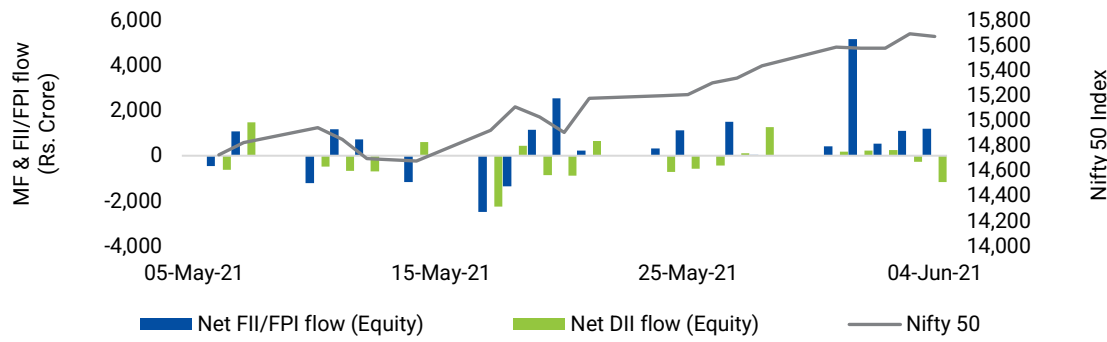


## Macro Economic Release

| Indicators                          | Actual | Consensus | Previous |
|-------------------------------------|--------|-----------|----------|
| India Markit Manufacturing PMI(May) | 50.8   | 52        | 55.5     |
| India Markit Services PMI (May)     | 46.4   | 49        | 54       |
| India GDP Growth Rate (YoY)(Q1)     | 1.60%  | 1%        | 0.50%    |
| WPI Inflation (Apr)                 | 10.49% | 9.05%     | 7.39%    |

Source: Refinitiv

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

## Indian Equity Market Performance

| Broad Indices       | 04-Jun-21 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|---------------------|-----------|----------------|----------------|----------------|
| S&P BSE Sensex      | 52,100    | 1.32           | 53.32          | 9.11           |
| Nifty 50            | 15,670    | 1.52           | 56.25          | 12.08          |
| S&P BSE 100         | 15,953    | 1.76           | 57.38          | 13.13          |
| Nifty 500           | 13,394    | 2.11           | 63.62          | 16.28          |
| Nifty Mid cap 50    | 7,415     | 2.98           | 91.05          | 26.26          |
| Nifty Small cap 100 | 9,475     | 2.39           | 121.46         | 33.69          |

| Sector Indices    | 04-Jun-21 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|-------------------|-----------|----------------|----------------|----------------|
| S&P BSE AUTO      | 24,030    | 1.94           | 62.92          | 15.46          |
| S&P BSE Bankex    | 40,035    | 0.43           | 70.82          | 11.55          |
| S&P BSE CD        | 34,930    | 5.34           | 69.73          | 14.93          |
| S&P BSE CG        | 23,280    | 3.57           | 84.70          | 24.19          |
| S&P BSE FMCG      | 13,090    | 0.73           | 18.25          | 3.82           |
| S&P BSE HC        | 24,752    | 1.37           | 53.75          | 14.16          |
| S&P BSE IT        | 27,460    | -0.61          | 87.02          | 13.24          |
| S&P BSE METAL     | 19,040    | 3.14           | 165.94         | 64.15          |
| S&P BSE Oil & Gas | 17,121    | 5.35           | 38.53          | 21.51          |
| S&P BSE Power     | 2,886     | 3.70           | 88.34          | 39.94          |
| S&P BSE PSU       | 7,824     | 3.57           | 66.62          | 35.34          |
| S&P BSE Realty    | 2,818     | 6.55           | 83.52          | 13.72          |
| S&P BSE Teck      | 12,239    | -0.18          | 62.32          | 10.25          |

