



Market Monitor

The Weekly Newsletter

Domestic macroeconomic indicators

Key indicators	Current	Previous	1 year ago
Monthly CPI inflation	7.44% (July-23)	4.87% (June-23)	6.71% (July-22)
Monthly WPI inflation	-1.36% (July-23)	-4.12% (June-23)	13.93% (July-22)
IIP	3.7% (Jun-23)	5.2% (May-23)	12.6% (Jun-22)
GDP	6.1% (Jan-Mar FY23)	4.5% (Oct-Dec FY23)	8.0% (Jan-Mar FY22)
Repo rate	6.50%	6.50%	4.00%
Reverse repo rate	3.35%	3.35%	3.35%
MSF rate	6.75%	6.75%	4.25%
SLR	18.00%	18.00%	18.00%
CRR	4.50%	4.50%	4.00%

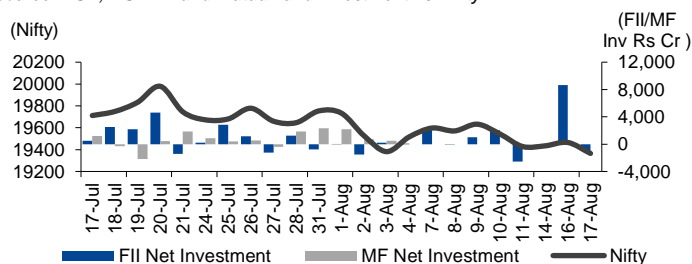
Source: CRISIL Centre for Economic Research, RBI

Indian equity benchmark indices' returns

Broad Indices	Aug 18, 2023	% chg week	% chg 3 month	% chg YTD	% chg year	PE ratio
S&P BSE Sensex	64,949	-0.57	5.72	6.75	7.71	23.68
Nifty 50	19,310	-0.61	6.51	6.65	7.54	22.32
Nifty 500	16,758	-0.61	9.09	8.47	8.78	23.10
S&P BSE 100	19,707	-0.68	6.77	6.96	7.21	23.37
S&P BSE Midcap	30,265	-0.54	15.72	19.56	19.69	23.90
S&P BSE Smallcap	35,283	-0.02	18.41	21.97	24.07	28.85

Sectoral Indices	Aug 18, 2023	% chg week	% chg 3 month	% chg YTD	% chg year
S&P BSE Power	4,257	0.46	14.34	-2.84	-15.05
S&P BSE CD	43,300	0.24	10.74	9.01	4.08
S&P BSE FMCG	18,566	0.14	5.67	15.50	17.16
S&P BSE Auto	35,100	0.14	10.65	21.35	16.36
S&P BSE Realty Index	4,244	-0.23	16.48	23.11	15.75
S&P BSE IT	30,908	-0.36	11.03	7.80	1.29
S&P BSE Healthcare	27,801	-0.54	21.33	20.70	19.69
S&P BSE CG	43,173	-0.56	18.37	29.48	37.50
S&P BSE Bankex	49,214	-0.79	-0.86	0.63	8.24
S&P BSE Oil & Gas	18,815	-1.28	4.29	-7.81	-5.96
S&P BSE Metal	21,017	-3.93	8.03	0.78	9.26

Source: BSE, NSE FII and mutual fund investment vs. Nifty



Source: SEBI, NSE

Economy and regulatory update

- India's wholesale inflation contracted 1.36% on-year in July following 4.12% contraction in June.
- Consumer price index (CPI) inflation surged sharply to a 15-month high of 7.44% in July from 4.87% in June, driven by soaring food and vegetable prices.
- The Reserve Bank of India (RBI), in its monthly bulletin, said while headline inflation is predicted to average well above 6% in the second quarter of fiscal 2024, core inflation has moderated.
- In the bulletin, the central bank said the risk of stagflation remains low owing to ease of financial conditions, stability of the INR/USD exchange rate and steady domestic fuel prices.
- The RBI also stated that India needs major supply-side reforms to check the wild swings in vegetable prices that have put the inflation calculation in jeopardy.
- The Cabinet approved allotment of Rs 57,613 crore for the PM e-Bus Seva Scheme.
- The Cabinet also approved seven multi-tracking projects targeted at the Indian Railways with an outlay of Rs 32,500 crore.
- Finance Minister Nirmala Sitharaman said direct benefit transfers (DBTs) helped the government save more than Rs. 2.73 lakh crore since 2014.
- The Central Board of Direct Taxes (CBDT) issued detailed guidelines concerning the alterations in the taxation of life insurance policies under clause (10D) of Section 10 of the Income Tax Act, 1961.
- SEBI plans to implement a Geotagging solution in the current fiscal to strengthen the process of its enforcement activities.
- SEBI has proposed changes to the voluntary delisting mechanism, including alternatives to the reverse book building (RBB) framework.
- The RBI, in an article, said investment activity is gaining momentum and the envisaged capital expenditure is set to jump over 80% to Rs 1.71 lakh crore in the current fiscal.
- SEBI has proposed changes to the voluntary delisting mechanism, including alternatives to the reverse book building (RBB) framework.
- The RBI pitched for the "expeditious completion" of the 16th general review of the quotas at the International Monetary Fund (IMF), highlighting that this can help the multilateral lender assist distressed countries in a better way.

