

## Market Summary



### Key Domestic Market Highlights

- Domestic equity markets rose during the month under review as key domestic headline indices S&P BSE Sensex and Nifty 50 crossed psychologically important levels of 63,000 and 18,700, respectively. Thus, both the indices during the month rose to fresh lifetime peaks as they snubbed the volatility in global equity markets. The market rally was broad based as gains were witnessed in the mid cap segment and small cap segment as well.
- Domestic equity markets rose initially during the month on the back of upbeat domestic macroeconomic data which instilled optimism among market participants regarding the India growth story. Markets continued to move up following positive cues from the global equity markets after minutes of the U.S. Federal Reserve monetary policy review held in Nov 2022 showed that the U.S. central bank might slow down the pace of rate hikes moving ahead. According to the minutes, a slower pace of rate hikes will help the U.S. Federal Reserve to better assess its progress toward its goals of maximum employment and price stability. A fall in global crude oil prices further added to the gains amid talks of a possible price cap on Russian oil.
- The strengthening of the rupee against the greenback and weakening of the dollar index amid growing expectations of a down-shift in the pace of rate hikes by the U.S. Federal Reserve too acted as tailwinds for the domestic equity market. The buying was also led by short covering as Nov 24 was the last day of the current month's derivatives expiry series.



### Key Global Market Highlights

- U.S. equity markets rose after minutes of the U.S. Federal Reserve's monetary policy review held in Nov 2022 indicated that the U.S. central bank might consider slowing down the pace of rate hikes moving ahead. The U.S. Federal Reserve Chief towards the end of the month also hinted at slowdown in the pace of rate hikes from Dec 2022 which eased concerns of a slowdown in global growth to some extent.
- U.S. Treasury prices rose after minutes of the U.S. Federal Reserve's monetary policy review held in Nov 2022 indicated that the U.S. central bank might consider slowing down the pace of rate hikes moving ahead. U.S. Treasury prices were further boosted after the U.S. Federal Reserve Chief struck a more dovish tone than the market expected, saying the U.S. central bank could slow the pace of rate hikes from Dec 2022.
- European equity markets rose on hopes that the U.S. Federal Reserve may slow down the pace of interest rate hikes at upcoming meetings. Market sentiments were further boosted as U.K. car production output returned to growth in Oct 2022. Gains were extended after inflation in euro zone slowed more than expected in Nov 2022.
- Asian equity markets rose amid reports that China had unveiled a comprehensive rescue plan to revive its real estate industry. Gains were extended as worries over COVID-19 pandemic eased after China reported a modest decline in new COVID-19 infections. Expectations that China will ease up on the strict Covid-zero policies and would announce other policy stimulus further contributed to the upside.

## Category-wise Fixed Income Returns

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	CYTD
10 Y GILT 11.11%	LD 9.05%	10 Y GILT 15.28%	LD 8.94%	10 Y GILT 14.24%	LD 6.80%	10 Y GILT 8.00%	10 Y GILT 11.34%	10 Y GILT 13.20%	ST 4.38%	LIQ 4.49%
LD 10.20%	LIQ 9.03%	LT 14.31%	ST 8.66%	LT 12.91%	LIQ 6.66%	LD 7.69%	LT 10.72%	LT 12.25%	LD 4.23%	LD 4.30%
LT 9.34%	ST 8.27%	ST 10.47%	LT 8.63%	ST 9.82%	ST 6.05%	LIQ 7.58%	ST 9.53%	ST 10.39%	LIQ 3.60%	ST 3.03%
ST 9.10%	LT 3.79%	LD 9.87%	LIQ 8.23%	LD 9.02%	LT 4.71%	ST 6.65%	LD 8.60%	LD 7.45%	LT 3.44%	LT 2.05%
LIQ 8.50%	10 Y GILT 2.65%	LIQ 9.21%	10 Y GILT 8.17%	LIQ 7.48%	10 Y GILT 3.52%	LT 5.91%	LIQ 6.86%	LIQ 4.60%	10 Y GILT 3.13%	10 Y GILT 1.99%

LIQ Liquid Returns represented by Crisil Liquid Fund Index  
 ST Short Term Returns represented by Crisil Short Term Bond Fund Index  
 LT Long Term Returns represented by Crisil Composite Bond Fund Index  
 LD Low Duration Returns represented by Crisil Low Duration Index  
 10 Y Gilt 10 Year G-sec Returns represented by ICRA Composite Gilt Index

