

Weekly Market Update

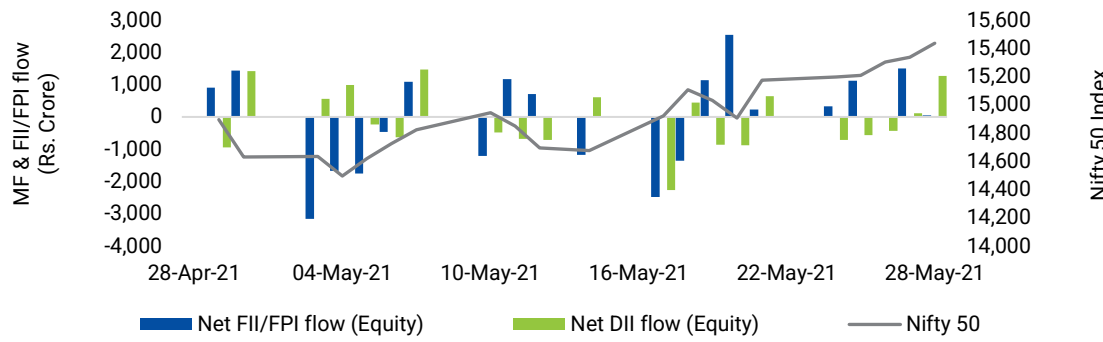
28 May, 2021

Macro Economic Release

Indicators	Actual	Consensus	Previous
Imports (\$ billion) (Apr 2021)	45.72	NA	48.38
Exports (\$ billion) (Apr 2021)	30.63	NA	34.45
Trade Deficit (\$ billion) (Apr 2021)	15.09	15.20	13.93
WPI Inflation (Apr 2021)	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	28-May-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	51,423	1.75	59.70	7.69
Nifty 50	15,436	1.72	62.65	10.40
S&P BSE 100	15,677	1.63	63.51	11.18
Nifty 500	13,117	1.54	69.64	13.88
Nifty Mid cap 50	7,200	1.51	96.55	22.60
Nifty Small cap 100	9,254	1.83	133.19	30.57

Sector Indices	28-May-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	23,572	1.75	70.02	13.27
S&P BSE Bankex	39,863	1.47	81.02	11.08
S&P BSE CD	33,160	1.46	74.01	9.10
S&P BSE CG	22,477	1.81	86.88	19.91
S&P BSE FMCG	12,996	0.41	22.70	3.07
S&P BSE HC	24,417	-0.23	59.62	12.62
S&P BSE IT	27,627	3.38	94.49	13.94
S&P BSE METAL	18,461	-0.97	175.90	59.16
S&P BSE Oil & Gas	16,251	2.84	42.00	15.34
S&P BSE Power	2,783	-1.50	89.32	34.95
S&P BSE PSU	7,554	1.89	72.41	30.67
S&P BSE Realty	2,645	3.69	95.82	6.73
S&P BSE Teck	12,260	2.86	68.14	10.44

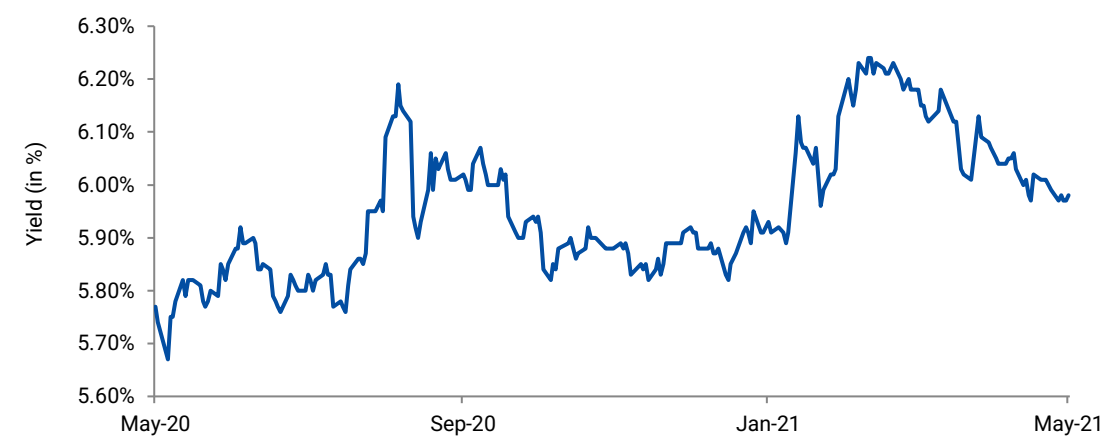
Source: BSE & NSE

Indian Debt Market Indicators

Broad Indices	28-May-21	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.14%	3.14%	3.22%	3.13%	3.70%
T-Repo	3.25%	3.32%	3.24%	2.88%	3.07%
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%	3.60%	3.50%	3.15%	4.35%
1 Year CP	4.40%	4.40%	4.40%	4.00%	5.70%
3 Month CD	3.42%	3.38%	3.32%	3.22%	3.77%
1 Year CD	4.14%	4.14%	3.95%	3.57%	4.30%

