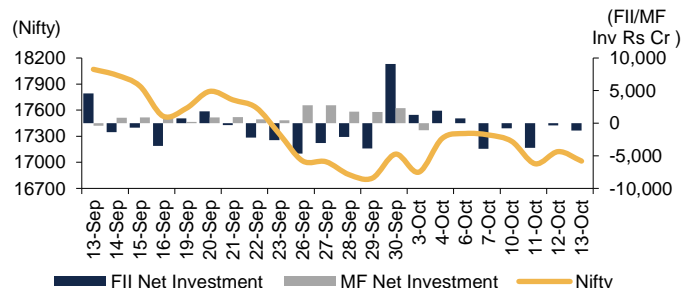


## Indian equity benchmark indices' returns

Broad Indices	Oct 14	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	57,920	-0.47	8.43	-5.52
Nifty 50	17,186	-0.74	7.82	-6.29
Nifty 500	14,815	-1.47	8.12	-6.05
S&P BSE 100	17,602	-1.05	7.95	-5.71
S&P BSE Midcap	24,710	-2.66	9.03	-7.45
S&P BSE Smallcap	28,523	-2.26	11.22	-4.58

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Oct 14	% chg week	% chg 3 Mth	% chg Year
S&P BSE Bankex	44,969	0.55	12.40	0.47
S&P BSE IT	28,338	0.53	4.31	-19.14
S&P BSE Healthcare	23,325	-1.35	3.45	-11.79
S&P BSE FMCG	15,775	-1.56	6.07	3.58
S&P BSE CG	31,670	-2.09	16.29	16.20
S&P BSE Auto	28,596	-2.15	3.02	8.17
S&P BSE Metal	18,633	-2.23	15.85	-13.31
S&P BSE Oil & Gas	18,081	-3.18	0.73	-5.91
S&P BSE CD	41,670	-3.68	10.88	-9.95
S&P BSE Power	4,603	-3.89	4.77	30.96
S&P BSE Realty Index	3,346	-4.20	0.68	-21.91

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Oct 14	Previous Week	1 month ago
Call Rate	6.10%	5.00%	5.16%
10 Yr G-Sec*^	7.47%	7.47%	7.15%

\*7.26% 2032 paper ^Weighted Average Yield

## Currencies vs INR

Currency	Oct 14	Week ago	3 months ago	1 year ago
USD	82.35	82.33	79.88	75.26
GBP	92.55	92.14	94.61	103.19
Euro	80.16	80.70	80.07	87.48
Yen*	55.76	56.86	57.61	66.39

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Indian equity indices snapped the previous week's gains after a rise in domestic and US inflation data fuelled concerns over rate hikes by respective central banks and its impact on the economy. S&P BSE Sensex and Nifty 50 fell 0.5% and 0.7%, respectively.
- Further, markets were under pressure on weak global cues after the International Monetary Fund (IMF) and the World Bank hinted at global recession due to inflationary pressures.
- Almost all sectors ended negative with realty, power and consumer durables counters declining the most. S&P BSE Realty, S&P BSE Power and S&P BSE Consumer Durables fell 4.2%, 3.9% and 3.7%, respectively.
- However, some losses were capped on hopes of strong quarterly earnings reports and gains in banking and information technology (IT) counters. S&P BSE Bankex and S&P BSE IT rose 0.6% and 0.5%, respectively.
- Shares of Axis Bank emerged the top gainer on the Nifty 50, up ~6% on week to settle at Rs 800.5 per share following a brokerage upgrade.
- Shares of Wipro emerged the top decliner on the Nifty 50, down ~8% on week to settle at Rs 377.3 per share following downbeat quarterly earnings announcement.

