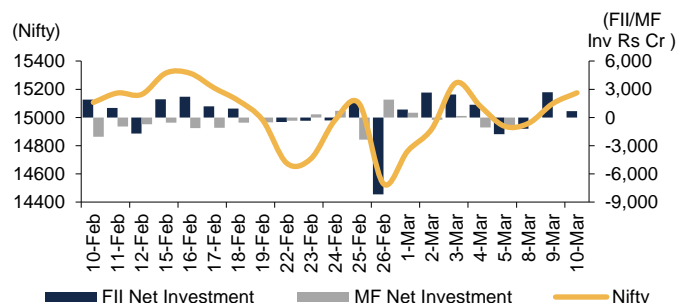


Indian equity benchmark indices' returns

Broad Indices	Mar 12	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	50,792	0.77	10.18	54.96
Nifty 50	15,031	0.62	11.23	56.73
Nifty 500	12,594	0.44	12.73	59.39
S&P BSE 100	15,208	0.43	11.47	57.15
S&P BSE Midcap	20,577	-0.05	17.44	66.21
S&P BSE Smallcap	21,209	1.30	20.83	82.60

FII and mutual fund investment vs. Nifty



Sectoral Indices	Mar 12	% chg week	% chg 3 Mth	% chg Year
S&P BSE IT	26,284	3.35	15.96	100.35
S&P BSE CD	33,287	1.64	18.28	43.39
S&P BSE CG	22,245	1.63	25.18	66.47
S&P BSE Bankex	39,996	0.76	14.19	44.92
S&P BSE Healthcare	21,286	0.38	1.23	73.77
S&P BSE Power	2,514	-0.08	21.72	67.04
S&P BSE Metal	13,872	-0.25	24.30	109.80
S&P BSE FMCG	12,230	-0.65	-3.59	25.39
S&P BSE Auto	23,451	-1.22	12.88	72.02
S&P BSE Oil & Gas	15,891	-1.24	10.09	54.80
S&P BSE Realty Index	2,785	-2.17	20.58	59.21

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Mar 12	Previous Week	1 month ago
Call Rate	2.75%	3.40%	3.30%
10 Yr G-Sec [^]	6.23%	6.24%	5.98%

[^]5.85% 2030 paper [^]Weighted Average Yield

Currencies vs INR

Currency	Mar 12	Week ago	3 months ago	1 year ago
USD	72.79	73.02	73.65	74.22
GBP	101.27	101.01	97.76	94.47
Euro	86.74	87.01	89.32	83.27
Yen*	66.71	67.23	70.73	71.55

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices rose for the second consecutive week. S&P BSE Sensex and Nifty 50 rose nearly 1% each.
- Positive global cues, including upbeat US jobs data, prospects of a global economic recovery and the passage of a \$1.9 trillion US stimulus bill boosted investor sentiment.
- Easing concerns of rising inflation and a pullback in global bond yields supported the market further.
- Buying in information technology (IT), consumer durables and capital goods stocks brought in more gains into the market. S&P BSE IT (topmost sectoral gainer), S&P BSE Consumer Durables and S&P BSE Capital Goods rose 3.4%, 1.6% and 1.6%, respectively.
- Shares of UPL Ltd. emerged the top gainer on the Nifty 50, rising 4.9% on week to settle at Rs 620.3 per share on bullish company prospects.
- However, further rally was prevented on tracking intermittent rise in US bond yields and a sell-off in realty, oil & gas and auto counters. S&P BSE Realty (biggest sectoral decliner), S&P BSE Oil & Gas and S&P BSE Auto lost 2.2%, 1.2% and 1.2%, respectively.
- Shares of Hero Motocorp emerged the top laggard on the Nifty 50, falling 3.2% on week to settle at Rs 3350.55 per share on profit sales and weighed by weak sentiment for the auto sector.