Source: MFI Explorer

# Equity Market Round Up

## Equity Market Commentary

- Domestic equity markets rose during the month under review as key domestic headline indices S&P BSE Sensex and Nifty 50 crossed psychologically important levels of 63,000 and 18,700, respectively. Thus, both the indices during the month rose to fresh lifetime peaks as they snubbed the volatility in global equity markets. The market rally was broad based as gains were witnessed in the mid cap segment and small cap segment as well.
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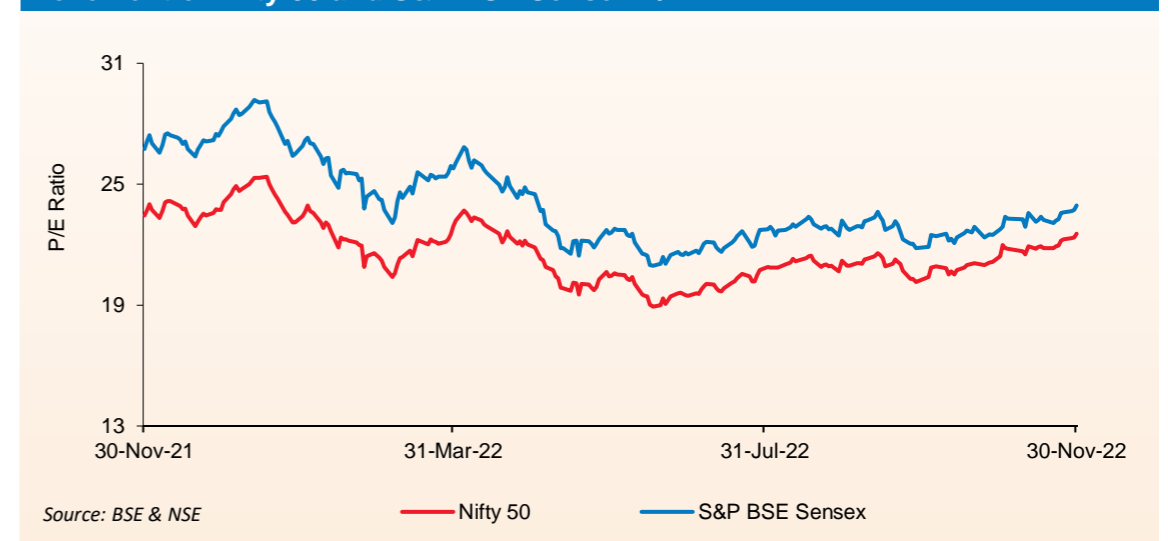
Broad Indices	30-Nov-22	% Change (MoM)	% Change (YoY)
S&P BSE Sensex	63,099.65	3.87	10.58
Nifty 50	18,758.35	4.14	10.45
S&P BSE 500	25,406.76	3.32	9.15
Nifty 500	15,946.15	3.39	8.86
S&P BSE Mid Cap	25,950.89	2.33	5.12
Nifty Mid Cap 100	32,037.90	1.93	8.05

Source: BSE & NSE

Sector Indices	30-Nov-22	% Change (MoM)	% Change (YoY)
S&P BSE Auto	30,375.40	-1.12	26.62
S&P BSE Bankex	49,348.18	4.11	21.01
S&P BSE CD	41,498.06	-2.75	-3.72
S&P BSE CG	33,846.25	1.74	25.86
S&P BSE FMCG	16,525.65	2.45	20.72
S&P BSE HC	23,945.61	0.09	-6.10
S&P BSE IT	30,511.10	5.46	-11.26
S&P BSE Metal	20,257.70	6.48	11.20
S&P BSE Oil & Gas	20,610.00	5.76	17.75
S&P BSE Power Index	4,698.99	-3.45	35.94
S&P BSE PSU	10,021.10	5.38	22.93
S&P BSE Realty	3,586.77	2.69	-5.61
S&P BSE Teck	14,283.64	5.06	-7.05

Source: BSE

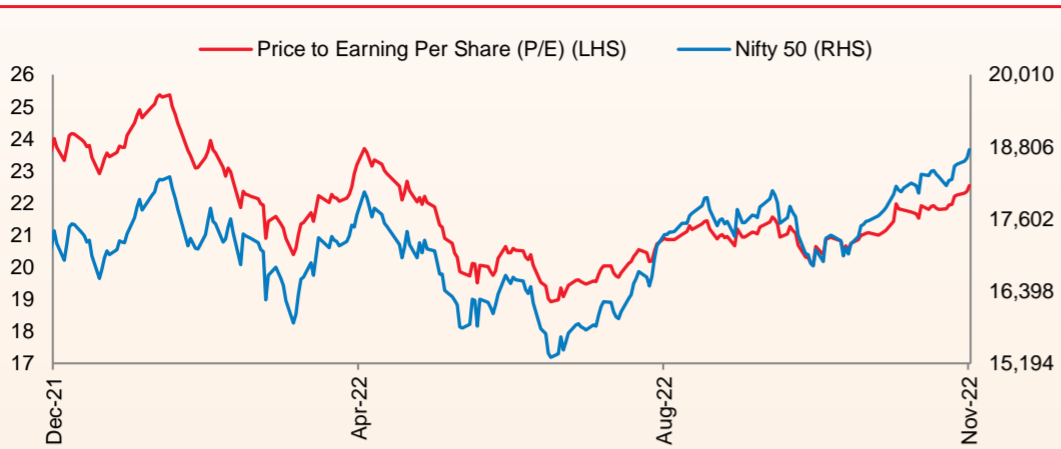
### Movement of Nifty 50 and S&P BSE Sensex P/E