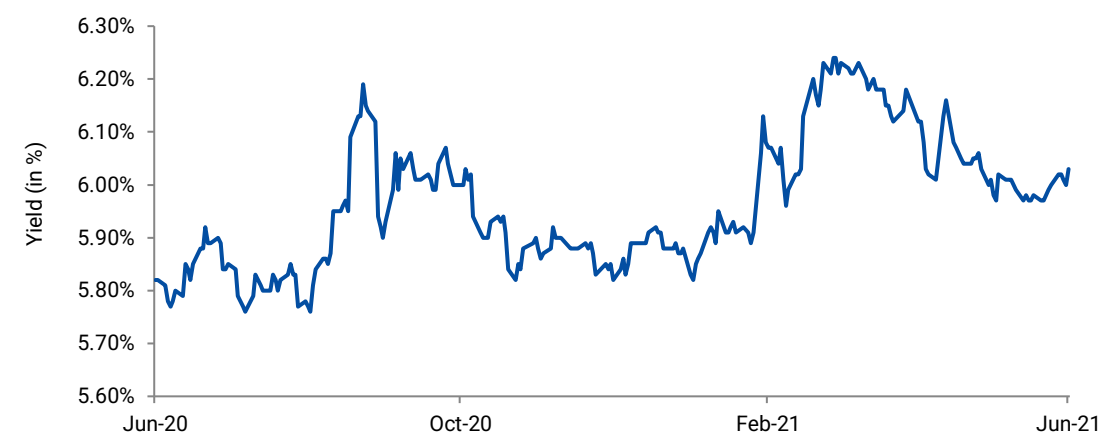
Source: BSE & NSE

## Indian Debt Market Indicators

| Broad Indices | 04-Jun-21 | Week Ago | Month Ago | 6 Months Ago | Year Ago |
|---------------|-----------|----------|-----------|--------------|----------|
| Call Rate     | 3.15%     | 3.14%    | 3.19%     | 3.06%        | 3.75%    |
| T-Repo        | 3.24%     | 3.25%    | 3.18%     | 3.00%        | 3.11%    |
| Repo          | 4.00%     | 4.00%    | 4.00%     | 4.00%        | 4.00%    |
| Reverse Repo  | 3.35%     | 3.35%    | 3.35%     | 3.35%        | 3.35%    |
| 3 Month CP    | 3.62%     | 3.62%    | 3.50%     | 3.30%        | 4.35%    |
| 1 Year CP     | 4.40%     | 4.40%    | 4.35%     | 4.05%        | 5.70%    |
| 3 Month CD    | 3.44%     | 3.42%    | 3.32%     | 3.30%        | 3.70%    |
| 1 Year CD     | 3.99%     | 4.14%    | 4.12%     | 3.61%        | 4.08%    |

Source: CCIL, Refinitiv \* As on May 28, 2021; \*\* As on May 21, 2021; @ As on Apr 30, 2021; @@ As on Dec 04, 2020; @@@ As on May 29, 2020

## 10 - Year benchmark G-Sec Movement



Source: Refinitiv

## Macro economic Update

- The Monetary Policy Committee (MPC) in its monetary policy review kept key policy repo rate unchanged at 4.0%. The reverse repo rate thus remained unchanged at 3.35% and the marginal standing facility rate and the bank rate also stood unchanged at 4.25%. The MPC also decided to continue with its accommodative stance as long as necessary to sustain growth on a durable basis and continue to mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward. All the members of the MPC unanimously voted for keeping the policy repo rate unchanged and continuing with the accommodative stance on the monetary policy.
- Government data showed that the Gross Domestic Product (GDP) of the Indian economy at constant (2011-12) prices in Q4FY21 witnessed a growth of 1.6% as against a growth of 0.5% in the previous quarter and a growth of 3.0% in the same period of the previous year. The growth in GDP during FY21 was estimated at -7.3% as compared to 4.0% in the previous fiscal. On the sectoral front, the construction sector witnessed a growth of 14.5% in Q4FY21 as compared to a growth of 6.5% in the previous quarter and a growth of 0.7% in the same period of the previous year. The manufacturing sector also witnessed a growth of 6.9% in Q4FY21 as against a growth of 1.7% in the previous quarter and a contraction of 4.2% in the same period of the previous year. The growth of the agriculture sector however slowed to 3.1% in Q4FY21 from 4.5% in the previous quarter and 6.8% in the same period of the previous year.