#### 2. Debt

- Government bond prices ended almost flat in the week ended October 14. The yield of the 10-year benchmark 7.26% 2032 paper ended at 7.47% on October 14 versus 7.48% on October 7.
- Yields rose earlier on tracking high US treasury yields.
- Caution ahead of the release of domestic and US inflation numbers also weighed on bond prices.
- Prices fell further owing to fresh supply because of the weekly debt auction held on October 14, and as the cut-off yields in the auction came in slightly higher-than-expected. The RBI auctioned 6.69% GS (government securities) 2024, 7.10% GS 2029, 7.54% GS 2036 and 7.40% GS 2062 for a total notified amount of Rs 30,000 crore.
- However, sporadic value buying and a pullback in crude oil prices helped recoup the losses in gilts.

#### 3. Forex

- The rupee ended little changed against the US dollar this week after weakness due to strong dollar index were cushioned on constant intervention by the RBI.
- During the week, the local currency was under pressure after the dollar index rallied on the back of strong US non-farm payrolls data raised bets of aggressive rate hike by the US Federal Reserve (Fed).
- Further, rise in domestic inflation and weak industrial output data also pressurised the rupee.

## International equity benchmark indices' returns

Indices	Oct 14	% chg week	% chg 3 Mth	% chg Year
DJIA*	30,039	2.53	-3.58	-12.62
Nasdaq Composite*	10,649	-0.03	-2.54	-26.92
FTSE 100*	6,850	-2.01	-1.55	-4.08
Nikkei 225	27,091	-0.09	1.68	-5.11
Straits Times	3,040	-3.38	-1.65	-3.96
Hang Seng	16,588	-6.50	-20.06	-33.55
Shanghai Comp	3,072	1.57	-6.39	-13.67

\*As of Oct 13

## International debt market indicators

Indicators	Oct 14	Oct 7
US 10-Year*	3.95%	3.88%
UK 10-Year*	4.22%	4.24%
German 10-Year*	2.30%	2.20%
Japan 10-Year	0.24%	0.24%
3-M USD Libor*	4.08%	3.91%
6-M USD Libor*	4.54%	4.38%
1-Y USD Libor*	5.11%	5.00%

\*As of Oct 13

## Commodities

Commodity	Oct 14	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	94.57	-3.42	-5.02	13.69
Indian gold (Rs per 10 gm)	50,438.00	-2.56	-0.25	4.81
Indian Silver (Rs per Kg)	56,042.00	-7.90	0.64	-11.45

\*As of Oct 13

Source: Respective commodity exchanges, ibjrates.com

## B. International

### 1. Equity

- Global equity markets ended mixed on region-specific cues.
- US stocks ended mixed this week, with Dow Jones rallying over 2.5%, while Nasdaq falling 0.03%.
- Markets gained, especially Dow Jones, as investors covered short position following huge sell-off in previous sessions and on hopes that the inflation rate may peak soon following stronger-than-expected inflation data.
- US consumer prices rose 8.2% on-year in September compared to 8.3% rise in August; the core consumer prices rose 6.6% in September compared to 6.3% gain in August.
- Gains in the markets were capped, especially Nasdaq, on lingering concerns over global economy recession, end of BoE's bond buying programme and sell-off in chipmakers after the US announced new restrictions on China's semiconductor industry.
- Britain's FTSE slumped 2% on concerns over the impact of potential interest rate hikes on the global economy, BoE hinted to end its bond buying programme and some disappointing corporate earnings.
- However, some losses were prevented following reports of potential changes in the UK's fiscal plan.
- UK industrial production decreased 5.2% on-year in August, compared to downwardly revised 3.2% decline in July.
- Asian equities ended mixed. Japan's Nikkei ended flat as losses due to economic slowdown concerns were cut short by gains in travel-related stocks and strong quarterly earnings by some companies.
- Hong Kong's Hang Seng plummeted over 6% on concerns over China's economic slowdown after the reimposition of Covid-19 restrictions, US tech regulations, and impact of interest rate hikes on the global economy.
- China's Shanghai Composite gained 1.6% amid hopes of support from the country's central bank and tracking similar trend in the US markets.
- The market, however, witnessed some pressure following weak economic data and after China vowed to stick to its zero-Covid policy adding to slowdown concerns.