Country/Region	30-Nov-22	% Change (MoM)	% Change (YoY)
Nasdaq 100 (U.S.)	12,030.06	5.48	-25.45
FTSE 100 (U.K.)	7,573.05	6.74	7.28
DAX (Germany)	14,397.04	8.63	-4.66
Nikkei 225 (Japan)	27,968.99	1.38	0.53
SSEC (China)	3,151.34	8.91	-11.58

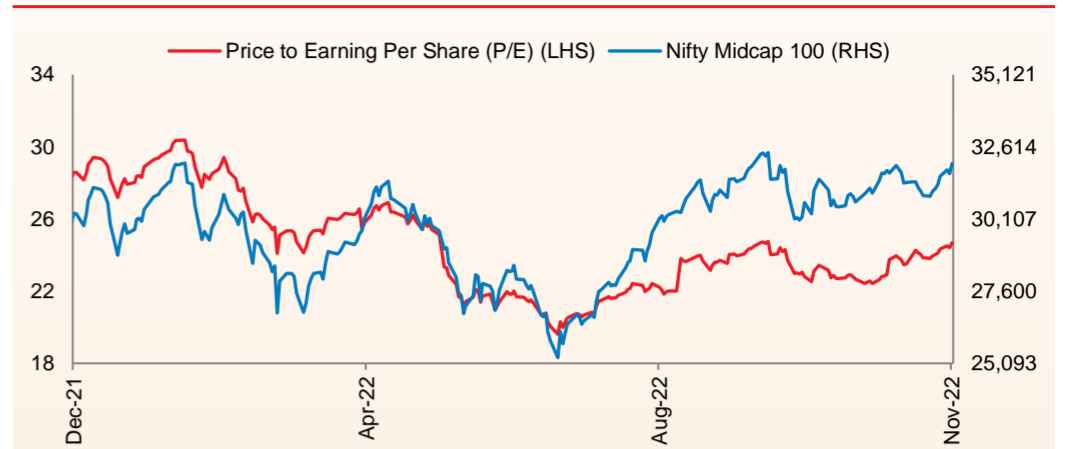
<sup>11</sup>Data as on 28 Nov, 2022

# Equity Market Round Up



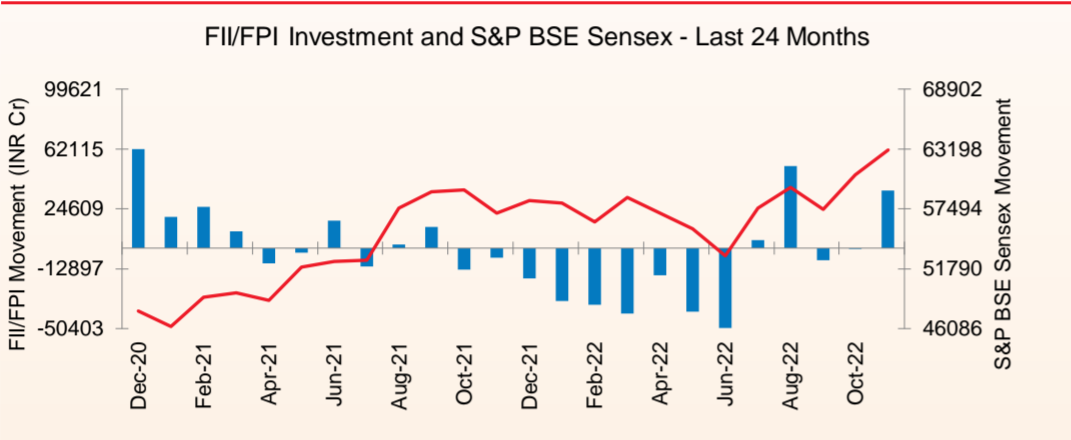
Source: NSE

During the month, S&P BSE Sensex and Nifty 50 rose 3.87% and 4.14% to close at 63,099.65 and 18,758.35 respectively.



