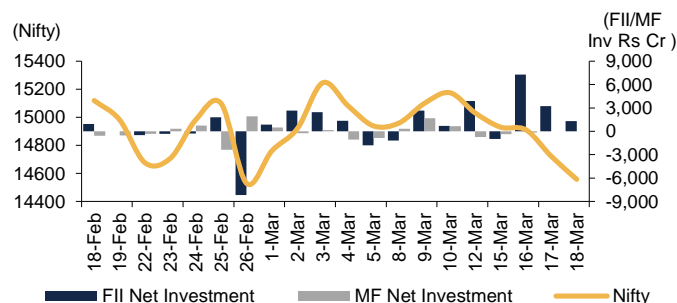


Indian equity benchmark indices' returns

Broad Indices	Mar 19	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	49,858	-1.84	6.17	76.25
Nifty 50	14,744	-1.91	7.15	78.42
Nifty 500	12,315	-2.22	8.45	80.90
S&P BSE 100	14,913	-1.94	7.38	78.31
S&P BSE Midcap	20,045	-2.59	12.60	87.43
S&P BSE Smallcap	20,471	-3.48	15.20	110.56

FII and mutual fund investment vs. Nifty



Sectoral Indices	Mar 19	% chg week	% chg 3 Mth	% chg Year
S&P BSE FMCG	12,575	2.81	-0.02	40.42
S&P BSE Power	2,530	0.64	21.69	89.88
S&P BSE Metal	13,879	0.06	22.06	144.39
S&P BSE IT	25,996	-1.10	11.92	128.23
S&P BSE Auto	23,001	-1.92	10.91	96.39
S&P BSE CD	32,432	-2.57	9.37	64.56
S&P BSE Healthcare	20,545	-3.48	-4.33	80.26
S&P BSE Bankex	38,469	-3.82	9.30	67.80
S&P BSE Oil & Gas	15,247	-4.06	5.90	62.92
S&P BSE CG	21,088	-5.20	13.33	83.88
S&P BSE Realty Index	2,620	-5.93	9.39	78.98

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Mar 19	Previous Week	1 month ago
Call Rate	3.10%	2.75%	3.25%
10 Yr G-Sec [^]	6.20%	6.23%	6.12%

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

Currencies vs INR

Currency	Mar 19	Week ago	3 months ago	1 year ago
USD	72.52	72.79	73.56	75.00
GBP	100.99	101.27	99.31	86.59
Euro	86.48	86.74	90.11	80.63
Yen*	66.61	66.71	71.03	68.34

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices recorded disappointing performance in the week. Benchmark S&P BSE Sensex and Nifty 50 declined about 2% each.
- Market was affected earlier by disappointing domestic inflation data and spike in global bond yields.
- Rising domestic Covid-19 cases and concerns over new restrictions also dented investor sentiment.
- A sell-off in realty, capital goods and oil & gas counters pulled down the market further. S&P BSE Realty (biggest sectoral decliner), S&P BSE Capital Goods and S&P BSE Oil & Gas lost 6%, 5.2% and 4%, respectively.
- Shares of Coal India Ltd. emerged the biggest laggard on the Nifty 50, falling 9.4% on week to settle at Rs 136.3 per share weighed by weak investor sentiment.
- However, some losses were cut short due to buying in fast moving consumer goods (FMCG) and power stocks. S&P BSE FMCG (biggest sectoral gainer) and S&P BSE Power rose 2.8% and 0.6%, respectively.
- Shares of ITC emerged the biggest gainer on the Nifty 50, rising 8.7% on week to settle at Rs 222.95 per share following some market reports that indicated that the company might be planning a demerger.

2. Debt

- Government bond prices ended higher. Yield of the 10-year benchmark 5.85% 2030 paper settled at 6.19% on March 19, lower compared with 6.23% on March 12
- Persistent expectation that the RBI would continue to support the domestic bond market aided prices
- Hopes that the central bank would cancel the next week's bond sale amid improved tax revenues provided support
- More bond buying was witnessed after the RBI announced another open market operation (OMO) to be held on March 25
- A rise in United States (US) benchmark treasury yields and data that showed an uptick in retail inflation in February put local bond prices under some pressure

3. Forex

- The rupee ended higher against the US dollar aided by dollar inflows associated with IPOs of corporates into the local financial market
- Positive cues from other Asian markets following the US Federal Reserve's (Fed) dovish guidance on interest rates also aided the rupee
- Sporadic uptick in the US dollar index and state-owned banks' dollar purchases prevented the rupee from appreciating further.

International equity benchmark indices' returns

Indices	Mar 19	% chg week	% chg 3 Mth	% chg Year
DJIA*	32,862	0.26	8.89	65.15
Nasdaq Composite*	13,116	-1.53	2.83	87.65
FTSE 100*	6,780	0.27	3.84	33.44
Nikkei 225	29,792	0.25	11.32	79.98
Straits Times	3,135	1.27	10.02	35.64
Hang Seng	28,991	0.87	9.41	33.54
Shanghai Comp	3,405	-1.40	0.29	26.00

*As of Mar 18

International debt market indicators

Indicators	Mar 19	Mar 12
US 10-Year*	1.73	1.64
UK 10-Year*	0.89	0.82
German 10-Year*	-0.27	-0.31
Japan 10-Year	0.11	0.12
3-M USD Libor*	0.19%	0.19%
6-M USD Libor*	0.20%	0.19%
1-Y USD Libor*	0.28%	0.28%

*As of Mar 18

Commodities

Commodity	Mar 19	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	63.28	-8.58	21.09	154.34
Indian gold (Rs per 10 gm)	44855.00	1.53	-10.18	11.04
Indian Silver (Rs per Kg)	66751.00	1.39	0.48	90.84