### 2. Commodity

- Crude oil prices fell in this week on demand concerns amid rising Covid-19 cases in China, a cut in 2022 and 2023 demand forecast by the OPEC, potential rate hikes by central banks and after the IMF and World Bank hinted recessionary risk.
- Gold prices fell this week tracking similar trend in the global metal prices following a surge in US inflation numbers, which signaled more rate hikes by the Fed.
- Silver prices declined mirroring similar trend in gold and industrial metals.

## C. News summary

### 1. Domestic

- India's consumer prices rose 7.41% on-year in September 2022 compared with 7% gain in August 2022, while the wholesale price-based inflation eased to 10.7% in September 2022 from 12.41% in August 2022.
- Industrial production fell 0.8% on-year in August 2022 compared with a revised 2.2% rise in July 2022, following a decline in manufacturing and mining outputs.
- The International Monetary Fund (IMF) has trimmed India's economic growth forecast to 6.8% for this fiscal, from 7.4%, citing external headwinds and weaker-than-expected second quarter growth.
- The Cabinet approved Rs 22000 crore as one time grant to IOCL, BPCL and HPCL to cover LPG losses.
- The Cabinet approved Rs 6600 crore scheme - Prime Minister's Development Initiative for North East Region (PM-DevINE).
- The Cabinet gave nod to the development of a container terminal at Tuna-Tekra in Deendayal Port (Kandla Port) at an estimated cost of Rs 4244 crore.
- RBI said banks will have to set aside higher capital against credit facilities offered to borrowers if the credit rating firms, while publishing the credit rating, do not disclose the name of the bank or banks from which the loan is taken.
- RBI tweaked the existing regulatory framework for asset reconstruction committees based on stakeholders' feedback and recommendations from a committee to enable ARCs function in a more transparent and efficient manner.
- RBI, SEBI, IRDAI, IFSCA and PFRDA together allowed an inter-operable regulatory sandbox.
- SEBI issued a framework for the governing council of social stock exchange.
- SEBI amended the book building process for private placement of debt to address the concern of 'fastest finger first'.

### 2. International

- US retail sales rose by 8.2% on-year in September 2022 from an upwardly revised 9.4% growth in August 2022
- UK economy expanded 2% on-year in August, following an upwardly revised 3.1% growth in July.
- China consumer prices rose 2.8% on-year in September compared to 2.5% gain in August, while producer prices rose 0.9% on-year in September compared to 2.3% gain in August.

## D. Week ahead

Day	Events
Monday, Oct 17, 2022	<ul style="list-style-type: none"> <li>Japan Industrial Production, August 2022</li> </ul>
Tuesday, Oct 18, 2022	<ul style="list-style-type: none"> <li>US Industrial Production, September 2022</li> <li>Eurozone ZEW Economic Sentiment Index, October 2022</li> <li>China GDP Growth Rate, Q3 2022</li> <li>China Industrial Production, September 2022</li> <li>China Retail Sales, September 2022</li> </ul>
Wednesday, Oct 19, 2022	<ul style="list-style-type: none"> <li>US Housing Starts &amp; Building Permits, September 2022</li> <li>Eurozone Consumer Prices, September 2022</li> <li>UK Consumer Prices Rate, September 2022</li> </ul>
Thursday, Oct 20, 2022	<ul style="list-style-type: none"> <li>US Philadelphia Fed Manufacturing Index, October 2022</li> <li>US Existing Home Sales, September 2022</li> <li>US Initial Jobless Claims, October 15, 2022</li> <li>China Loan Prime Rate 1Y/5Y, October 2022</li> <li>Japan Trade Balance, September 2022</li> </ul>
Friday Oct 21, 2022	<ul style="list-style-type: none"> <li>Eurozone Consumer Confidence, October 2022</li> <li>UK Gfk Consumer Confidence, October 2022</li> <li>UK Retail Sales, September 2022</li> <li>Japan Consumer Prices, September 2022</li> </ul>

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