Indian equity market updates

- Indian equity indices ended lower this week on concerns over China's economic growth and possible rate hikes by the US Federal Reserve (Fed). S&P BSE Sensex and Nifty 50 fell about 0.57% and 0.61%, respectively.
- Sectors ended mostly lower. Metal, oil & gas and bank sectors fell the most. S&P BSE Metal, S&P Oil & Gas, and S&P BSE Bankex were down 3.93%, 1.28% and 0.79%, respectively.
- However, some gains were witnessed due to buying in power and consumer durables stocks. S&P BSE Power and S&P BSE Consumer Durable rose 0.46% and 0.24%, respectively.



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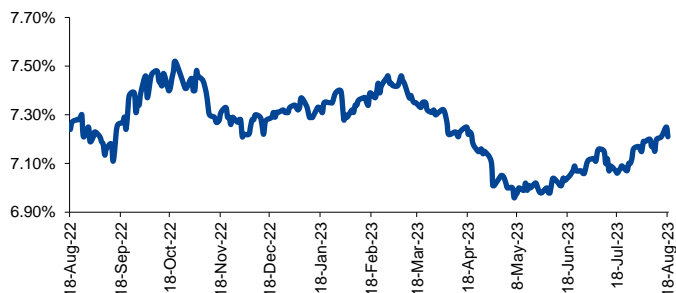
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Indian debt market indicators

Indicators	Aug 18, 2023	Previous week	1 month ago
Call Rate	6.70%	6.00%	5.75%
3 M CP	7.30%	7.36%	7.13%
1 Yr CP	7.72%	7.70%	7.75%
3 M CD	7.05%	7.00%	6.92%
1 Yr CD	7.50%	7.45%	7.43%
3 Yr AAA	7.67%	7.62%	7.53%
5 Yr AAA	7.67%	7.62%	7.46%
1 Yr G-Sec*	7.11%	7.07%	6.85%
3 Yr G-Sec*	7.20%	7.18%	7.00%
5 Yr G-Sec*	7.20%	7.18%	7.02%
10 Yr G-Sec*	7.21%	7.20%	7.06%
Forex Reserves	\$ 602.16 billion (Aug 11)	\$ 601.45 billion (Aug 4)	\$ 596.28 billion (July 7)

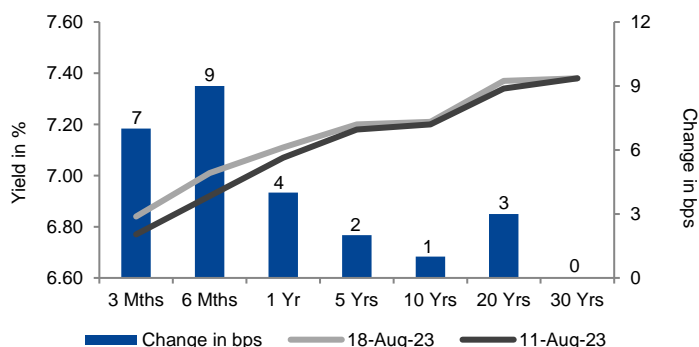
Source: CRISIL Fixed Income Database, RBI *Weighted Average Yield

10-year benchmark G-Sec yield movement



Source: CRISIL Fixed Income Database

India yield curve shift (%) (W-o-W)*



Source: CRISIL Fixed Income Database; *Weighted Average Yield

Currencies vs the rupee

Currency	Aug 18, 2023	Week ago	3 months ago	1 year ago
USD	83.10	82.84	82.60	79.68
GBP	105.76	105.22	102.77	95.74
Euro	90.31	91.08	89.35	80.97
100 Yen	57.10	57.27	59.94	58.96