2. Debt

- Government bond prices ended flat. Yield of the 10-year benchmark 5.85% 2030 paper settled at 6.23% on March 12, which was steady compared with a week ago level
- Bond prices received support at the start of the week on hopes that the RBI would continue to support the Centre's borrowing plan
- Also, gilt purchases prior to the RBI's special open market operation on March 10 aided sentiment
- Prices, though, declined following a buy / sell operation, as the central bank purchased lower-than-expected quantum of the 10-year benchmark note in the auction
- Bond prices rose in the final session, as the RBI's weekly gilt auction was fully subscribed

3. Forex

- The rupee ended higher against the US dollar on the back of intermittent gains in local equity indices and exporters' dollar sales
- Optimism over the US fiscal stimulus measure and positive cues from other Asian markets during the week also aided the rupee
- However, a spike in crude oil prices following reports of attacks on Saudi Arabian facilities and periodic dollar demand from state-owned banks put the rupee under some pressure

International equity benchmark indices' returns

Indices	Mar 12	% chg week	% chg 3 Mth	% chg Year
DJIA*	32,486	3.14	8.12	37.92
Nasdaq Composite*	13,399	3.70	8.25	68.49
FTSE 100*	6,737	1.61	2.91	14.64
Nikkei 225	29,718	2.96	11.50	60.12
Straits Times	3,095	2.70	9.69	15.55
Hang Seng	28,740	-1.23	8.43	18.23
Shanghai Comp	3,453	-1.40	3.16	18.11

*As of Mar 11

International debt market indicators

Indicators	Mar 12	Mar 5
US 10-Year*	1.53	1.55
UK 10-Year*	0.74	0.76
German 10-Year*	-0.33	-0.30
Japan 10-Year	0.12	0.09
3-M USD Libor*	0.18%	0.19%
6-M USD Libor*	0.19%	0.20%
1-Y USD Libor*	0.28%	0.28%

*As of Mar 11

Commodities

Commodity	Mar 12	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	69.63	0.39	39.34	94.55
Indian gold (Rs per 10 gm)	44177.00	-0.30	-9.82	2.20
Indian Silver (Rs per Kg)	65835.00	1.34	5.82	45.28

*As of Mar 11

Source: Respective commodity exchanges, MCX

B. International

1. Equity

- Most of the global equity indices ended higher as inflation worries abated amid a dip in government bond yields.
- US stocks advanced in the week with Dow Jones and Nasdaq rising 3% and 3.7%, respectively.
- Sentiments were boosted earlier following upbeat domestic monthly jobs data and gains in technology stocks.
- US non-farm payroll employment rose by 379,000 jobs in February after rising by an upwardly revised 166,000 jobs in January; the unemployment rate edged down to 6.2% in February from 6.3% in January.
- Further buying was seen after President Joe Biden signed a \$1.9 trillion coronavirus relief package into law and as encouraging jobless claims data triggered hopes of labour market recovery.
- US President Joe Biden signed a \$1.9 trillion coronavirus relief package into law.
- US initial jobless claims dropped to 712,000 in the week ended March 6, a decrease of 42,000 from the previous week's revised level of 754,000.
- Britain's FTSE index rose 1.6% owing to rally in energy and mining stocks.
- ECB Governing Council kept the main refinancing rate unchanged at a record low of 0%; the apex bank said that it will step up its emergency bond purchases over the next quarter based on market conditions.
- Asian equities posted mixed performance. Japan's Nikkei rose 3% on hopes of global economic recovery and buying in consumer goods and pharma stocks.
- Hong Kong's Hang Seng index fell 1.2% following lower-than-expected economic growth target from China for the current year and fears about tighter monetary policy.
- China's Shanghai Composite fell 1.4% on worries that the monetary policy might be tightened soon.
- Some losses were reduced following better-than-expected February bank lending data.
- Chinese banks extended 1.36 trillion yuan in new local-currency loans in February, compared with 3.58 trillion yuan in January.

