# Market Summary



February 08, 2022

WATERFIELD

## **Market Summary**

## **Equity Market Movement**



#### **Domestic Equity**

Indian equity markets ended on positive note which led by banking and metal stocks after a range bound session ahead of Reserve Bank of India (RBI) monetary policy.

#### **Global Equity**

Asian market ended on positive note after a rangebound session. Meanwhile investor concerns on upcoming US inflation data later this week.

Domestic Equity				Global Equity							
S&P BSI	E Sensex		Nifty 50			Russell 1	1000 Index		FTSE		
Previous close	Current close	% Change	Previous close	Current close	% Change	Previous close	Current close	% Change	Previous close	Current close	% Change
57,621	57,809	0.33	17,214	17,267	0.31	2,477	2,499	0.89	7,573	7,567	-0.08

### **Debt Market Movement**



Bond yields fell after RBI decided, in consultation with the Government, to cancel auction of all the securities scheduled on Feb 11.

10 Year G-Sec	10 Year AAA Yield	10 Year AA Yield	T-Repo	91 Day T-Bill	Call Rate
6.81%	7.25%	7.81%	3.40%	3.83%	3.26%

## **Commodity and Currency Movement**



#### **Commodity Market**

Gold prices rose buoyed by rising inflation concerns and Russia-Ukraine tensions. However, expectations for a U.S. interest rate hike restricted the rise.

Gold (S/oz)			Brent Crude(\$/	/bbl)	
Previous close	Current close	% Change	Previous close	Current close	% Change
1820	1825	0.28	100.24	98.36	-1.88
Source: Refinitiv	•				

#### **Currency Market**

The rupee fell against the dollar on concerns that the U.S. Federal Reserve will increase interest rates at an aggressive pace.

	USD/IN	R	\$	EURO/II	NR	<b>E</b>
j	Previous close	Current close	% Change	Previous close	Current close	% Change
	74.72	74.69	-0.04	85.61	85.28	-0.39
	Source: RBI					

## **Key Economic Indicators**



According to the Minister of State for Finance, India's GDP is expected to grow at 9.2% to INR 147.5 lakh crore in FY22. He further said that the government has enacted a number of key measures aimed at boosting investment and GDP development.



# Market Summary









#### **Domestic Indices performance**

Domestic Indices	Feb 08	1-Day Change (%)	1-Month Change (%)	3-Month Change (%)	1-Year Change (%)
S&P BSE Sensex	57,809	0.33	-3.24	-4.52	12.58
Nifty 50	17,267	0.31	-3.06	-4.44	14.23
Nifty Next 50	41,522	-0.47	-3.05	-4.90	21.53
S&P BSE 100	17,550	0.10	-3.00	-4.47	15.14
S&P BSE 200	7,482	0.04	-3.11	-4.61	17.23
Nifty 500	14,857	-0.09	-3.20	-4.27	19.42
Nifty Midcap 100	29,917	-0.71	-3.84	-5.98	31.42
S&P BSE Smallcap	29,068	-1.40	-3.21	-0.20	49.92

Source: BSE & NSE

Sector Indices	Feb 08	1-Day Change (%)	1-Month Change (%)	3-Month Change (%)	1-Year Change (%)
Auto	25,806	0.15	0.90	-1.02	3.34
Metal	20,536	1.06	3.44	-0.73	61.74
Oil & Gas	18,232	-0.57	-1.13	-3.08	22.76
Healthcare	24,322	-0.02	-5.12	-3.37	11.10
IT	34,417	-0.39	-7.62	-1.08	32.50
Consumer Durables	42,410	0.06	-6.78	-6.56	30.73
PSU	8,864	-0.75	3.55	-1.75	31.70
FMCG	13,563	-0.19	-2.69	-5.12	6.73
Capital Goods	28,732	-1.07	-1.23	0.72	30.24
Bank	43,632	0.16	1.36	-3.19	7.30
Realty	3,683	-0.84	-4.41	-16.75	33.08

**Global Indices performance** 

Source: BSE

Source: Refinitiv

Global Indices	Feb 08	1-Day Change (%)	1-Month Change (%)	3-Month Change (%)	1-Year Change (%)
U.S.	2,499	0.89	-3.42	-5.23	12.48
Germany	15,242	0.24	-4.42	-5.01	8.41
United Kingdom	7,567	-0.08	1.09	3.65	16.00
France	7,028	0.27	-2.65	-0.27	23.61
Japan	27,285	0.13	-4.19	-7.53	-7.16
Hong Kong	24,329	-1.02	3.56	-1.75	-17.02
Singapore	3,402	1.05	6.13	4.22	16.04
South Korea	2,746	0.05	-7.05	-7.22	-11.15
China	3,453	0.67	-3.55	-1.31	-2.26

