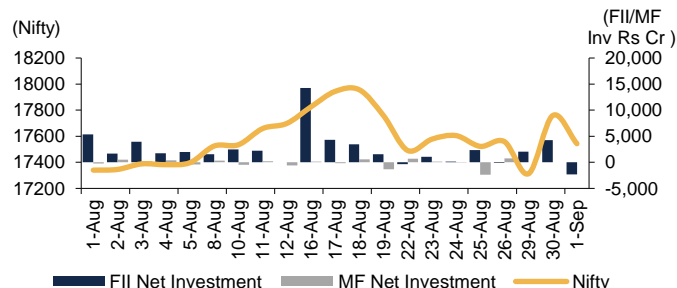


Indian equity benchmark indices' returns

Broad Indices	Sep 2	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	58,803	-0.05	5.35	1.64
Nifty 50	17,539	-0.11	5.48	1.77
Nifty 500	15,202	0.36	7.30	3.52
S&P BSE 100	18,030	0.20	6.56	2.98
S&P BSE Midcap	25,464	1.37	10.18	4.80
S&P BSE Smallcap	28,801	1.35	7.89	5.90

FII and mutual fund investment vs. Nifty



Sectoral Indices	Sep 2	% chg week	% chg 3 Mth	% chg Year
S&P BSE Realty Index	3,723	3.05	13.92	13.04
S&P BSE CG	32,818	2.75	20.44	29.33
S&P BSE Auto	30,287	2.05	15.53	34.60
S&P BSE FMCG	15,896	2.01	12.86	7.13
S&P BSE CD	42,524	1.30	11.38	10.52
S&P BSE Bankex	45,197	1.17	10.06	7.74
S&P BSE Power	5,146	0.97	22.74	72.23
S&P BSE Oil & Gas	19,733	0.03	4.43	14.96
S&P BSE Healthcare	22,738	-0.03	2.27	-14.90
S&P BSE Metal	18,693	-2.06	1.91	-8.18
S&P BSE IT	28,299	-3.23	-6.54	-17.34

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Sep 2	Previous Week	1 month ago
Call Rate	5.30%	4.40%	4.25%
10 Yr G-Sec*^	7.23%	7.21%	7.20%

*6.54% 2032 paper ^Weighted Average Yield

Currencies vs INR

Currency	Sep 2	Week ago	3 months ago	1 year ago
USD	79.80	79.87	77.61	73.06
GBP	92.17	94.52	97.35	100.81
Euro	79.84	79.90	82.96	86.61
Yen*	56.87	58.32	59.70	66.44

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices ended the week marginally lower following weaker-than-expected domestic GDP and manufacturing activity data for August, and a rise in tax on fuel exports and domestic crude. S&P BSE Sensex and Nifty 50 fell about 0.1% each.
- Markets also fell after the US Federal Reserve (Fed) signalled aggressive rate hikes to curb inflation and on caution ahead of the US jobs report for August.
- Information technology (IT) and metal counters declined the most. S&P BSE IT and S&P BSE Metal fell about 3.2% and 2.1%, respectively.
- However, buying in realty, capital goods and auto stocks recouped most of the losses. S&P BSE Realty, S&P BSE Capital Goods and S&P BSE Auto rose about 3.1%, 2.8% and 2.1%, respectively.
- Shares of Bajaj Finserv emerged the top gainer on the Nifty 50, up ~6% on week to settle at Rs 17329.25 per share after announcing its record date for stock split and bonus issue.
- Shares of Hindalco Industries emerged the top decliner on the Nifty 50, down ~6% on week to settle at Rs 414.9 per share on profit booking.

2. Debt

- Government bond prices ended almost flat in the holiday-shortened week ended September 2, 2022. The yield on the 10-year benchmark 6.54% 2032 settled at 7.23% on September 2, 2022, compared with 7.22% on August 26, 2022.
- Yields rose earlier, tracking a spike in US Treasury yields after Fed Chair Jerome Powell's hawkish stance raised expectations of aggressive rate hikes.
- Bonds fell further after weekly debt auction added to the debt supply. In the debt sale held on September 2, 2022, the RBI auctioned 6.69% GS (government security) 2024, 7.10% GS 2029 (partially devolved on primary dealers), 7.26% GS 2032, and 6.95% GS 2061 for a total notified amount of Rs 33,000 crore.
- However, reports about progress on inclusion of local bonds in global indices capped gains in yields.

3. Forex

- The rupee ended higher against the US dollar on strong foreign fund inflow and reports of dollar sales by exporters.
- Further, a dip in global crude oil prices also supported the local unit.
- However, these gains were capped after the dollar index rallied amid fears of a potential aggressive rate hike by the Federal Reserve.
- Additionally, a weak domestic equity market and a strong dollar demand from importers weighed on the currency.

International equity benchmark indices' returns

Indices	Sep 2	% chg week	% chg 3 Mth	% chg Year
DJIA*	31,656	-1.94	-3.53	-10.35
Nasdaq Composite*	11,785	-2.94	-1.75	-23.02
FTSE 100*	7,149	-3.75	-5.10	-0.02
Nikkei 225	27,651	-3.46	0.86	-3.13
Straits Times	3,206	-1.35	-0.65	3.78
Hang Seng	19,452	-3.56	-7.73	-25.44
Shanghai Comp	3,186	-1.54	-0.28	-11.41

*As of Sep 1

International debt market indicators

Indicators	Sep 2	Aug 26
US 10-Year*	3.27%	3.04%
UK 10-Year*	2.94%	2.60%
German 10-Year*	1.57%	1.40%
Japan 10-Year	0.24%	0.22%
3-M USD Libor*	3.14%	3.07%
6-M USD Libor*	3.70%	3.57%
1-Y USD Libor*	4.21%	4.12%

