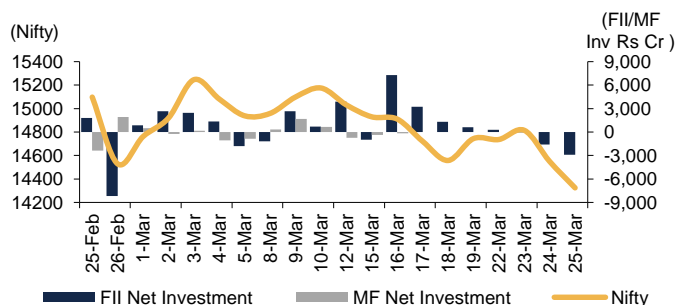


Indian equity benchmark indices' returns

Broad Indices	Mar 26	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	49,009	-1.70	4.33	63.65
Nifty 50	14,507	-1.61	5.51	67.88
Nifty 500	12,149	-1.34	7.27	73.71
S&P BSE 100	14,689	-1.50	5.90	68.24
S&P BSE Midcap	19,970	-0.37	12.98	88.97
S&P BSE Smallcap	20,279	-0.94	14.73	114.13

FII and mutual fund investment vs. Nifty



Sectoral Indices	Mar 26	% chg week	% chg 3 Mth	% chg Year
S&P BSE Healthcare	20,760	1.05	-3.97	78.85
S&P BSE Metal	13,937	0.42	23.40	149.84
S&P BSE Realty Index	2,620	0.01	10.99	82.10
S&P BSE CG	20,965	-0.58	14.00	86.60
S&P BSE IT	25,831	-0.63	7.57	102.33
S&P BSE FMCG	12,462	-0.89	-1.02	29.00
S&P BSE CD	31,914	-1.60	9.27	64.32
S&P BSE Power	2,486	-1.75	21.26	82.45
S&P BSE Bankex	37,528	-2.45	7.45	64.98
S&P BSE Oil & Gas	14,671	-3.77	5.06	54.73
S&P BSE Auto	22,051	-4.13	8.54	91.84

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Mar 26	Previous Week	1 month ago
Call Rate	3.00%	3.10%	3.25%
10 Yr G-Sec [^]	6.13%	6.20%	6.22%

^{*}5.85% 2030 paper [^]Weighted Average Yield

Currencies vs INR

Currency	Mar 26	Week ago	3 months ago	1 year ago
USD	72.50	72.52	73.55	75.16
GBP	100.01	100.99	100.02	89.62
Euro	85.51	86.48	89.67	82.46
Yen [*]	66.24	66.61	70.93	68.40

^{*}exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices ended lower for the second consecutive week. S&P BSE Sensex and Nifty 50 fell nearly 2% each.
- Jitters over more restrictions amid rising Covid-19 cases domestically as well as globally and its impact on the economic recovery dented the sentiments.
- Selling pressure in auto, oil & gas, banking and power counters also affected the market. S&P BSE Auto (biggest sectoral decliner), S&P BSE Oil & Gas, S&P BSE Bankex and S&P BSE Power lost about 4%, 3.8%, 2.5% and 1.8%, respectively.
- Shares of Indian Oil Corporation emerged the biggest laggard on the Nifty 50, falling 7.9% on week to settle at Rs 90.9 per share weighed by weakness surrounding oil and gas stocks.
- However, further losses were prevented due to buying in the healthcare and metal stocks. S&P BSE Healthcare and S&P BSE Metal indices rose 1.05% and 0.4%, respectively.
- Shares of Tata Steel emerged the top gainer on the Nifty 50, rising 4.6% on week to settle at Rs 766.85 per share after the Supreme Court set aside a 2019 National Company Law Appellate Tribunal (NCLAT) order that restored Cyrus Mistry as the executive chairman of Tata Sons.

