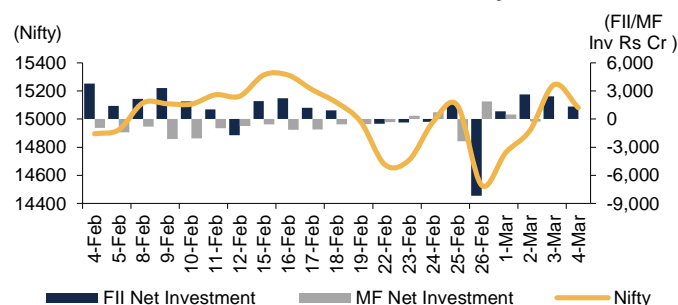


Indian equity benchmark indices' returns

Broad Indices	Mar 5	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	50,405	2.66	11.81	31.02
Nifty 50	14,938	2.81	12.67	32.56
Nifty 500	12,539	2.94	14.21	35.12
S&P BSE 100	15,142	2.84	13.11	33.06
S&P BSE Midcap	20,588	3.05	18.40	41.29
S&P BSE Smallcap	20,936	3.87	20.90	54.04

FII and mutual fund investment vs. Nifty



Sectoral Indices	Mar 5	% chg week	% chg 3 Mth	% chg Year
S&P BSE IT	25,432	4.13	14.23	63.02
S&P BSE Power	2,516	4.02	20.71	42.54
S&P BSE Oil & Gas	16,091	3.52	14.78	28.04
S&P BSE Auto	23,740	3.50	12.94	51.50
S&P BSE CD	32,749	3.12	15.84	24.71
S&P BSE FMCG	12,311	2.88	2.94	11.70
S&P BSE Realty Index	2,847	2.15	27.15	34.91
S&P BSE Bankex	39,692	1.82	15.52	19.79
S&P BSE CG	21,889	1.72	24.57	41.63
S&P BSE Healthcare	21,205	1.68	1.09	49.91
S&P BSE Metal	13,906	1.36	25.97	65.55

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Mar 5	Previous Week	1 month ago
Call Rate	3.40%	3.25%	3.00%
10 Yr G-Sec*^	6.24%	6.22%	6.08%

*5.85% 2030 paper ^Weighted Average Yield

Currencies vs INR

Currency	Mar 5	Week ago	3 months ago	1 year ago
USD	73.02	73.47	73.79	73.30
GBP	101.01	101.83	99.51	94.60
Euro	87.01	88.76	89.79	81.91
Yen*	67.23	68.89	70.97	68.51

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equity indices ended higher in the week with benchmarks S&P BSE Sensex and Nifty 50 rising nearly 3% each.
- The market advanced earlier on optimism that the domestic economic growth numbers will strengthen further.
- Positive developments surrounding the Covid-19 vaccination programmes and hopes for a swift global economic recovery also aided the rally.
- Buying in information technology (IT), power, oil and gas, and auto counters buoyed the market. S&P BSE IT (topmost sectoral gainer), S&P BSE Power, S&P BSE Oil & Gas and S&P BSE Auto rose 4.1%, 4%, 3.5% and 3.5%, respectively.
- Shares of Ultratech Cement emerged among the top gainers on the Nifty 50, rising 11.4% on week to settle at Rs 6810.3 per share aided by bullish investor sentiment for cement stocks.
- However, concerns over rising global bond yields chipped off some gains.
- Shares of Bharti Airtel emerged the top laggard on the Nifty 50, falling 4.2% on week to settle at Rs 532.8 per share, after Integrated Core Strategies (Asia) sold around 3.7 crore shares of the company.

2. Debt

- Government bond prices ended flat. Yield on the 10-year benchmark 5.85% 2030 paper settled flat at 6.23% on March 5.
- Bonds began the week on a bright note aided by lower US benchmark Treasury yields and as muted Indian GDP data for the December quarter raised hopes of supportive measures from the central bank.
- Prices remained range-bound midweek, as market players mostly remained on the side lines ahead of the RBI's special open-market operation (OMO) on March 4. Prices received support as the central bank's purchase of gilts in the special OMO aided sentiment.
- A rebound in US benchmark Treasury yields and uptick in crude oil prices towards the end of the week put domestic gilt prices under some pressure.
- Devolvement of securities on primary dealerships in the weekly gilt sale, which included the current 10-year benchmark note, also pulled bond prices down. In the weekly gilt auction, the 3.96% 2022 paper, the 5.15% 2025 paper, and the 5.85% 2030 paper witnessed partial devolvement.

3. Forex

- The rupee ended higher against the US dollar, aided by intermittent gains in local equity indices.
- Dollar sales by exporters and corporate dollar inflows into the local financial market also helped the rupee strengthen further.
- Importers' dollar demand and a rise in the US dollar index towards the end of the week prevented the rupee from rising further.

International equity benchmark indices' returns

Indices	Mar 5	% chg week	% chg 3 Mth	% chg Year
DJIA*	30,924	-0.03	2.34	14.15
Nasdaq Composite*	12,723	-3.55	2.08	41.09
FTSE 100*	6,651	2.58	1.54	-2.42
Nikkei 225	28,864	-0.35	7.90	35.33
Straits Times	3,014	2.20	6.13	-0.15
Hang Seng	29,098	0.41	8.43	8.71
Shanghai Comp	3,502	-0.20	1.67	14.01

*As of Mar 4

International debt market indicators

Indicators	Mar 5	Feb 26
US 10-Year*	1.55	1.46
UK 10-Year*	0.73	0.82
German 10-Year*	-0.29	-0.27
Japan 10-Year	0.09	0.16
3-M USD Libor*	0.18%	0.18%
6-M USD Libor*	0.20%	0.20%
1-Y USD Libor*	0.28%	0.28%