## Key Valuation Ratios

| Broad Indices      | P/E   | P/B  | Dividend Yield |
|--------------------|-------|------|----------------|
| Nifty 50           | 29.06 | 4.42 | 1.07           |
| Nifty Midcap 100   | 38.12 | 3.21 | 0.83           |
| Nifty Smallcap 100 | 55.52 | 3.84 | 0.64           |

Source: NSE

## Domestic Equity Market Update

- Indian equity markets ended the week with modest gains. Buying interest found support after India witnessed the lowest daily rise in COVID-19 cases in 50 days with 1.52 lakh fresh infections as on May 31. Market participants also took cues from the domestic GDP data, which grew 1.6% in Q4FY21 as against a growth of 0.5% in the previous quarter and a growth of 3.0% in the same period of the previous year. However, a cut in GDP growth forecast by one of the global rating agencies and a downtick in domestic manufacturing sector kept investors on sidelines.
- Meanwhile, investors also remained optimistic ahead of the MPC policy meet, scheduled on Jun 4. Market participants widely anticipated MPC on maintaining the status quo on policy rates and providing liquidity amid inflationary pressures due to surge in commodity prices. While the central bank committee decided to keep rates unchanged and maintained the policy stance as accommodative as expected, it revised the growth projection downward to 9.5% from 10.5% for FY22 and revised the inflation projection upward to 5.1%.
- On the BSE sectoral front, barring S&P BSE IT and S&P BSE Teck, all the major sectors closed in the green. S&P BSE Realty was the top gainer up 6.55%, followed by S&P BSE Oil & Gas and S&P BSE Consumer Durables, which rose 5.35% and 5.34%, respectively.

| Broad Indices                 | 04-Jun-21 | Week Ago | Month Ago | 6 Months Ago | Year Ago  |
|-------------------------------|-----------|----------|-----------|--------------|-----------|
| 1 Year AAA Corporate Bond     | 4.62%     | 4.71%    | 4.33%     | 4.90%        | 5.93%     |
| 3 Year AAA Corporate Bond     | 5.15%     | 5.06%    | 5.18%     | 5.31%        | 6.45%     |
| 5 Year AAA Corporate Bond     | 6.26%     | 6.28%    | 6.31%     | 6.37%        | 6.86%     |
| 10 Year AAA Corporate Bond    | 7.14%     | 7.07%    | 7.11%     | 7.04%        | 7.18%     |
| 1 Year G-Sec                  | 3.83%     | 3.70%    | 3.67%     | 3.69%        | 3.77%     |
| 3 Year G-Sec                  | 4.68%     | 4.69%    | 4.77%     | 4.43%        | 4.56%     |
| 5 Year G-Sec                  | 5.59%     | 5.54%    | 5.59%     | 5.06%        | 5.43%     |
| 10 Year G-Sec                 | 6.03%     | 6.00%    | 6.02%     | 5.90%        | 5.80%     |
| Forex Reserve (\$ in billion) | 598.17*   | 592.89** | 588.02@   | 579.35@@     | 493.48@@@ |

## Domestic Debt Market Update

- Bond yields rose as central government's additional borrowing on behalf of states weighed on sentiment. Yields went up further as lower-than-expected bond purchase plan for the next quarter disappointed market participants. The Reserve Bank of India (RBI) will buy government bonds worth Rs. 1.20 lakh crore under G-SAP in the Sept quarter of 2021. Meanwhile, the Monetary Policy Committee (MPC) kept key policy repo rate unchanged at 4.0% and to continue with its accommodative stance.
- Yield on the 10-year benchmark paper (5.85% GS 2030) rose 3 bps to close at 6.03% as compared to the previous week's close of 6.00% after moving in a narrow range of 5.98% to 6.04%.
- As per the data on sectoral deployment of bank credit, non-food bank credit rose 5.7% Y-o-Y in April 2021 slower than 6.7% in Apr 2020. Continuing its uptrend, credit growth to agriculture and allied activities accelerated to 11.3% from 4.7%. Credit growth to the services sector decelerated to 1.2% from 10.6%, mainly due to deceleration in credit growth to NBFCs and marginal contraction in credit to transport operators.

## Global Commodity Update

| Commodities                 | 04-Jun-21 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|-----------------------------|-----------|----------------|----------------|----------------|
| NYMEX Crude Oil (\$/barrel) | 69.37     | 4.14           | 85.98          | 43.33          |
| Brent Crude Oil (\$/barrel) | 71.70     | 2.97           | 79.92          | 38.63          |
| Gold (\$/ounce)             | 1,889.97  | -0.67          | 10.48          | -0.34          |
| Silver (\$/ounce)           | 27.78     | -0.36          | 56.77          | 5.39           |

Source: Refinitiv

## Currencies Update

| Currency    | 04-Jun-21 | Week Ago | Month ago | 6 Months Ago | Year Ago |
|-------------|-----------|----------|-----------|--------------|----------|
| U.S. Dollar | 72.86     | 72.40    | 73.76     | 73.76        | 75.44    |
| GBP         | 103.13    | 102.72   | 102.42    | 99.11        | 95.01    |
| Euro        | 88.63     | 88.26    | 88.61     | 89.39        | 85.52    |
| Yuan        | 6.39      | 6.37     | 6.47      | 6.53         | 7.11     |