2. Debt

- Government bond prices ended higher. The yield of the 10-year benchmark 5.85% 2030 paper was settled at 6.12% on March 26, 2021 lower than 6.19% on March 19, 2021
- Hopes that the RBI would cancel the last weekly debt auction of the fiscal year provided support to bonds at the start of the week
- Bonds rose further as the RBI in line with expectations, notified on its website that the auction scheduled for March 26, 2021 would be cancelled
- A decline in the US benchmark treasury yields and crude oil prices supported sentiment for bonds mid-week
- Prices received more support as the RBI purchased papers, which included the 10-year benchmark note, as part of the special open market operation on March 25, 2021
- Expectation of more bond market support from the central bank ahead of the end of the fiscal, kept the underlying sentiment upbeat
- Intermittent profit sales erased some gains
- Market players awaited the release of the auction calendar for the first half of fiscal 2022 for further cues

3. Forex

- The rupee ended nearly flat against the US dollar after recouping earlier losses
- Gains registered by domestic equities towards the end of the week and exporters' dollar sales ahead of the fiscal year end supported the rupee
- Mid-week, a rise in the US dollar index and decline in investor risk appetite due to the rising number of Covid-19 cases in India, put the rupee under pressure

International equity benchmark indices' returns

Indices	Mar 26	% chg week	% chg 3 Mth	% chg Year
DJIA*	32,619	-0.03	8.01	53.86
Nasdaq Composite*	12,978	-1.80	1.35	75.75
FTSE 100*	6,675	-0.51	2.66	17.35
Nikkei 225	29,177	-2.07	11.32	56.32
Straits Times	3,158	0.75	10.02	26.95
Hang Seng	28,336	-2.26	9.41	21.34
Shanghai Comp	3,418	0.40	0.29	23.63

*As of Mar 25

International debt market indicators

Indicators	Mar 26	Mar 19
US 10-Year*	1.61	1.73
UK 10-Year*	0.73	0.83
German 10-Year*	-0.39	-0.30
Japan 10-Year	0.08	0.11
3-M USD Libor*	0.19%	0.20%
6-M USD Libor*	0.20%	0.20%
1-Y USD Libor*	0.28%	0.28%

*As of Mar 25

Commodities

Commodity	Mar 26	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	61.95	-4.00	20.78	126.18
Indian gold (Rs per 10 gm)	44569.00	-0.64	-10.48	8.73
Indian Silver (Rs per Kg)	64693.00	-3.08	-2.31	75.46

*As of Mar 25

Source: Respective commodity exchanges, MCX

B. International

1. Equity

- Worries about pace of economic recovery amid resurgence in Covid-19 cases across the world affected most global equities.
- US stocks ended lower in the week with Dow Jones declining 1.8% while Nasdaq fell marginally.
- Market retreated earlier led by sell-off in banking stocks after the Federal Reserve said it would not extend a temporary capital buffer relief.
- Concerns about the cost of infrastructure spending and potential tax hikes to pay for President Joe Biden's \$1.9 trillion relief bill also weighed on the sentiments.
- Some losses were however reduced due to intermittent buying in technology stocks, and as data showed a decline in domestic jobless claims.
- US initial jobless claims for the week ended March 20 slid to 684,000, from the previous week's revised level of 781,000.
- US real GDP rose by 4.3% on-year in the fourth quarter of 2020 following a 33.4% surge in the previous quarter.
- Britain's FTSE index fell 0.5% owing to a pullback in energy, banking and mining stocks amid fears over the pace of economic recovery following new lockdowns and slow vaccine rollouts across Europe.
- Further losses were restrained in response to better-than-expected domestic business activity data, gains in defensive stocks and as a weaker pound boosted exporters' shares.
- Asian equities posted mixed performance. Japan's Nikkei fell 2% on renewed worries of the pandemic-induced lockdowns in Europe.
- Hong Kong's Hang Seng index lost 2.3% on concerns over potential rate hikes and policy tightening globally.
- China's Shanghai Composite rose 0.4% as the People's Bank of China kept the one- and five-year loan prime rates unchanged at 3.85% and 4.65%, respectively, as against fears of a possible hike.
- However, gains were trimmed after the US securities regulator adopted measures that would result in removal of foreign companies off American stock exchanges if they do not comply with US auditing standards.