*As of Mar 18

Source: Respective commodity exchanges, MCX

B. International

1. Equity

- Global equities ended mostly in the positive territory mainly due to the US Federal Reserve's (Fed) decision to maintain accommodative monetary policy.
- US stocks ended mixed with Dow Jones rising 0.3% while Nasdaq fell 1.5%.
- Market rose earlier following gains in airlines and traveling stocks, and swift economic recovery hopes.
- Sentiments strengthened further after the Fed kept interest rates steady and said it would continue to keep the rates close to zero through 2023.
- However, gains were cut short, especially from the Nasdaq, due to a sell-off in technology stocks, a spike in bond yields and surging coronavirus cases in Europe.
- Britain's FTSE index rose 0.3% buoyed by gains in banking stocks and as encouraging statements from the Bank of England (BoE) raised hopes over the short-term economic outlook.
- The BoE kept its benchmark interest rate at an all-time low of 0.1% and left unchanged the size of its 895 bn-pound bond-buying programme. It also said there were signs that Britain's economy was recovering from its Covid-19 slump.
- Asian equities ended mixed. Japan's Nikkei rose 0.3% due to buying in technology stocks on expectations of a strong economic recovery.
- The benchmark rose further after the Fed projected rapid economic growth and pledged to keep interest rates low.
- Japan posted a merchandise trade surplus of 217.381 bn yen in February following the downwardly revised 325.4 bn yen deficit in January.
- Japan's core consumer prices fell 0.4% on-year in February following a 0.6% decline in January.
- Hong Kong's Hang Seng index rose nearly 1% as technology and industrial stocks advanced.
- China's Shanghai Composite lost 1.4% on persisting policy tightening fears and Sino-US tensions.
- China's industrial output grew 35.1% in January-February from a year earlier, compared with the 7.3% gain in December.
- China's retail sales rose 33.8% on-year in January-February compared with a 4.6% growth in December and a 20.5% contraction for January-February of 2020.

2. Commodity

- Crude oil prices declined sharply in this week as growing worries about rising Covid-19 cases in Europe and strong US dollar dented demand prospects.
- Indian gold prices rose marginally this week owing to rise in safe have demand for the precious yellow metal following spike in coronavirus cases.
- Indian silver prices rose this week as demand hopes rise offtake from industrial units and coin-makers.

C. News summary

1. Domestic

- India's wholesale price index-based inflation surged to a 27-month high of 4.17% in February compared with 2.03% in January, owing to a rise in prices of fuels, food items, and manufactured goods.
- India's exports grew marginally by 0.67% to \$27.93 bn in February while imports rose by 6.96% to \$40.54 bn in the month; the trade deficit widened to \$12.62 bn in February compared to \$10.16 bn in the year-ago period.
- United Nations Conference on Trade and Development (UNCTAD) said India's economy, estimated to contract by 6.9% in 2020 due to the coronavirus pandemic, is forecast to record a stronger recovery in 2021 and grow by 5%.
- The Cabinet approved a revised cost estimate of Rs 9129 cr for strengthening intra state electricity transmission and distribution network of Arunachal Pradesh and Sikkim.
- The Cabinet approved setting up of a development finance institution (DFI) which will raise capital from the markets and offer long-term debt to infrastructure projects.
- Rajya Sabha approved a bill to increase foreign direct investment limit in the insurance sector to 74% from the current 49%.
- SEBI proposed to streamline the IPO process with unified payment interface (UPI) in application supported by blocked amount (ASBA) and redressal of investor grievances.

2. International

- US Federal Reserve kept the benchmark federal funds rate unchanged at 0-0.25% and said there are no interest rate hikes likely through 2023 despite an improving outlook and a turn this year to higher inflation. It also said GDP is expected to increase 6.5% in 2021 before cooling off to 3.3% and 2.2% in 2022 and 2023 respectively.
- Eurozone industrial production grew 0.8% on-month in January, reversing a 0.1% fall in December.
- UK gross domestic product declined 2.9% on a monthly basis in January, reversing an expansion of 1.2% in December.
- The Bank of England kept its benchmark interest rate at an all-time low of 0.1% and left unchanged the size of its 895 bn-pound bond-buying programme.
- The Bank of Japan (BoJ) board voted 8-1 to maintain the interest rate at -0.1% on current accounts that financial institutions maintain at the central bank.
- China's industrial output grew 35.1% in January-February from a year earlier, compared with the 7.3% gain in December.

D. Week ahead

Day	Events
Monday, March 22, 2021	<ul style="list-style-type: none"> US Existing Home Sales, February 2021 US Chicago Fed National Activity Index, February 2021 Eurozone Current Account Balance, January 2021 China Loan Prime Rate 1Y / 5Y Japan Leading Economic Index, January 2021
Tuesday, March 23, 2021	<ul style="list-style-type: none"> US New Home Sales, February 2021 US Current Account Balance, Q4 2020 UK ILO Unemployment Rate, January 2021 Japan Manufacturing PMI, March 2021 Bank of Japan Meeting Minutes
Wednesday, March 24, 2021	<ul style="list-style-type: none"> US Manufacturing, Services & Composite PMI, March 2021 US Durable Goods Orders, February 2021 Eurozone Manufacturing, Services & Composite PMI, March 2021 Eurozone Consumer Confidence, March 2021 UK Markit Manufacturing, Services & Composite PMI, March 2021 UK Consumer Prices, February 2021 UK Producer Prices, February 2021
Thursday, March 25, 2021	<ul style="list-style-type: none"> US GDP, Q4 2020
Friday, March 26, 2021	<ul style="list-style-type: none"> US Advance Goods Trade Balance, February 2021 US Personal Income & Spending, February 2021 US University of Michigan Consumer Sentiment, March 2021 UK Retail Sales, February 2021

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