Source: Refinitiv

## Global Equity Market Performance

| Country/Region | Indices                              | 04-Jun-21 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|----------------|--------------------------------------|-----------|----------------|----------------|----------------|
| MSCI           | MSCI Emerging Market Price Index     | 1,382     | 1.53           | 39.72          | 6.99           |
| MSCI           | MSCI International World Price Index | 2,997     | 0.61           | 35.11          | 11.42          |
| U.S.           | Russell 1000                         | 2,377     | 0.53           | 37.91          | 12.08          |
| U.S.           | Nasdaq composite                     | 13,814    | 0.48           | 43.66          | 7.19           |
| U.K.           | FTSE                                 | 7,069     | 0.66           | 11.47          | 9.42           |
| France         | CAC 40                               | 6,516     | 0.49           | 30.00          | 17.37          |
| Germany        | DAX                                  | 15,693    | 1.11           | 26.24          | 14.39          |
| Japan          | Nikkei 225                           | 28,942    | -0.71          | 27.52          | 5.46           |
| China          | Shanghai Composite                   | 3,592     | -0.25          | 23.04          | 3.42           |
| Hong Kong      | Hang Seng                            | 28,918    | -0.71          | 18.68          | 6.20           |
| Singapore      | Straits Times                        | 3,151     | -0.86          | 16.39          | 10.80          |
| Russia         | RTS Index                            | 1,647     | 2.70           | 31.00          | 18.71          |
| Brazil         | Sao Paulo Se Bovespa                 | 130,126   | 3.64           | 38.68          | 9.33           |

Source: Refinitiv

## Global Bond Yield Update

| Indicators                    | 04-Jun-21 | Week ago | Month ago | 6 Months Ago | Year ago |
|-------------------------------|-----------|----------|-----------|--------------|----------|
| U.S. 10 Year Bond yield (%)   | 1.56      | 1.59     | 1.59      | 0.97         | 0.82     |
| U.K. 10 Year Bond yield (%)   | 0.79      | 0.80     | 0.80      | 0.35         | 0.31     |
| German 10 Year Bond yield (%) | -0.21     | -0.18    | -0.24     | -0.54        | -0.32    |
| China 10 Year Bond yield (%)  | 3.11      | 3.09     | 3.18      | 3.30         | 2.85     |

Source: Refinitiv

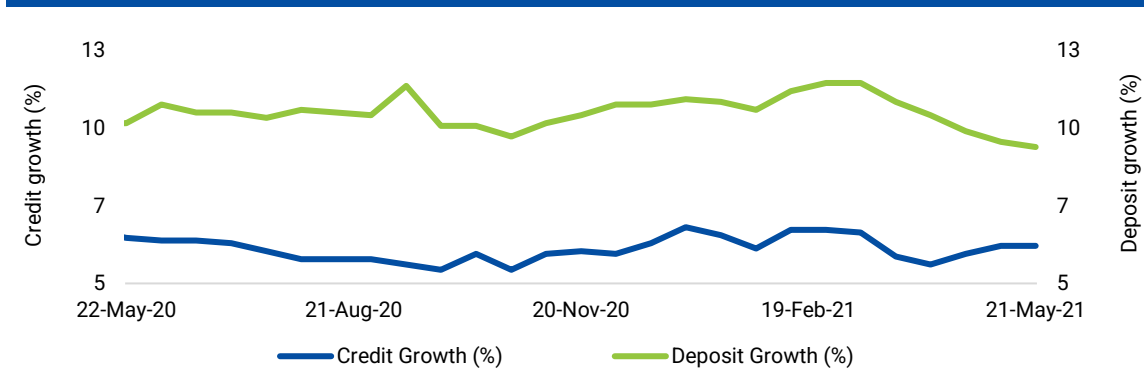
## Global Economic Calendar

| Economic Events                          | Release date | Actual | Consensus | Previous |
|--|--------------|--------|-----------|----------|
| U.S. ISM Manufacturing PMI (May)         | 1-Jun        | 61.2   | 60.7      | 60.7     |
| Eurozone Producer Price Index (YoY)(Apr) | 2-Jun        | 7.60%  | 7.30%     | 4.30%    |
| Eurozone Markit PMI Composite(May)       | 3-Jun        | 57.1   | 56.9      | 56.9     |
| U.S. Nonfarm Payrolls(May)               | 4-Jun        | 559K   | 650K      | 278K     |