Source: CCIL, Refinitiv *As on May 21, 2021; **As on May 14, 2021; @As on Apr 23, 2021; @@As on Nov 27, 2020; @@@As on May 22, 2020

10 - Year benchmark G-Sec Movement



Source: Refinitiv

Macro economic Update

- The Goods and Services Tax Council (GST) kept tax on COVID-19 vaccines and medical supplies unchanged. However, the council exempted duty on import of a medicine used for treatment of black fungus. The GST council also to provide relief to small tax players recommended an Amnesty Scheme to reduce late fee payable. The move is expected to provide relief to small tax players who constitute 89% of GST players.
- Government data showed that India's Foreign Direct Investment (FDI) equity inflows during the period from Apr 2020 to Mar 2021 stood at \$59.64 billion which corresponds to a growth of 19%. U.S. replaced Mauritius as the second largest source of FDI into India during FY21 with inflows of \$13.82 billion. Singapore was the top source of FDI equity into the country for the third consecutive fiscal at \$17.42 billion.
- The Reserve Bank of India stated that its monetary policy will continue to support growth until it recovers on a long-term basis. The impact of the second wave of COVID-19 infections, according to the central bank, will be limited to the June quarter, with some overflow into July.
- According to RBI's annual report, the rise in domestic assets despite an expected 8% reduction in FY21 GDP raises the possibility of a bubble. The rising gap between stretched asset prices and prospects for recovery in real economic activity has arisen as a worldwide policy worry, according to the RBI, which suggests that once the epidemic waves have flattened and the real economy is firmly on a recovery path, a measured unwinding of stimulus should be considered.

Key Valuation Ratios

Broad Indices	P/E	P/B	Dividend Yield
Nifty 50	28.98	4.42	0.98
Nifty Midcap 100	37.80	3.10	0.85
Nifty Smallcap 100	58.10	3.75	0.61

Source: NSE

Domestic Equity Market Update

- Indian equity markets settled for the week in the green with Nifty 50 touching record highs on the last trading session of the week. Buying interest was largely led by steady decline of daily COVID-19 cases in India.
- The consistent fall in coronavirus cases raised optimism over gradual re-opening of economy, though there are restrictions in selected local areas to control the spread of virus.
- Optimism over next set of government stimulus measures to minimise the economic impact of the second wave coupled with declining COVID cases buoyed market sentiments.
- Global cues also provided additional support as a host of central bank policymakers across the world pledged to keep monetary policy loose despite recent signs of an uptick in global inflation.
- Nonetheless, gains were restricted with one of the major global rating agencies stating that India's escalating second wave of coronavirus infections heightened downside risks to GDP and posed a significant contagion risk to other geographies.

Broad Indices	28-May-21	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	4.71%	4.55%	4.61%	4.75%	5.64%
3 Year AAA Corporate Bond	5.06%	5.01%	5.20%	5.28%	6.37%
5 Year AAA Corporate Bond	6.28%	6.23%	6.27%	6.39%	6.83%
10 Year AAA Corporate Bond	7.07%	6.97%	7.18%	7.05%	7.24%
1 Year G-Sec	3.70%	3.72%	3.83%	3.33%	3.65%
3 Year G-Sec	4.69%	4.67%	4.77%	4.42%	4.59%
5 Year G-Sec	5.54%	5.55%	5.43%	5.08%	5.43%
10 Year G-Sec	6.00%	5.98%	6.05%	5.91%	5.99%
Forex Reserve (\$ in billion)	592.89*	590.03**	584.11@	574.82@@	490.04@@@