Source: Financial websites

Indian debt market update

- The interbank call money rate ended the week higher at 6.70% on August 18 compared with 6.00% on August 11.
- Government bond prices ended marginally lower in the week ended August 18. The yield of 10-year benchmark 7.26% 2033 paper closed marginally higher at 7.22% on August 18 vs 7.20% on August 11.
- Yield rose, tracking the sharp rally in US peers on growing expectations that a stronger US economy will ensure that the Fed keeps interest rates higher for a longer period.
- Bond prices also declined after local July retail inflation spiked to a 15-month high of 7.44% from 4.87% in the previous month.
- However, further gains halted after weekly debt sales witnessed better-than-expected demand and on profit booking at a higher level.
- In the debt sale held on August 18, the RBI auctioned 7.17% GS (Government Security) 2030, 7.18% GS 2037 and 7.25% GS 2063 for a notified amount of Rs 31,000 crore.
- The rupee slumped against the US dollar this week due to strong dollar index and a spike in US Treasury yield.
- Further, worries over interest rate hike by the Fed following upbeat economic data also kept the local currency under stress.
- More losses were seen on tracking negative sentiment in the domestic equity markets and weak Chinese currency.
- However, some gains in the rupee were witnessed on reports of dollar sales by state-run banks on behalf of the RBI.

Capital market update

- NSE Indices informed that the price-to-book value (P/B) for indices on NSE will be calculated based on the net worth of each index constituent at the consolidated level in the annual financials.
- Cello World filed draft papers with SEBI to raise Rs 1,750 crore through an initial public offering (IPO).
- Happy Forgings Ltd has filed preliminary papers with SEBI to raise Rs 1,200-1,300 crore through an IPO.
- GQG Partners along with other investors bought 8.1% stake in Adani Power for \$1.1 billion via multiple block deals. It also bought 0.6% stake in JSW Energy for Rs 351 crore.
- InterGlobe Aviation's promoter sold nearly 2.9% stake in the company for ~Rs 2,800 crore through open market transactions.
- Fairfax Group sold its 5.9% stake in IIFL Securities for Rs 118 crore through open market transactions.
- Adani Energy Solutions Ltd (AESL) acquired an under-development transmission project from Hyderabad-based Megha Engineering & Infrastructures (MEIL) for an undisclosed amount.
- Hyundai Motor India signed an asset purchase agreement to acquire General Motors' Talegaon plant in Maharashtra.
- Tejas Networks bagged a \$900-million Bharat Sanchar Nigam Ltd (BSNL) order.
- Dr Agarwal's Health Care Ltd (DAHCL) raised Rs 650 crore in funding from its existing investors – TPG Growth and Temasek.



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Global equity benchmark indices' returns

Country/ Region	Indices	Aug 18, 2023	% chg week	% chg 3 month	% chg YTD	% chg year
The US	DJIA*	34,475	-2.29	3.15	4.01	1.46
	Nasdaq Composite*	13,317	-2.40	6.53	27.23	2.93
	Russell 3000 Growth*	2,128	-1.92	6.30	23.95	4.51
The UK	FTSE 100*	7,310	-2.84	-5.35	-1.90	-2.73
France	CAC 40*	7,192	-2.02	-2.81	11.09	10.16
Germany	XetraDax*	15,677	-0.98	-1.72	12.59	15.05
Japan	Nikkei 225	31,451	-3.15	2.87	20.53	8.67
Singapore	Straits Times	3,174	-3.65	-0.27	-2.38	-3.04
Hong Kong	Hang Seng	17,951	-5.89	-9.00	-9.25	-9.17
China	Shanghai Comp	3,132	-1.80	-5.02	1.38	-4.44

Source: Websites of respective stock exchanges; *as of Aug 17, 2023

Major global bond yields

Indicators	Aug 18, 2023	Aug 11, 2023
US 10-Year [%]*	4.31	4.17
UK 10-Year [%]*	4.78	4.53
German 10-Year [%]*	2.70	2.62
Japan 10-Year [%]	0.62	0.59

Source: Financial Websites *Data as of Aug 17, 2023

Commodity prices

Commodity	Aug 18, 2023	% chg week	% chg 3 month	% chg YTD	% chg year
NYMEX Crude Oil (\$ per barrel)*	80.93	-2.72	11.12	0.83	-8.15
Brent Crude Oil (\$ per barrel)*	84.12	-2.77	9.30	-2.08	-10.18
Indian gold (Rs per 10 gm)	58,471.00	-0.74	-3.31	6.57	12.27
Indian Silver (Rs per kg)	70,447.00	0.50	-1.47	3.46	23.37