*As of Mar 4

Commodities

Commodity	Mar 5	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	66.74	0.92	37.01	30.53
Indian gold (Rs per 10 gm)	44310.00	-4.56	-9.85	2.35
Indian Silver (Rs per Kg)	64964.00	-5.23	3.13	40.88

*As of Mar 4

Source: Respective commodity exchanges, MCX

B. International

1. Equity

- Mixed performance was seen in global equities amid region specific cues.
- US stocks retreated due to a sell-off in technology stocks, disappointing remarks from the Fed chief regarding rising bond yields and inflation, and as data showed an increase in weekly jobless claims.
- US initial jobless claims inched up to 745,000 in the week ended February 27, an increase of 9,000 from the previous week's revised level of 736,000.
- Some losses were cut short as encouraging updates on coronavirus vaccines and fiscal stimulus boosted hopes for swift economic recovery.
- US House approved a \$1.9 trillion pandemic relief bill that was advocated by President Joe Biden.
- US ADP said private sector employment rose by 117,000 jobs in February after rising by an upwardly revised 195,000 jobs in January.
- US ISM manufacturing index rose to 60.8 in February from 58.7 in January while services index dropped to 55.3 in February from 58.7 in January.
- Britain's FTSE index surged 2.6% led by gains in financial and homebuilding stocks following Finance Minister Rishi Sunak's budget plan to pull out the economy from the Covid-19-induced shock.
- Further rally was prevented due to concerns about rising global bond yields.
- Asian equities ended mixed. Japan's Nikkei fell 0.4%, as investors booked profits in technology stocks after the recent gains.
- Losses were trimmed due to the gains in cyclical stocks amid hopes of a swift economic recovery from the pandemic-led recession.
- Hong Kong's Hang Seng index rose 0.4% on optimism over progress in the US stimulus package and gains in financial stocks.
- China's Shanghai Composite fell slightly, weighed down by consumer and material firms, and as high US Treasury yields renewed doubts about global growth.

2. Commodity

- Crude oil prices rose sharply in the week after OPEC and its allies agreed to keep production unchanged into April.
- Indian gold prices ended lower in this week due to lack of demand from jewelers amid weak global cues including amid a hardening of US bond yields and a stronger US dollar.
- Indian silver prices fall this week owing to lower offtake from industrial units and coin-makers on the back of economic growth concerns.

C. News summary

1. Domestic

- India IHS Markit manufacturing Purchasing Managers' Index (PMI) fell to 57.5 in February from 57.7 a month ago, while services PMI rose to 55.3 in February from 52.8 in January; the composite PMI increased from 55.8 in January to 57.3 in February.
- The gross GST revenue collected in February stood at Rs 1.13 lakh cr, an increase of over 7% compared with the same month last year.
- India's trade deficit widened to \$12.88 bn in February as compared to \$10.16 bn in the year-ago period; exports declined 0.25% to \$27.67 bn in February while imports grew by 6.98% to \$40.55 bn during the month.
- Government said that India attracted FDI inflow of \$67.54 bn during April-December 2020. It is the highest ever for the first ninth months of a financial year and 22% higher as compared to the same period of 2019-20.
- The RBI in its state of the economy report said economic activity is gaining steam, but considerable uncertainty surrounds the outlook owing to the renewed surge of the coronavirus infection.
- Prime Minister Narendra Modi said India will invest \$82 bn in port projects by 2035, increase share of clean renewable energy source in maritime sector, develop waterways, and expand seaplane services.
- The Cabinet gave ex post facto approval to the signing of a Memorandum of Understanding (MoU) between India and France on renewable energy cooperation.
- RBI extended the deadline to apply for an umbrella entity by over a month to March 31 in view of the pandemic.
- SEBI proposed to overhaul norms pertaining to appointment, removal and remuneration of independent directors.

2. International

- US non-farm payroll employment jumped by 379,000 jobs in February after climbing by an upwardly revised 166,000 jobs in January.
- US ADP said private sector employment rose by 117,000 jobs in February after rising by an upwardly revised 195,000 jobs in January.
- US ISM manufacturing index rose to 60.8 in February from 58.7 in January.
- Eurozone manufacturing PMI rose to 57.9 in February compared to 54.8 in January.
- China's official manufacturing Purchasing Manager's Index (PMI) fell to 50.6 in February from 51.3 in January while services PMI fell to 51.4 in February from 52.4 in January.

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D. Week ahead

Day	Events
Monday, March 8, 2021	<ul style="list-style-type: none"> US Wholesale Inventories, January Eurozone Sentix Investor Confidence Index, March Japan GDP, Q4 2020 Japan Current Account Balance, January Japan Leading / Coincident Index, January Japan Eco-Watchers Survey, February
Tuesday, March 9, 2021	<ul style="list-style-type: none"> Eurozone GDP, Q4 2020 China Consumer Prices, February China Producer Prices, February Japan Machine Tool Orders, February
Wednesday, March 10, 2021	<ul style="list-style-type: none"> US Consumer Prices, February US Treasury Budget, February US Crude Oil supply, March 05
Thursday, March 11, 2021	<ul style="list-style-type: none"> US Initial Jobless Claims, March 05 ECB Interest Rate Decision UK RICS House Price Balance, February Japan Producer Prices Index, February
Friday, March 12, 2021	<ul style="list-style-type: none"> US Producer Prices, February US University of Michigan Consumer Sentiment, March Eurozone Industrial Production, January UK Monthly GDP, January UK Industrial Output, January UK Goods Trade Balance, January India Consumer Prices, February India Industrial Production, January India Forex Reserves, March 05



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