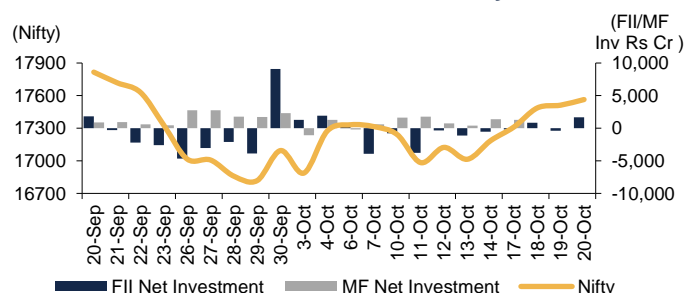


## Indian equity benchmark indices' returns

Broad Indices	Oct 21	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	59,307	2.39	6.51	-2.65
Nifty 50	17,576	2.27	5.85	-3.31
Nifty 500	15,081	1.80	5.67	-2.45
S&P BSE 100	17,970	2.09	5.70	-2.62
S&P BSE Midcap	24,805	0.39	4.66	-3.92
S&P BSE Smallcap	28,567	0.15	6.93	-0.40

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Oct 21	% chg week	% chg 3 Mth	% chg Year
S&P BSE Bankex	46,850	4.18	12.12	2.36
S&P BSE Oil & Gas	18,640	3.09	0.32	-0.83
S&P BSE Power	4,727	2.68	5.00	35.49
S&P BSE FMCG	16,164	2.46	5.11	11.58
S&P BSE Auto	29,107	1.78	0.80	12.62
S&P BSE Realty Index	3,399	1.58	-2.56	-14.66
S&P BSE IT	28,582	0.86	-1.20	-18.43
S&P BSE Healthcare	23,385	0.26	2.99	-8.21
S&P BSE CG	31,739	0.22	9.39	17.25
S&P BSE CD	41,602	-0.16	6.35	-4.21
S&P BSE Metal	18,449	-0.99	9.75	-11.93

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Oct 21	Previous Week	1 month ago
Call Rate	6.15%	6.10%	5.00%
10 Yr G-Sec*^	7.52%	7.47%	7.24%

\*7.26% 2032 paper ^Weighted Average Yield

## Currencies vs INR

Currency	Oct 21	Week ago	3 months ago	1 year ago
USD	82.75	82.35	79.95	74.86
GBP	92.66	92.55	95.20	103.26
Euro	80.93	80.16	81.45	87.17
Yen*	55.05	55.76	57.67	65.64

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Indian equity indices snapped the previous week's losses following strong corporate earnings reports and after the RBI said that inflation is set to ease. S&P BSE Sensex and Nifty 50 rose about 2.3% each.
- Almost all sectors ended positive, with banking, oil & gas and power rising the most. S&P BSE Bankex, S&P BSE Oil & Gas and S&P BSE Power advanced 4.2%, 3.1% and 2.7% respectively.
- However, some gains were capped on lingering concerns over aggressive rate hikes by global central banks and their impact on economic growth.
- Selling in metal and consumer durables shares also aided the downside. S&P BSE Metal and S&P BSE Consumer Durables lost 1.0% and 0.2%, respectively.
- Shares of Axis Bank emerged the top gainer on the Nifty 50, up ~13% on week to settle at Rs 900.4 per share owing to strong quarterly earnings.
- Shares of IndusInd Bank emerged the top decliner on the Nifty 50, down ~3% on week to settle at Rs 1142.25 per share on profit booking.

#### 2. Debt

- Government bond prices fell in the week ended October 21, 2022. The yield of the 10-year benchmark 7.26% 2032 paper ended at 7.51% on October 21, 2022 vs 7.47% on October 14, 2022.
- Domestic yields rose on tracking persistent spike in US treasury yield.
- Prices fell further owing to fresh supply because of the weekly debt auction held on October 21, 2022. The RBI auctioned 7.38% GS (government securities) 2027, 7.26% GS 2032 and 7.36% GS 2052 for a notified amount of Rs 28,000 crore.
- Further decline in prices was prevented after less hawkish minutes of the RBI's latest monetary policy eased fears of aggressive rate hikes.
- Minutes of the policy suggested that the committee may depend more on data in deciding the key interest rate going ahead, even as policymakers appeared divided on the future path of rate hikes.

#### 3. Forex

- The rupee ended lower against the US dollar this week due to persistent global economic recession worries and foreign fund outflow.
- The local currency was also under pressure owing to dollar demand from oil companies, and as the dollar index strengthened after an acceleration in the UK and eurozone inflation reaffirmed investors' fears that global central banks would continue their hawkish stance.
- Rise in crude oil prices also weighed on the rupee.
- However, some losses were restrained on reports of dollar sales by the RBI to prevent the local currency from declining further.

## International equity benchmark indices' returns

Indices	Oct 21	% chg week	% chg 3 Mth	% chg Year
DJIA*	30,334	2.36	-4.84	-14.82
Nasdaq Composite*	10,615	2.84	-10.78	-29.80
FTSE 100*	6,944	1.24	-4.41	-3.87
Nikkei 225	26,891	-0.74	-3.28	-6.33
Straits Times	2,970	-2.29	-5.78	-6.85
Hang Seng	16,211	-2.27	-21.21	-37.69
Shanghai Comp	3,039	-1.08	-7.12	-15.46

\*As of Oct 20

## International debt market indicators

Indicators	Oct 21	Oct 14
US 10-Year*	4.23%	4.01%
UK 10-Year*	3.97%	4.32%
German 10-Year*	2.39%	2.34%
Japan 10-Year	0.25%	0.24%
3-M USD Libor*	4.32%	4.19%
6-M USD Libor*	4.83%	4.69%
1-Y USD Libor*	5.42%	5.28%

