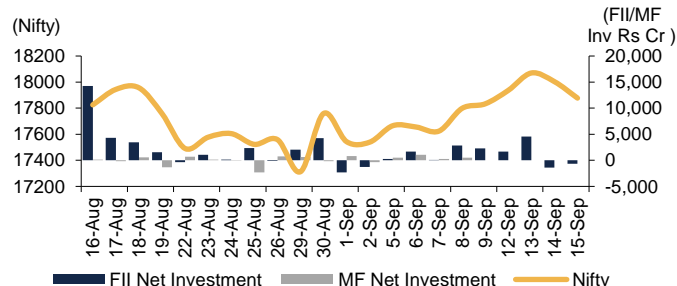


## Indian equity benchmark indices' returns

Broad Indices	Sep 16	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	58,841	-1.59	14.26	-0.51
Nifty 50	17,531	-1.70	14.13	-0.56
Nifty 500	15,244	-1.44	16.46	0.92
S&P BSE 100	18,047	-1.48	15.23	0.68
S&P BSE Midcap	25,558	-1.46	19.20	0.87
S&P BSE Smallcap	29,199	-1.12	19.93	3.16

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Sep 16	% chg week	% chg 3 Mth	% chg Year
S&P BSE Power	5,251	1.80	34.53	66.90
S&P BSE Bankex	46,670	0.82	24.10	8.63
S&P BSE Metal	19,164	0.15	20.56	-8.75
S&P BSE FMCG	15,783	-1.44	17.90	4.28
S&P BSE CD	42,146	-1.62	21.41	2.45
S&P BSE Auto	29,718	-1.89	18.99	27.62
S&P BSE CG	32,683	-1.93	28.04	24.78
S&P BSE Healthcare	22,664	-2.14	6.17	-15.58
S&P BSE Oil & Gas	19,448	-2.93	9.61	9.17
S&P BSE Realty Index	3,622	-3.23	20.39	7.54
S&P BSE IT	27,317	-6.72	-0.82	-22.15

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Sep 16	Previous Week	1 month ago
Call Rate	5.65%	4.50%	4.75%
10 Yr G-Sec <sup>^</sup>	7.26%	7.16%	7.29%

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

## Currencies vs INR

Currency	Sep 16	Week ago	3 months ago	1 year ago
USD	79.74	79.58	78.07	73.51
GBP	90.75	92.35	94.79	101.44
Euro	79.50	80.18	81.43	86.54
Yen*	55.69	55.88	58.65	67.05

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Indian equity indices ended lower on worries over aggressive monetary policy tightening by central banks after an unexpected rise in US inflation. S&P BSE Sensex and Nifty 50 fell nearly 2% each.
- Markets also fell as investors raised concerns about a global economic recessionary risk.
- Almost all sectors ended in the negative, with IT, realty, and oil & gas counters declining the most. S&P BSE IT, S&P BSE Realty, and S&P BSE Oil & Gas fell about 6.7%, 3.2%, and 2.9%, respectively.
- However, some losses were capped due to buying in power and banking stocks. S&P BSE Power and S&P BSE Bankex rose about 1.8% and 0.8%, respectively.
- Shares of IndusInd Bank emerged the top gainer on the Nifty 50, up ~8% on week to settle at Rs 1227.35 per share, after the bank's board approved the re-appointment of its existing MD & CEO.
- Shares of Infosys emerged the top decliner on the Nifty 50, down ~9% on week to settle at Rs 1377.05 per share following a broad sell-off in IT stocks amid global recession worries.

