears as central banks turned excessively hawkish in their policy stance
- Hong Kong's Hang Seng plummeted 4% on a sell-off in property and Chinese technology shares, concerns over the economic outlook amid a rising interest rate scenario, and escalating tensions with Russia
- China's Shanghai Composite declined 2% tracking weak global market on inflation worries and recession risks and a subdued factory data
- China's industrial profits declined 2.1% on-year in the first eight months of the year, from a 1.1% drop in the previous period
- China Caixin manufacturing PMI fell to 48.1 in September from 49.5 in August.

### 2. Commodity

- Crude oil prices rose in this week following supply cuts in the US Gulf of Mexico ahead of the Hurricane Ian, larger-than-expected drawdown in US fuel inventories, intermittent weakness in dollar index and consumer demand recovery.
- Gold prices rose this week tracking similar trend in the global metal prices, intermittent weakness in dollar index and domestic demand recovery ahead of festive season.
- Silver prices rose mirroring similar trend in gold and industrial metals.

## C. News summary

### 1. Domestic

- The RBI's MPC raised the policy repo rate under the liquidity adjustment facility (LAF) by 50 basis points (bps) to 5.90%. Consequently, the standing deposit facility (SDF) rate stands adjusted to 5.65% and the marginal standing facility (MSF) rate and the Bank Rate to 6.15%
- The RBI lowered its real gross domestic product (GDP) projection for this fiscal to 7% from its previous estimates of 7.2%. It retained its projection for retail inflation for this fiscal at 6.7%
- India's core sector output slowed to 3.3% in August 2022 from 4.5% in July 2022 and 12.2% in the year ago period
- India's fiscal deficit widened to Rs 5.42 lakh crore in the April-August of 2022-23 from Rs 4.68 lakh crore in the year ago period
- India's current account deficit for first quarter of fiscal 2023 came in at \$23.9 billion, or 2.8% of GDP, up from \$13.4 billion, or 1.5% of GDP, in fourth quarter of fiscal 2022 and a surplus of \$6.6 billion, 0.9% of GDP, in first quarter of fiscal 2022
- The Cabinet approved Rs 10000 crore plan for re-development of New Delhi, Mumbai and Ahmedabad railway stations
- RBI Governor Shaktikanta Das launched Unified Payments Interface (UPI) Lite, in a bid to make low-value unified payments interface (UPI) payments faster
- Securities and Exchange Board of India (SEBI) gave nod to a slew of modifications to various regulations, including tightening the disclosure requirements for initial public offerings (IPOs)
- SEBI extended the two-factor authentication for subscription transactions in units of mutual funds; the new framework will come into effect from April 1, 2023
- SEBI issued guidelines pertaining to preferential issues and institutional placement of units by Real Estate Investment Trusts (REIT) and Infrastructure Investment Trust (InvIT)

### 2. International

- US GDP shrank an annualized 0.6% on-quarter in the second quarter of 2022, from 1.6% contraction in the previous quarter
- US consumer confidence index rose to 108.0 in September from revised 103.6 in August
- Eurozone consumer confidence indicator fell to -28.8 in September from -25 in August
- UK economy grew 4.4% annually in the second quarter of 2022, lower from an upward revision of 10.9% growth in the previous quarter

## D. Week ahead

Day	Events
Monday, Oct 3, 2022	<ul style="list-style-type: none"> <li>• US S&amp;P Global Manufacturing PMI, September</li> <li>• US ISM Manufacturing PMI, September</li> <li>• Eurozone S&amp;P Global Manufacturing PMI, September</li> <li>• UK S&amp;P Global/CIPS Manufacturing PMI, September</li> <li>• UK Housing Prices, September</li> <li>• Japan Jibun Bank Manufacturing PMI, September</li> <li>• India S&amp;P Global Manufacturing PMI, September</li> <li>• India Trade Balance Preliminary, September</li> </ul>
Tuesday, Oct 4, 2022	<ul style="list-style-type: none"> <li>• US Factory Orders, August</li> <li>• Eurozone Producer Prices, August</li> </ul>
Wednesday, Oct 5, 2022	<ul style="list-style-type: none"> <li>• US S&amp;P Global Services/Composite PMI, September</li> <li>• US ADP Employment Change, September</li> <li>• Eurozone S&amp;P Global Services/Composite PMI, September</li> <li>• UK S&amp;P Global/CIPS Services/Composite PMI, September</li> <li>• Japan Jibun Bank Services/Composite PMI, September</li> </ul>
Thursday, Oct 6, 2022	<ul style="list-style-type: none"> <li>• Eurozone S&amp;P Global Construction PMI, September</li> <li>• Eurozone Retail Sales, August</li> <li>• India S&amp;P Global Services/Composite PMI, September</li> </ul>
Friday Oct 7, 2022	<ul style="list-style-type: none"> <li>• US Non-Farm Payrolls, September</li> <li>• US Unemployment Rate, September</li> <li>• India Foreign Exchange Reserves, September 30</li> </ul>

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