Domestic Debt Market Update

- Bond yields rose amid concerns that the central government may raise its market borrowing to bridge a shortfall in compensation to states. Losses increased as the Reserve Bank of India (RBI) at the weekly auction of government securities devolved more than half of the scheduled amount of 10 year benchmark paper on primary dealers.
- Yield on the 10-year benchmark paper (5.85% GS 2030) rose 2 bps to close at 6.00% as compared to the previous week's close of 5.98% after moving in a narrow range of 5.97% to 6.00%.
- RBI conducted the auction of three government securities- 4.26% GS 2023, 5.85% GS 2030 and 6.76% GS 2061 for a cumulative amount of Rs. 26,000 crore, which was undersubscribed. Greenshoe amount of Rs. 550 crore have been accepted on 4.26% GS 2023. 5.85% GS 2030 security saw devolvement on primary dealers of Rs. 7,436.458 crore. The cut-off stood at Rs. 99.98/4.2699%, Rs. 98.97/5.9937% and Rs. 97.70/6.9297%, respectively.

Global Commodity Update

Commodities	28-May-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	66.61	4.31	98.24	37.62
Brent Crude Oil (\$/barrel)	69.63	4.49	96.97	34.63
Gold (\$/ounce)	1,902.64	1.19	10.71	0.32
Silver (\$/ounce)	27.88	1.31	60.05	5.77

Source: Refinitiv

Currencies Update

Currency	28-May-21	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	72.40	72.82	74.49	73.93	75.65
GBP	102.72	103.01	103.78	98.43	93.19
Euro	88.26	88.68	90.30	88.44	83.79
Yuan	6.37	6.43	6.48	6.57	7.14

Source: Refinitiv

Global Equity Market Performance

Country/Region	Indices	28-May-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
MSCI	MSCI Emerging Market Price Index	1,361	2.31	47.06	5.38
MSCI	MSCI International World Price Index	2,979	1.23	38.68	10.75
U.S.	Russell 1000	2,365	1.27	41.25	11.49
U.S.	Nasdaq composite	13,749	2.06	46.75	6.68
U.K.	FTSE	7,023	0.06	12.93	8.70
France	CAC 40	6,484	1.53	35.90	16.80
Germany	DAX	15,520	0.53	31.74	13.13
Japan	Nikkei 225	29,149	2.94	33.00	6.21
China	Shanghai Composite	3,601	3.28	26.51	3.68
Hong Kong	Hang Seng	29,124	2.34	25.90	6.95
Singapore	Straits Times	3,179	1.95	26.37	11.77
Russia	RTS Index	1,604	2.18	29.15	15.59
Brazil	Sao Paulo Se Bovespa	125,561	2.42	44.41	5.50

Source: Refinitiv

Global Bond Yield Update

Indicators	28-May-21	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	1.59	1.63	1.62	0.84	0.71
U.K. 10 Year Bond yield (%)	0.80	0.83	0.80	0.29	0.21
German 10 Year Bond yield (%)	-0.18	-0.13	-0.23	-0.59	-0.42
China 10 Year Bond yield (%)	3.09	3.08	3.20	3.31	2.70

Source: Refinitiv

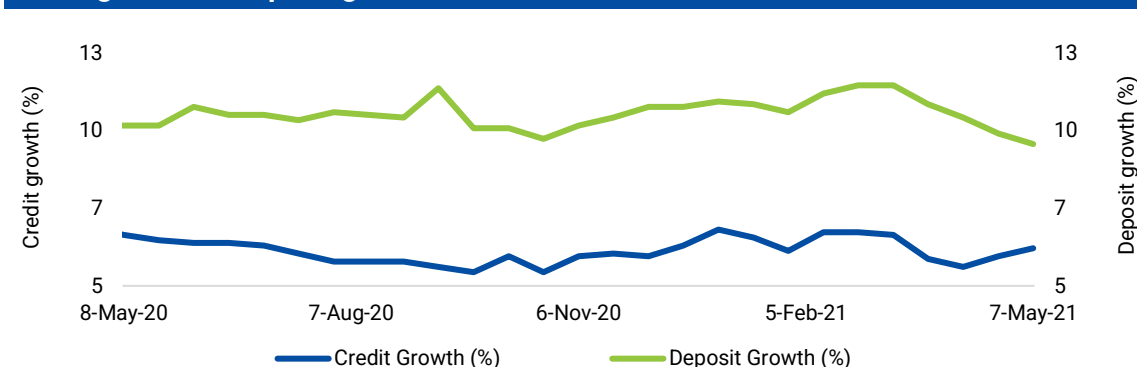
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. New Home Sales (MoM) (Apr)	25-May	0.86 M	0.95 M	0.92 M
U.S. Durable Goods Orders (Apr)	27-May	-1.30%	0.70%	1.30%
Japan Unemployment Rate (Apr)	27-May	2.80%	2.70%	2.60%
Eurozone Consumer Confidence (May)	28-May	-5.10	-5.10	-8.10