2. Commodity

- Crude oil prices ended this week on flat note as earlier gains on the back of attacks on oil facilities in Saudi Arabia and OPEC's decision to not to increase supply in April were offset by unexpected surge in US oil supply.
- Indian gold prices ended flat this week as earlier losses due to lack of demand from jewelers were capped by safe haven buying on the back of fear about surge in inflation.
- Indian silver prices rose this week as hopes of economic recovery triggered prospect about rise in demand from industrial units and coin-makers.

C. News summary

1. Domestic

- The index of industrial production (IIP) contracted 1.6% in January 2021 after registering positive growth of 1.56% in December. The IIP was 4.52% in October 2020 and 2.2% in January 2020.
- India's consumer price inflation accelerated in February to 5.03% after falling to a 16 month low in January at 4.06%. Consumer inflation was 6.93% in November 2020 and 6.58% in February 2020.
- In its monthly economic review report for February, the Ministry of Finance (MoF) said that economic activity in India has gathered pace, and gross domestic product (GDP) for the financial year could be better than the second advance estimates released last month
- The Organisation for Economic Cooperation and Development forecast India's GDP to grow at 12.6% in fiscal 2022
- CRISIL projected the Indian economy to expand 11% in fiscal 2022, post an 8% contraction in fiscal 2021. The key reasons attributed to the rebound are transition of the populace to the 'new normal', flattening of the Covid-19 affliction curve, rollout of vaccines, and investment-focused government spending
- The Union Cabinet approved the Pradhan Mantri Swasthya Suraksha Nidhi, a single non-lapsable reserve fund for health, funded from proceeds of the health and education cess levied under Finance Act, 2007
- The Union Cabinet also approved changes to the insurance act, raising the foreign direct investment limit to 74% from 49%
- The MoF released the 19th weekly instalment of Rs 2,104 crore to the states to meet the Goods and Services Tax compensation shortfall, taking the total amount released so far to Rs 1.06 lakh crore

2. International

- US President Joe Biden signed a \$1.9 trillion coronavirus relief package into law.
- The Eurozone GDP was down 4.9% on-year in Q4 2020, bigger than the 4.2% decline in the third quarter.
- ECB Governing Council kept the main refinance rate unchanged at a record low of 0%; the apex bank said that it will step up its emergency bond purchases over the next quarter based on market conditions.
- Chinese Premier Li Keqiang projected that the country could grow higher than the official target of 6% as lawmakers approved a new development blueprint for the next five to 15 years.
- Japan's GDP grew an annualized 11.7% in the fourth quarter of 2020 compared with expansion and a 22.9% growth in the previous quarter.

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D. Week ahead

Day	Events
Monday, March 15, 2021	<ul style="list-style-type: none"> • US New York Fed Manufacturing Index, March • Japan Machinery Orders, January • Japan Tertiary Industry Activity, January • China Industrial Output, February • China House Price Index, February • China Retail Sales, February • India Wholesale Inflation, February • India Trade Deficit, February
Tuesday, March 16, 2021	<ul style="list-style-type: none"> • US Import / Export Prices, February • US Retail Sales, February • US Industrial Production, February • US Business Inventories, January • US NAHB Housing Market Index, March • Eurozone ZEW Survey – Economic Sentiment, March • Japan Industrial Production, January
Wednesday, March 17, 2021	<ul style="list-style-type: none"> • US Federal Reserve Interest Rate Decision • US Housing Starts / Building Permits, February • Eurozone Consumer Prices, February • Japan Tankan Manufacturing / Non-Manufacturing Index, March • Japan Trade Balance, February
Thursday, March 18, 2021	<ul style="list-style-type: none"> • Eurozone Trade Balance, January • Bank of England Interest Rate Decision • Japan Consumer Prices, February
Friday, March 19, 2021	<ul style="list-style-type: none"> • UK Gfk Consumer Confidence, March • Bank of Japan (BoJ) Interest Rate Decision



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