#### 2. Debt

- Government bond prices declined in the week ended September 16, 2022. The yield on the 10-year benchmark 6.54% 2032 settled at 7.27% on September 16, 2022, compared with 7.17% on September 09, 2022.
- Elevated domestic and US inflation fuelled worries about aggressive rate hikes by the respective central banks, denting market sentiment.
- A spike in US Treasury yields also kept the local bond prices under pressure.
- However, further gains in yields were capped by the buzz around inclusion of domestic bonds in international indices.
- In the debt sale held on September 16, 2022, the RBI auctioned 6.69% GS (government security) 2024 (partially devolved on primary dealers), 7.10% GS 2029, 7.26% GS 2032, and New 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 soared to a new record high after stronger-than-expected US inflation data raised investor concerns over more aggressive rate hikes by the Fed.
- The local unit also suffered due to risk aversion in global markets after International Monetary Fund (IMF) spokesman Gerry Rice raised concerns over a further slowdown in the global economy and hinted that some countries may slip into recession in 2023.
- Weak trends in the domestic equity market also pressurised the currency.
- However, persistent foreign fund inflow and fall in crude oil prices offset some losses in the rupee

## International equity benchmark indices' returns

Indices	Sep 16	% chg week	% chg 3 Mth	% chg Year
DJIA*	30,962	-3.70	0.96	-11.07
Nasdaq Composite*	11,552	-4.62	4.08	-23.80
FTSE 100*	7,282	-0.94	0.12	3.79
Nikkei 225	27,568	-2.29	4.30	-9.09
Straits Times	3,268	0.16	5.52	6.65
Hang Seng	18,762	-3.10	-10.00	-23.94
Shanghai Comp	3,126	-4.16	-4.84	-13.33

\*As of Sep 15

## International debt market indicators

Indicators	Sep 16	Sep 9
US 10-Year*	3.46%	3.32%
UK 10-Year*	3.16%	3.12%
German 10-Year*	1.74%	1.70%
Japan 10-Year	0.25%	0.24%
3-M USD Libor*	3.53%	3.19%
6-M USD Libor*	4.06%	3.75%
1-Y USD Libor*	4.62%	4.19%

\*As of Sep 15

## Commodities

Commodity	Sep 16	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	90.84	-2.15	-23.35	20.38
Indian gold (Rs per 10 gm)	49,341.00	-3.02	-2.52	5.75
Indian Silver (Rs per Kg)	55,144.00	0.81	-8.93	-11.43

\*As of Sep 15

Source: Respective commodity exchanges, ibjrates.com

## B. International

### 1. Equity

- Global equity markets ended lower on Fed rate hike fear.
- US stocks plummeted after disappointing domestic economic data, including stronger-than-expected inflation numbers, raised worries that the Fed may continue aggressive monetary policy tightening.
- US consumer prices rose 8.3% on-year in August, compared with a 8.5% gain in July.
- The US Philadelphia Fed Manufacturing Index declined to -9.9 in September from 6.2 in August.
- However, sharp losses were trimmed as investors covered short positions after markets witnessed a huge sell-off.
- Britain's FTSE slipped about 1% following higher-than-expected US inflation numbers that fuelled concerns over higher rate hikes by the Fed and losses in energy shares.
- However, gains in mining, banking, and commodity-linked shares limited these losses.
- Asian equities ended lower. Japan's Nikkei declined over 2% tracking similar sentiments in the global markets as investors worried over a global economic slowdown amid rising interest rates.
- Japan industrial production decreased 2% on-year in July, lower compared with a 2.8% fall in June.
- Short covering and gains in travel-related stocks amid hopes of a rebound in tourism, prevented further losses.
- Hong Kong's Hang Seng slumped 3% as an unexpected spike in US inflation data raised concerns over aggressive rate hikes by the Fed and worries over China's economic growth.
- China's Shanghai Composite slumped 4% due to a sell-off in security firms after the government asked them to slash service fees, and a rise in US inflation rate that fuelled worries over potential rate hikes by the Fed.
- These losses were partly offset after China's Premier Li Keqiang vowed to continue its plan to roll out policies in phases to stabilise its Covid-19-hit economy, and on easing lockdown restrictions in some places.