\*As of Oct 20

## Commodities

Commodity	Oct 21	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	92.38	0.82	-13.60	7.64
Indian gold (Rs per 10 gm)	50,062.00	-0.75	0.18	5.46
Indian Silver (Rs per Kg)	55,555.00	-0.87	3.06	-14.53

\*As of Oct 20

Source: Respective commodity exchanges, ibjrates.com

## B. International

### 1. Equity

- Global equity markets ended mixed amid region-specific cues.
- US stocks surged this week on the back of some upbeat corporate earnings reports, better-than-expected domestic industrial production numbers, and as the UK government reversed course on its economic plan, which would have led to a rise in borrowing.
- US industrial production rose 5.3% on-year in September compared to revised 3.9% gain in August.
- Gains in the markets were capped amid fears over more aggressive rate hikes by the US Fed.
- Britain's FTSE advanced 1.2% after the nation's new finance minister Jeremy Hunt reversed PM Liz Truss's previously announced tax and spending measures, subsiding worries about the size of the increased borrowing needed to fund the plans.
- However, further gains were prevented following a spike in domestic inflation.
- UK consumer prices rose 10.1% on-year in September from 9.9% in August, while core inflation rose to 6.5% in September from 6.3% in August.
- UK producer price index rose 20% on-year earlier in September, after an upwardly revised 20.9% increase in August.
- Asian equities ended lower. Japan's Nikkei fell 0.7% on worries over a global recession, and sell-off in shares of exporters and technology firms.
- Some losses were recouped on tracking gains on the Wall Street and following a reversal in UK's fiscal policy.
- Hong Kong's Hang Seng declined 2.3% on worries over global inflation, interest rate hikes, slowdown in the Chinese economy, and after the city's policy initiatives failed to ease concerns over economic revival.
- Further losses were restrained after the UK government decided to reverse its economic plan.
- China's Shanghai Composite lost 1% on concerns over the country's economic outlook amid rising Covid-19 cases, and on caution ahead of the country's leadership reshuffle to be disclosed this weekend.
- China loan prime rate for 1 year and 5 year remained unchanged at 3.65% and 4.3% respectively.

### 2. Commodity

- Crude oil prices rose in this week on concerns over supply tightening following reports of lower inventories in the US and expectations of ease in demand concerns on reports that China is considering Covid-19 quarantine measures.
- Gold prices fell this week tracking similar trend in the global metal prices, weak global cues and an intermittent surge in US treasury yield.
- Silver prices declined mirroring similar trend in gold and industrial metals.

## C. News summary

### 1. Domestic

- India trade deficit widened to \$25.71 billion in September, compared to \$22.47 billion in September 2021. Imports increased 8.66% on year to \$61.16 billion and exports rose 4.82%, to reach \$35.45 billion.
- Retail inflation for farm and rural workers increased to 7.69% and 7.9%, respectively, in September, mainly due to higher prices of certain food items.
- Prime Minister (PM) Narendra Modi launched 75 Digital Banking Units (DBUs) across India to ensure that the benefits of digital banking reach every nook and corner of the country and cover all states and union territories.
- PM released funds worth Rs 16000 crore during PM Kisan Samman Sammelan 2022.
- The Centre sanctioned Rs 51,085 crore of the Rs 1 lakh crore interest-free 50-year capex loans earmarked for FY23, to 18 states till September in the current financial year.
- The Cabinet approved minimum support price (MSP) hike for all mandated rabi crops for marketing season 2023-24.
- Government received a total of Rs 360 crore on a cumulative basis as dividends from five state-owned companies.
- Reserve Bank of India's governor Shaktikanta Das said Digital Banking Units (DBU) will further augment the country's digital infrastructure.
- According to SEBI a merchant banker cannot carry on any business other than those pertaining to the securities market
- SEBI allowed stockbrokers to place bids on the RFQ platform on behalf of their clients to facilitate wider participation in the corporate bond market.

### 2. International

- US Michigan consumer sentiment index rose to 59.8 in September from 58.6 in August.
- Eurozone consumer prices rose 9.9% on-year in September, compared to 9.1% gain in August, while core inflation increased to 4.8% in September from 4.3% in August.
- UK consumer prices rose 10.1% on-year in September from 9.9% in August, while core inflation rose to 6.5% in September from 6.3% in August.
- China loan prime rate for 1 year and 5 year remained unchanged at 3.65% and 4.3% respectively.
- Japan annual inflation remained unchanged at 3% in September from that in August.

## D. Week ahead

Day	Events
Monday, Oct 24, 2022	<ul style="list-style-type: none"> <li>US S&amp;P Global Manufacturing/Services/Composite PMI Flash, October</li> <li>Eurozone S&amp;P Global Manufacturing/Services/Composite PMI Flash, October</li> <li>China GDP Growth Rate YoY, Q3</li> <li>China Industrial Production, September</li> </ul>
Tuesday, Oct 25, 2022	<ul style="list-style-type: none"> <li>US House Price Index, August</li> <li>US CB Consumer Confidence, October</li> </ul>
Wednesday, Oct 26, 2022	<ul style="list-style-type: none"> <li>US New Home Sales, September</li> </ul>
Thursday, Oct 27, 2022	<ul style="list-style-type: none"> <li>US GDP Growth Rate QoQ Advance, Q3</li> <li>US Durable Goods Orders, September</li> <li>US Consumer Spending, Q3</li> </ul>
Friday Oct 28, 2022	<ul style="list-style-type: none"> <li>US Michigan Consumer Sentiment, September</li> <li>Eurozone Consumer Confidence, October</li> <li>Japan BoJ Interest Rate Decision</li> </ul>

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