<sup>[1]</sup>Data as on 07 Feb, 2022, <sup>[2]</sup>Data as on 04 Feb, 2022

### Indian Equity

- Indian equity markets ended on positive note which led by banking and metal stocks after a range bound session ahead of Reserve Bank of India (RBI) monetary policy.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.33% and 0.31% to close at 57,808.58 and 17,266.75 respectively.
- The overall market breadth on BSE was weak with 1,041 scrips advancing and 2,291 scrips declining. A total of 79 scrips remained unchanged.
- S&P BSE Metal was the major gainer, up 1.06% followed by S&P BSE Bankex, up 0.16% and S&P BSE Auto, up 0.15%. S&P BSE Capital Goods was the major loser, down 1.07% followed by S&P BSE Realty, down 0.84% and S&P BSE PSU, down 0.75%.
- The Put-Call ratio stood at 0.94 compared with the previous session's close of 0.92.
- The Nifty Put-Call ratio stood at 0.77 compared with the previous session's close of 0.7.

#### **Global Equity**

- Asian market ended on positive note after a rangebound session. Meanwhile investor concerns on upcoming US inflation data later this week. Today (as on Feb 09), Asian markets opened positive tracking gains on the Wall Street overnight.
- European markets closed on a mixed note ahead of the U.S. inflation data, due later in the week, for signals about the U.S. Federal Reserve's monetary policy. Quarterly earnings updates provided some direction. Investors continued to follow news about rising tensions between Russia and Ukraine.
- U.S. market rose as market participants may have continued to select stocks at relatively lower levels as they take into account the latest batch of quarterly earnings news.









#### **Policy Rates**

Yield in %	Feb 08	Week Ago	Month Ago	Year Ago
Reverse Repo	3.35	3.35	3.35	3.35
Repo	4.00	4.00	4.00	4.00
CRR	4.00	4.00	4.00	3.00
SLR	18.00	18.00	18.00	18.00
Bank Rate	4.25	4.25	4.25	4.25

# Source: RBI Daily Rates

Yield in %	Feb 08	Week Ago	Month Ago	Year Ago
FBIL MIBOR	3.45	3.52	3.45	3.47
CALL	3.26	3.25	3.26	3.23
Tri - Party Repo	3.40	3.39	3.36	3.21
OIS- 1 Yr	4.56	4.51	4.37	3.79
OIS- 5 Yr	5.86	5.76	5.58	5.05
Source: CCIL				

### Liquidity Indicators

INR Crore	Feb 08	Week Ago	Month Ago	Year Ago
Government Securities	30,851	46,962	25,021	28,168
Call Money	7,776	7,820	7,653	9,627
Tri - Party Repo	427,795	402,801	377,787	349,541
$LAF^{[2]}$	130,516	-198,460	-93,317	-525,264
Treasury Bills	3,228	3,011	2,892	1,663

#### **Commercial Papers**

Source: CCIL

Yield in %	Feb 08	Week Ago	Month Ago	Year Ago	
3-Month	4.30	4.20	4.05	3.80	
6-Month	4.85	4.70	4.68	4.20	
12-Month	5.25	5.10	5.00	4.55	
Source: Refinitiv					

#### **Fixed Income**

- Bond yields fell after Reserve Bank of India (RBI) decided, in consultation with the Government of India, to cancel the auction of all the securities scheduled to be held on Feb 11, 2022. However, gains were capped as market participants awaited the outcome of Monetary Policy review.
- Yield on the new 10-year benchmark paper (6.54% GS 2032) fell by 7 bps to close at 6.81% from the previous close of 6.88% after moving in a range of 6.80% to 6.88%.
- Banks borrowed INR 528 crores under the Central Bank's marginal standing facility on Feb 4, 2022 compared to that of Feb 3, 2022 when banks borrowed INR 3 crores.
- RBI announced to conduct 2-day Variable Rate Reverse Repo auction under LAF on February 09, 2022 for a notified amount of INR 1,00,000 crore.