Source: Refinitiv

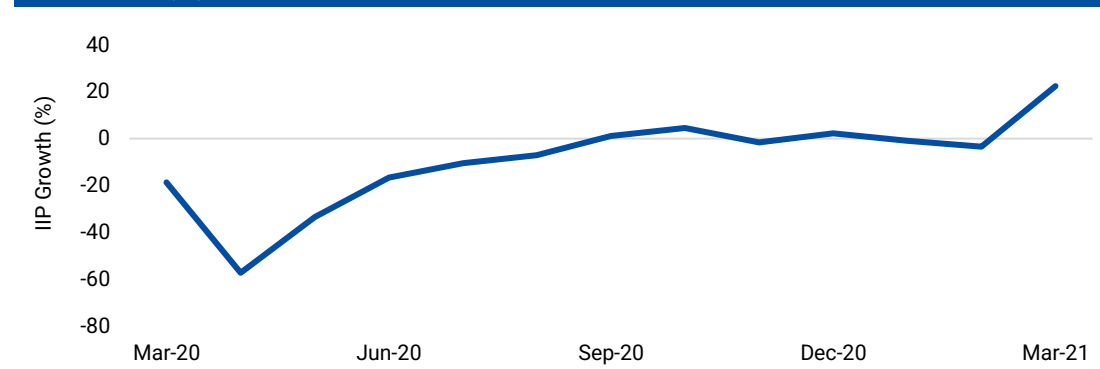
## Macro Economic Performance of India

### Credit growth vs Deposit growth



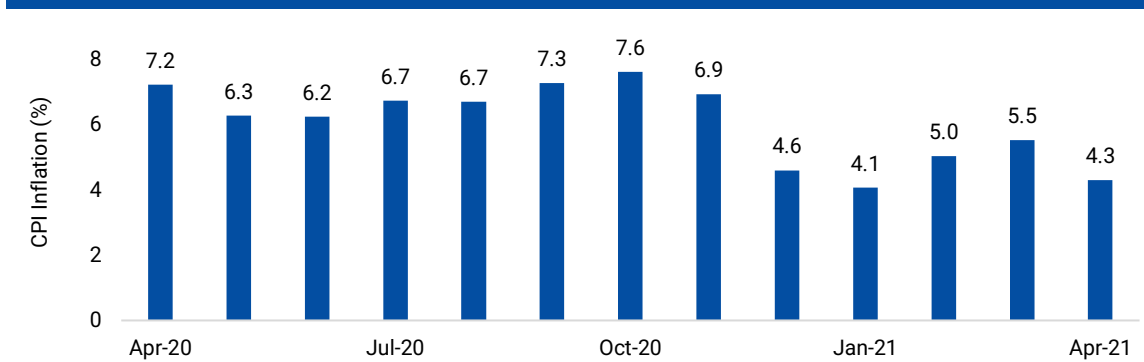
Source: Refinitiv

### IIP Growth (%)



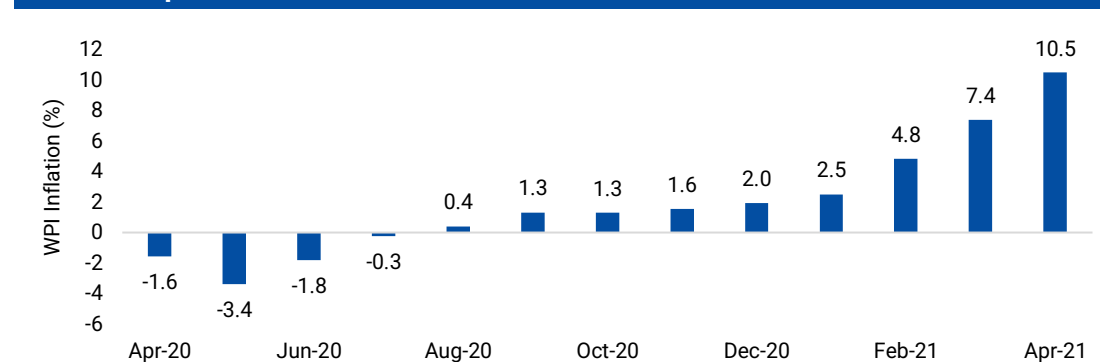
Source: Refinitiv

### Retail inflation movement



Source: Refinitiv

### Wholesale price inflation movement



Source: Refinitiv

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