2. Commodity

- Crude oil prices extended fall in this week owing to concerns around renewed lockdowns in Europe and Asia following spike in coronavirus infection.
- Indian gold prices declined in this week in response to sharp rally in global bond yields and weak demand from domestic jewelers.
- Indian silver prices fell this week as spike in coronavirus cases globally dented demand hopes.

C. News summary

1. Domestic

- According to RBI's latest monthly bulletin, the economy is set to come back on track sooner as the even the services sector which was lagging is bouncing back with inflation set to ease after June
- RBI said that household financial savings stood at 10.4% of the nation's gross domestic product (GDP) in the July-September period of FY21, down from 21% of the GDP in Q1 of FY21.
- S&P Global Ratings raised India's growth forecast for financial year 2021-22 to 11% from 10% earlier, led by an expansionary fiscal policy aimed at boosting domestic private spending.
- Fitch Ratings revised India's GDP growth estimate to 12.8% for fiscal 2022 from its previous estimate of 11%, saying its recovery from the depths of the lockdown-induced recession has been swifter than expected.
- Finance Ministry reintroduced the clause in the Income tax act that provided for preferential 5% withholding tax applicable to foreign portfolio investors (FPIs).
- Government fully exited Tata Communications by offloading its 26.12% stake, thereby garnering Rs 8846 cr in the process.
- RBI set up an external advisory committee for evaluating applications for universal banks and small finance banks.
- SEBI eased the norms for valuation of perpetual bonds, stating that the deemed residual maturity of Basel III additional tier-1 (AT-1) bonds will be 10 years until March 31, 2022. It will be increased to 20 and 30 years over the subsequent six-month period. And from April 2023 onwards, the residual maturity of AT-1 bonds will become 100 years from the date of issuance of the bond.

2. International

- US real gross domestic product (GDP) rose by 4.3% on-year in the fourth quarter of 2020 following a 33.4% surge in the previous quarter.
- US manufacturing PMI was at 59 in March compared to 58.6 in February, while services PMI was 60 in March compared to 59.8 in February.
- China's one-year loan prime rate was retained at 3.85% and the five-year loan prime rate was maintained at 4.65%.
- Bank of Japan's board voted 8-1 to maintain the interest rate at -0.1% on current accounts that financial institutions maintain at the central bank; the apex bank also decided to widen the range at which it permits the yields of government bonds to fluctuate and scrapped the average exchange traded fund buying target.

D. Week ahead

Day	Events
Monday, March 29, 2021	<ul style="list-style-type: none"> • US Dallas Fed Manufacturing Index, March • UK Nationwide House Prices, March • Japan Retail Sales, February • Japan Unemployment Rate, February
Tuesday, March 30, 2021	<ul style="list-style-type: none"> • US Consumer Confidence, March • US Case Shiller House Price Index, January • Eurozone Consumer Confidence, March • China Official Manufacturing and Non-Manufacturing PMI, March
Wednesday, March 31, 2021	<ul style="list-style-type: none"> • US Chicago PMI, March • US Pending Home Sales, February • US ADP Employment, March • Eurozone Consumer Prices, March • UK GDP, Q4 2020 • China Caixin Manufacturing PMI, March • Japan Industrial Production, February • Japan Jibun Bank Manufacturing PMI, March • Japan Tankan Manufacturing & Non-Manufacturing Outlook, Q1 • India Fiscal Deficit Apr-Feb 2021 • India Core Sector, February
Thursday, April 1, 2021	<ul style="list-style-type: none"> • US Markit & ISM Manufacturing Index, March • US Construction Spending, February • Eurozone Markit Manufacturing PMI, March • UK Markit Manufacturing PMI, March • India trade balance, March
Friday, April 2, 2021	<ul style="list-style-type: none"> • US Nonfarm Payrolls & Unemployment Rate, March

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