#### **Certificate of Deposit**

Yield in %	Feb 08	Week Ago	Month Ago	Year Ago
3-Month	3.88	3.95	3.72	3.34
6-Month	4.31	4.43	4.30	3.55
12-Month	4.77	4.89	4.66	4.03

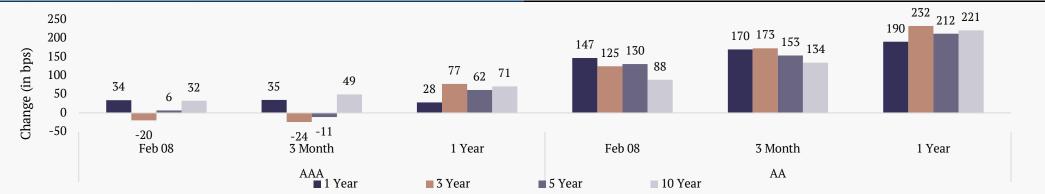
Source: Refinitiv

### Comparative Yield Analysis between Corporate Bonds and Government Securities

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	G-Sec		AAA		AA			Α				
Annualised Yield in %	Feb 08	3 Months Ago	1 Year Ago	Feb 08	3 Months Ago	1 Year Ago	Feb 08	3 Months Ago	1 Year Ago	Feb 08	3 Months Ago	1 Year Ago
1 Year	4.61	4.08	4.10	4.95	4.43	4.38	6.08	5.78	6.00	10.49	9.94	9.50
3 Year	5.83	5.14	4.95	5.63	4.90	5.72	7.08	6.87	7.27	11.41	10.75	10.70
5 Year	6.22	5.90	5.65	6.28	5.79	6.27	7.52	7.43	7.77	11.77	11.33	11.14
10 Year	6.93	6.44	6.13	7.25	6.93	6.84	7.81	7.78	8.34	12.09	11.75	11.90

Source: Refinitiv; ICRA Analytics Ltd

#### **Corporate Bond Spreads (in bps)**



Source: Refinitiv; ICRA Analytics Ltd

## **Spread Analysis**

- Yields on gilt securities fell across the maturities by up to 11 bps barring 2-year paper which increased 2 bps.
- Corporate bond yields closed steady across 2 to 9-year maturities and fell across the remaining maturities in the range of 2 bps to 6 bps.
- Difference in spread between AAA corporate bond and gilt contracted on 1 and 2-year paper by 5 bps and 2 bps respectively and expanded across the remaining maturities in the range of 5 bps to 8 bps.

 $<sup>^{[1]}\!\</sup>mathrm{Data}$  as on 07 Feb, 2022,  $^{[2]}\!\mathrm{Data}$  as on 04 Feb, 2022





# **Currency & Commodity**



#### **Currency-Commodity Performance**

	Feb 08	1-Day Change (%)	1-Month Change (%)	3-Month Change (%)	1-Year Change (%)
USD/INR	74.69	-0.04	0.53	0.78	2.51
EURO/INR	85.28	-0.39	1.56	-0.50	-2.78
GBP/INR	100.99	-0.55	0.37	1.02	0.94
JPY/INR	0.65	-0.51	0.91	-0.87	-6.36
USD/EURO	1.14	-0.24	0.48	-1.48	-5.26
USD/JPY	115.54	0.36	-0.01	2.05	9.81
USD/GBP	1.35	0.05	-0.32	-0.15	-1.43
USD/CNY	6.37	0.12	-0.17	-0.38	-1.22
Gold (\$/oz)	1825.48	0.28	1.66	0.07	-0.26
Brent Crude(\$/bbl)	98.36	-1.88	18.48	18.76	64.29
Baltic Dry Index <sup>[1]</sup>	1,422	-0.07	-37.88	-47.68	7.97

#### **Currency & Commodity Update**

- The rupee weakened against the dollar on concerns that the U.S. Federal Reserve will increase interest rates at an aggressive pace.
- The euro fell against the greenback after the European Central Bank chief struck a more cautious tone, saying high inflation is unlikely to get entrenched.
- Gold prices rose buoyed by rising inflation concerns and Russia-Ukraine tensions. However, expectations for a U.S. interest rate hike restricted the rise.
- Brent crude oil prices fell ahead of the beginning of indirect discussions between the U.S. and Iran that might lead to the renewal of a nuclear deal.