*As of Sep 1

Commodities

Commodity	Sep 2	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	92.36	-8.55	-20.58	29.01
Indian gold (Rs per 10 gm)	50,584.00	-2.10	-1.21	7.00
Indian Silver (Rs per Kg)	52,472.00	-5.64	-15.47	-17.49

*As of Sep 1

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Global equity markets ended lower on worries over aggressive rate hikes by global central banks.
- US stocks slumped after the Fed Chair, at the Jackson Hole symposium, said the central bank needs to tighten monetary policy until inflation is under control.
- Further, strong consumer confidence data raised expectations of an aggressive monetary policy stance by the Fed.
- US ADP employment grew by 132,000 in August, a deceleration from the 268,000 gain in July.
- US consumer confidence index rose to 103.2 in August from a revised 95.3 in July.
- However, sharp losses were capped on caution ahead of non-farm payroll data.
- US non-farm payrolls for August came in at 315,000 in August compared to 526,000 in July; the unemployment rate rose to 3.7% from 3.5%.
- Britain's FTSE plummeted about 4% on recession worries amid a weak sterling and rising inflation, a sell-off in energy and mining shares, and after the Fed Chair signalled more rate hikes to tame inflation.
- Asian equities ended lower. Japan's Nikkei nosedived 3.5% on worries over aggressive rate hikes by global central banks and a sell-off in chip-related, technology and energy shares.
- Hong Kong's Hang Seng slipped 3.5% owing to a decline in China's manufacturing activity, fears of potential rate hikes by global central banks and concerns over China's economic growth.
- China's Shanghai Composite declined 1.5% as investors worried over the country's economic outlook amid fresh Covid-19 cases and weak economic data, coupled with concerns over aggressive rate hikes by the Fed.
- China's industrial profits declined 1.1% on-year in the first seven months of 2022, compared with an increase of 0.8% in June.
- The Caixin China manufacturing PMI declined to 49.5 in August from 50.4 in July.

2. Commodity

- Crude oil prices declined in this week on worries over global economic slowdown amid renewed Covid-19 restrictions in China and fears of aggressive rate hikes by central banks to control rising inflation.
- Gold prices fell this week tracking weak global cues amid persistent worries over potential rate hikes by the US Federal Reserve.
- Silver prices declined this week tracking similar trend in gold and industrial metals.

C. News summary

1. Domestic

- India's gross domestic product (GDP) grew 13.5% on-year in the April-June quarter of 2023 compared to 4.1% in the previous quarter.
- India's core sector output slowed down to 4.5% in July compared to upward revision of 13.2% in June and 9.9% in the year ago period.
- India's fiscal deficit for April-July came in at Rs 3.41 lakh crore, 20.5% of the current fiscal target against 21.3% a year ago.
- India S&P Global manufacturing Purchasing Managers' Index dipped slightly to 56.2 in August from 56.4 in July.
- The gross GST collection in August stood at Rs 1.43 lakh crore, up 28% on a year.
- Prime Minister Narendra Modi said the government is working on improving the ecosystem of electric vehicles in the country, while urging the industry to also look at alternatives to EV technology like biofuel, ethanol blending and hybrids.
- The Reserve Bank of India (RBI) is planning to set up a fraud registry to create a comprehensive database of fraudulent websites, phone numbers and other details, to prevent unscrupulous elements from duping people through virtual transactions.
- RBI came out with new guidelines to all lenders including banks to protect the data of borrowers using digital lending apps from being misused
- SEBI finetuned disclosure norms for credit rating agencies and put in place a framework for rating withdrawal of perpetual debt securities.
- SEBI revamped the pricing norms for preferential allotment of units by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs).

2. International

- US non-farm payrolls for August 2022 came in at 315,000 compared to downwardly revised 526,000 in July 2022; the unemployment rate rose to 3.7% in August 2022 from 3.5% in July 2022.
- US factory orders fell 1% on-month in July 2022 compared to revised 1.8% decline in June 2022.
- US consumer confidence index rose to 103.2 in August 2022 from revised 95.3 in July 2022.
- Eurozone annual producer price index rose to a record high of 37.9% in July from 36% in June.
- China official manufacturing PMI rose to 49.4 in August 2022 from 49 in July, while the non-manufacturing fell to 52.6 from 53.8.

D. Week ahead

Day	Events
Monday, Sep 5, 2022	<ul style="list-style-type: none"> Eurozone S&P Global Services/Composite PMI, August 2022 Eurozone Retail Sales, July 2022 UK S&P Global/CIPS Services/Composite PMI, August 2022 China Caixin Services/Composite PMI, August 2022 India S&P Global Composite/Services PMI, August 2022
Tuesday, Sep 6, 2022	<ul style="list-style-type: none"> US S&P Global Services/Composite PMI, August 2022 US ISM Non-manufacturing PMI, August 2022
Wednesday, Sep 7, 2022	<ul style="list-style-type: none"> US Trade Balance, July 2022 Eurozone GDP Growth Rate, Q2 2022 China Trade Balance, August 2022 Japan Leading Economic/Coincident Index, July 2022
Thursday, Sep 8, 2022	<ul style="list-style-type: none"> US Initial Jobless Claims, September 3, 2022 ECB Interest Rate decision Japan GDP Growth Rate, Q2 2022 Japan Current Account, July 2022 Japan Eco Watchers Survey Outlook, August 2022
Friday Sep 9, 2022	<ul style="list-style-type: none"> US Wholesale Inventories, July 2022 US Consumer Credit Change, July 2022 China Consumer Prices, August 2022 China Producer Prices, August 2022

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