*Data as of Aug 17, 2023

Source: Respective commodity exchanges, ibjarates.com

Global market summary

- Global equity markets ended lower on region-specific cues.
- US Treasury prices fell sharply as upbeat economic data fuelled fear that the Fed may keep higher rate for longer.
- Crude oil prices traded lower during the week on worries about China's faltering economic recovery and a stronger dollar.
- US stocks ended lower after the Fed's latest meet minutes revealed a divided opinion on whether to announce further rate hikes. Upbeat economic data further fuelled investor fears of rising interest rates, triggering more losses.
- US consumer inflation expectations for the year ahead fell for a fourth consecutive month to 3.5% in July of 2023, a fresh low since April of 2021, from 3.8% in June.
- US retail sales increased 3.2% on year in July, following an upwardly revised 1.6% rise in June.
- The week, however, witnessed some gains owing to better-than-expected US inflation and consumer sentiment data along with a surge in technology stocks.
- Britain's FTSE declined 2.84% this week, as latest inflation data indicated a lower-than-expected fall in prices.
- UK Consumer price inflation eased to 6.8% in July from 7.9% in June.
- Investor sentiment was further impacted by a strong pound and latest wage hinting that salaries (excluding bonuses) are growing too quickly to keep inflation under control.
- A sell-off in precious metal miners' stocks and renewed concerns surrounding China's economy triggered more losses.
- Other European equities ended lower, with France's CAC 40 and Germany's DAX down 2.02% and 0.9%, respectively, after the US Fed's July meeting minutes heightened possibility of more rate hikes.
- Investors treaded cautiously while digesting latest UK inflation data, a series of downbeat corporate earnings, and worrying economic data from China.
- Eurozone economy grew by 0.6% on year in Q2 of 2023, easing from a 1.1% expansion in the previous period.
- Eurozone industrial production fell by 1.2% on year in June 2023, following an upwardly revised 2.5% decline in May.
- Asian equities ended lower. Japan's Nikkei index declined 3.15% amid concerns over China's economic recovery, heightened possibility future rate hikes by the Fed, and sector-specific losses.
- Japan's economy grew by 6.0% on an annualized basis during the second quarter of 2023, much stronger than an upwardly revised 3.7% expansion in the prior period.
- Hong Kong's Hang Seng became the biggest weakly loser, falling 5.89% as investors worried over the China's economic growth following surprise rate cut by China's central bank and weak Chinese data.
- China's Shanghai Composite fell 1.80%, as investor worries worsened over the deteriorating condition of the country's real estate sector, disappointing credit data, and fears of poor performance spilling over the broader economy.
- The People's Bank of China (PBOC) lowered the rate on \$55.25 bn worth of one-year medium-term lending facility (MLF) loans to some financial institutions by 15 basis points to 2.50% from 2.65% earlier.



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Mutual fund performance

Category	1 week	1 month	3 months	6 months	1 year	2 year	3 year	5 year	10 year
Equity									
Large Cap	-0.74	-0.56	7.92	10.34	9.56	8.13	19.73	10.85	14.58
Large & mid-cap	-0.59	0.84	10.37	14.04	12.98	10.62	24.45	13.15	17.41
Mid-cap	-0.24	2.56	13.39	18.32	16.52	13.10	28.71	15.27	20.84
Small-cap	-0.21	2.10	14.02	20.98	22.88	16.04	36.59	18.41	22.71
Aggressive hybrid fund	-0.47	0.34	7.42	9.96	10.47	8.24	18.60	10.92	14.48
Debt									
Liquid	0.12	0.55	1.67	3.40	6.55	5.13	4.46	5.03	6.50
Short Duration Fund	-0.06	0.22	1.12	3.47	6.08	4.94	4.91	5.83	7.13
Dynamic bond	-0.20	-0.06	0.56	3.58	5.75	4.48	4.37	6.50	7.53
Credit risk	0.00	0.34	1.38	3.92	6.43	10.07	9.29	4.41	6.71
Gilt	-0.29	-0.24	0.29	3.78	5.78	3.89	3.75	7.20	8.07

Notes: 1) Category performance represented by average returns of total schemes in the category
 2) Returns are annualised for period of over one year and are absolute returns for less than a year
 3) Returns as Aug 17, 2023

Source: CRISIL Funds and Fixed Income Research

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