## Economy



#### **Key Economic Indicators**

Current	Previous
8.40%	20.10%
54.00	55.50
-1.30%	0.90%
9.30	4.59
8.00%	9.20%
13.56%	14.23%
1.40%	3.20%
5.59%	4.91%
	8.40% 54.00 -1.30% 9.30 8.00% 13.56% 1.40%

#### Source: Refinitiv

### **Domestic Economy**

- Sebi updated the shortened prospectus disclosure format. The move is intended to simplify and provide greater clarity and consistency in disclosures across several documents and to provide additional but crucial information in the shortened prospectus.
- According to the Prime Minister, the Small and Medium Enterprises sector has gained the most from the Aatmanirbhar Bharat package as evidenced by MSMEs seeking to enter the defence sector.

Debt Flows (INR Cr.)	FII	MF
Buy	160	8,475
Sell	9	8,779
Net	151	-304
YTD (Net)*	3,769	1,307
MTD (Net)*	-1,425	

## Institutional Trends

Equity Flows (INR Cr.)	FII	DII	MF
Buy	7,716	6,674	7,518
Sell	6,744	5,559	4,200
Net	972	1,115	3,318
YTD (Net)*	-41,111	23,942	16,488
MTD (Net)*	-7,807	2,014	

Source: NSDL, SEBI and NSE. FII and DII data as on Feb 08,2022; MF data as on Jan 31,2022 \* Net implies net of buy and sell

#### **Global Economy** -

- According to survey data from the Cabinet Office, Japan's current conditions index of the Economy Watchers' Survey, which measures the current situation of the economy, fell sharply to 37.9 in Jan 2022 from 56.4 in Dec 2021.
- According to the Ministry of Finance, Japan posted a current account deficit of 370.8 billion yen in Dec 2021 following 897.3 billion yen surplus in Nov 2021.
- According to the Ministry of Communications and Internal Affairs, average of household spending in Japan fell 0.2% YoY in Dec 2021 following 1.3% fall in Nov 2021.
- According to the British Retail Consortium and KPMG, U.K. like-for-like sales rose 8.1% YoY in Jan 2022.

# **Mutual Fund**



#### Mutual Funds Category Performance (in %) - Equity\*

Category	1-Week	1-Month	3-Month	1-Year
Large Cap Funds	-1.74	-2.86	-4.54	16.40
Large & Mid Cap Funds	-1.97	-3.37	-4.20	23.87
Multi Cap Funds	-1.81	-2.61	-4.45	30.42
Mid Cap Funds	-2.08	-3.77	-4.99	30.15

Category	1-Week	1-Month	3-Month	1-Year
Small Cap Funds	-1.36	-3.12	-1.32	48.30
Focused Fund	-1.78	-3.09	-4.84	19.66
Value Funds	-1.85	-1.83	-2.94	25.46

#### Mutual Funds Category Performance (in %) - Debt\*

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Category	1-Week	1-Month	3-Month	1-Year			
Gilt Funds	0.12	-0.25	-0.35	3.66			
Medium to Long Duration Funds	0.15	-0.37	-0.37	3.90			
Medium Duration Fund	0.12	0.08	0.49	5.94			
Dynamic Bond Funds	0.14	-0.17	0.03	4.83			
Corporate Bond Funds	0.09	0.15	0.55	4.82			
Banking and PSU Funds	0.07	0.14	0.57	4.53			
Credit Funds	0.12	0.30	0.99	7.60			

1-Week	1-Month	3-Month	1-Year
0.07	0.19	0.59	4.99
0.05	0.28	0.83	4.53
0.06	0.29	0.95	4.52
0.05	0.29	0.94	3.91
0.06	0.28	0.88	3.40
0.06	0.31	0.86	3.24
0.09	0.40	1.16	4.63
	0.07 0.05 0.06 0.05 0.06 0.06	0.07       0.19         0.05       0.28         0.06       0.29         0.05       0.29         0.06       0.28         0.06       0.31	0.07     0.19     0.59       0.05     0.28     0.83       0.06     0.29     0.95       0.05     0.29     0.94       0.06     0.28     0.88       0.06     0.31     0.86

Source: MFI Explorer; \* Returns less than 1 year are absolute, greater than and equal to 1 year are Compounded Annualized; Data as on 08-Feb-2022. Returns provided above are for direct plan and schemes are as per waterfield recommendation.

## Disclaimer:

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<sup>&</sup>lt;sup>[1]</sup>Data as on 07 Feb, 2022, <sup>[2]</sup>Data as on 04 Feb, 2022