### 2. Commodity

- Crude oil prices fell in this week on global demand concerns, reports over an agreement that would avert US rail strike, an unexpected rise in August's US inflation data raising worries of another rate hike by the Fed and intermittent strength in dollar index.
- Gold prices fell this week tracking similar trend in the global metal prices, intermittent strength in dollar index and prospects of big interest rate hike by the US Fed.
- Silver prices rose this week on hopes of demand for industrial metals.

## C. News summary

### 1. Domestic

- India's retail inflation rose 7% on-year in August from 6.71% in July, owing to higher food prices.
- India's industrial production grew by 2.4% on-year in July from an upwardly revised 12.7% increase in June; the manufacturing production rose 3.2% on-year in July from 12.9% gain in the previous month.
- India wholesale price index-based inflation eased for the third consecutive month in August to 12.41%, from 13.93% in July owing to a pullback in prices of manufactured items.
- India's trade deficit rose to \$27.98 billion in August compared to \$11.71 billion in the year ago period; the exports rose by 1.62% to \$33.92 billion and the imports increased by 37.28% to \$61.9 billion.
- The government has identified 196 critical infrastructure gap projects that are being sped up under the PM Gati Shakti scheme.
- Finance Minister Nirmala Sitharaman said India has 100 unicorns with a value at \$250 billion.
- The Reserve Bank of India (RBI) decided to allow foreign inward remittances received under the Rupee Drawing Arrangement (RDA), to be transferred to the KYC compliant bank account of the biller (beneficiary) through Bharat Bill Payment System (BBPS).
- RBI said the price for premature redemption of the Sovereign Gold Bond Scheme 2016-17 Series IV has been fixed at Rs 5,077 per unit.
- SEBI chairperson Madhabi Puri Buch said transparency was the single most important factor for the capital markets and added that it cannot control IPO pricing, but full disclosure mandatory.

### 2. International

- US consumer prices rose 8.3% on-year in August from 8.5% gain in July; the core inflation rose 6.3% in August from 5.9% in July.
- Eurozone industrial production fell 2.4% on-year in July following a revised 2.2% rise in June.
- UK economy expanded 2.3% on-year in July, higher than a 1.9% rise in June.
- UK annual inflation rate eased to 9.9% in August, from 10.1% in July; while core consumer prices rose 6.3% in August, from 6.2% in July.
- China's industrial production rose by 4.2% on-year in August following a 3.8% increase in July.
- Japan producer prices increased at a same pace by 9% on-year in August compared to an upwardly revised figure in July.

## D. Week ahead

Day	Events
Monday, Sep 19, 2022	<ul style="list-style-type: none"> <li>US NAHB Housing Market Index, September</li> </ul>
Tuesday, Sep 20, 2022	<ul style="list-style-type: none"> <li>US Housing Starts, August</li> <li>Eurozone Current Account, July</li> <li>China Loan Prime Rate 1Y/5Y, September</li> <li>Japan Inflation Rate YoY, August</li> </ul>
Wednesday, Sep 21, 2022	<ul style="list-style-type: none"> <li>US Fed Interest Rate Decision</li> <li>US Existing Home Sales, August</li> <li>UK Public Sector Net Borrowing, August</li> </ul>
Thursday, Sep 22, 2022	<ul style="list-style-type: none"> <li>US Current Account, Q2</li> <li>US Initial Jobless Claims, September 17</li> <li>Eurozone Consumer Confidence, September</li> <li>UK BoE Interest Rate Decision</li> <li>Japan BoJ Interest Rate Decision</li> </ul>
Friday Sep 23, 2022	<ul style="list-style-type: none"> <li>US S&amp;P Global Manufacturing/Services/Composite PMI Flash, September</li> <li>Eurozone S&amp;P Global Manufacturing/Services/Composite PMI Flash, September</li> <li>UK S&amp;P Global/CIPS Manufacturing/Services/Composite PMI, September</li> <li>UK Gfk Consumer Confidence, September</li> <li>India Foreign Exchange Reserves, September 16</li> </ul>

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