Source: Refinitiv

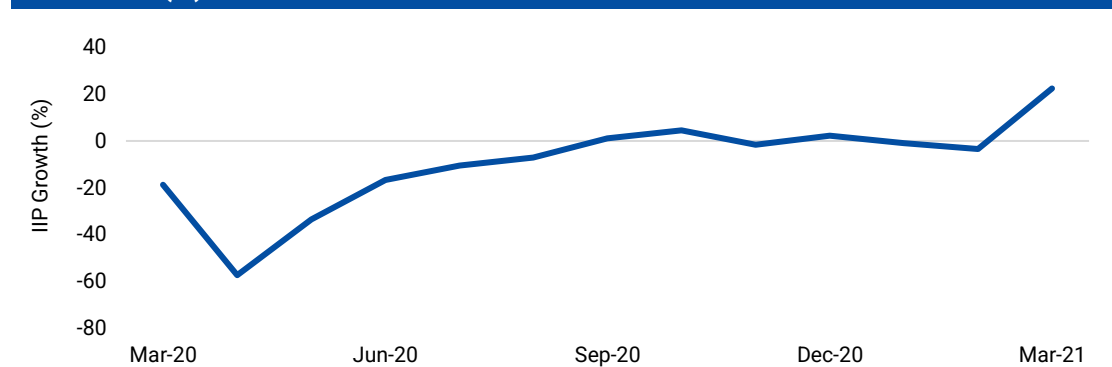
Macro Economic Performance of India

Credit growth vs Deposit growth



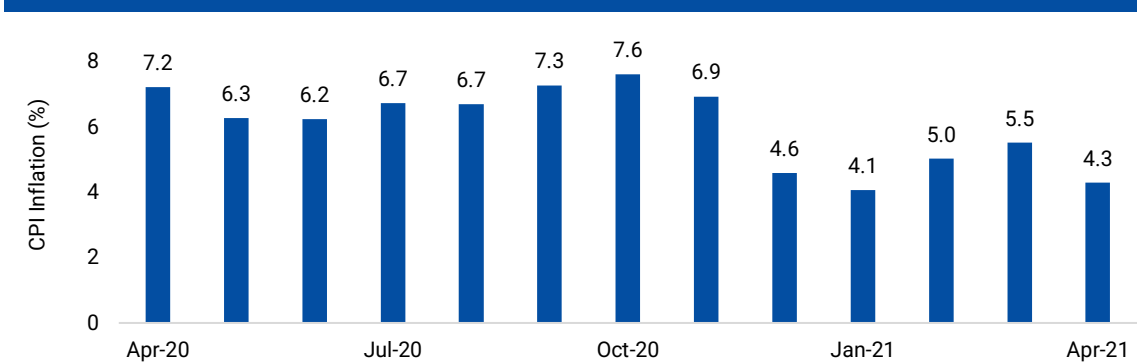
Source: Refinitiv

IIP Growth (%)



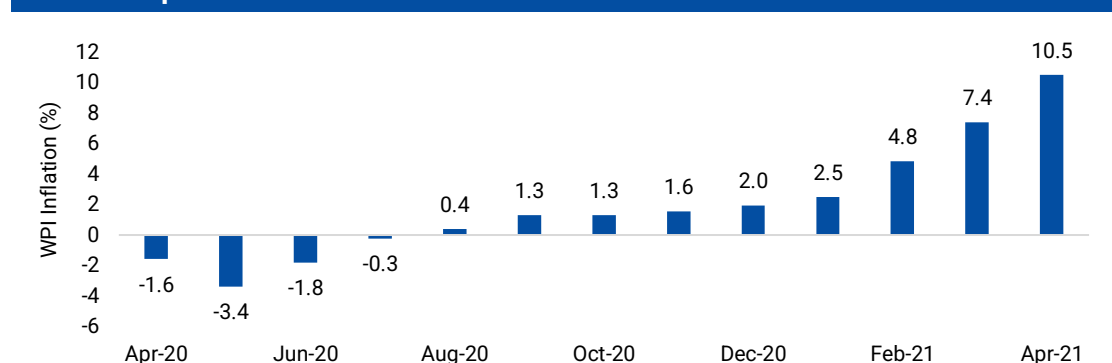
Source: Refinitiv

Retail inflation movement



Source: Refinitiv

Wholesale price inflation movement



Source: Refinitiv

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