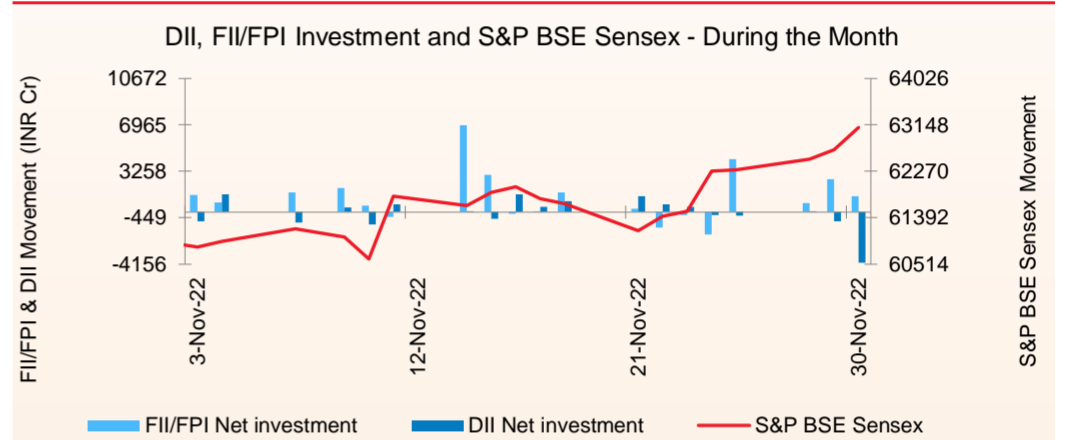
Source: NSE

During the month, Nifty Midcap 100 and Nifty Small cap 100 rose 1.93% and 2.99% to close at 32,037.9 and 9,976.05 respectively.



Source: MFI Explorer

Foreign portfolio investors (FPIs) were net buyer of domestic stocks worth Rs. 36,238.66 crore in Nov 2022 compared with net sell of Rs. 8.29 crore in Oct 2022.



Source: MFI Explorer

Domestic mutual funds remained net buyer in the equity segment to the tune of Rs. 4,401.520 crore in Nov 2022 (updated till Nov 28).

## Returns of Major NSE Indices

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	CYTD
Media 58.27%	IT 57.97%	Smallcap 69.57%	Media 10.30%	Metal 45.20%	Realty 110.22%	IT 23.64%	Realty 28.49%	Pharma 60.43%	Metal 69.66%	PSU Bank 58.11%
Realty 52.36%	Pharma 26.51%	PSU Bank 67.07%	Smallcap 10.20%	Auto 10.75%	Smallcap 57.47%	FMCG 13.57%	Finance 25.65%	IT 54.75%	Smallcap 61.94%	FMCG 21.17%
Finance 51.61%	FMCG 12.18%	Midcap 60.26%	Pharma 9.26%	Midcap 5.41%	Midcap 54.53%	Finance 10.54%	Largecap 10.42%	Smallcap 25.02%	IT 59.58%	Auto 20.98%
FMCG 48.21%	Auto 9.41%	Finance 57.34%	Midcap 8.41%	Finance 4.93%	Metal 48.71%	Largecap 1.13%	IT 8.39%	Midcap 24.31%	Realty 54.26%	Metal 18.88%
Midcap 43.99%	Largecap 6.46%	Auto 56.69%	FMCG 0.33%	PSU Bank 4.11%	Finance 41.56%	Pharma -7.77%	Midcap -0.28%	Metal 16.14%	Midcap 46.81%	Finance 11.70%
Auto 42.20%	Media 1.50%	Pharma 43.42%	IT -0.03%	Largecap 3.60%	Media 32.80%	Midcap -13.26%	FMCG -1.29%	Largecap 14.82%	PSU Bank 44.37%	Largecap 7.38%
PSU Bank 40.37%	Midcap -3.01%	Largecap 33.17%	Auto -0.32%	FMCG 2.78%	Auto 31.47%	PSU Bank -16.47%	Smallcap -8.27%	FMCG 13.42%	Media 34.56%	Midcap 4.76%
Smallcap 37.94%	Finance -7.32%	Media 33.02%	Largecap -2.41%	Smallcap 0.36%	Largecap 31.15%	Metal -19.84%	Pharma -9.34%	Auto 11.43%	Largecap 25.04%	Smallcap -1.92%
Pharma 31.68%	Smallcap -8.14%	FMCG 18.22%	Finance -5.41%	Media -0.85%	FMCG 29.47%	Auto -22.99%	Auto -10.69%	Realty 5.11%	Auto 18.96%	Media -4.61%
Largecap 30.41%	Metal -14.26%	IT 17.84%	Realty -15.02%	Realty -4.20%	PSU Bank 24.17%	Media -25.80%	Metal -11.20%	Finance 4.46%	Finance 13.96%	Realty -7.02%
Metal 17.57%	PSU Bank -30.44%	Realty 10.02%	Metal -31.35%	IT -7.25%	IT 12.21%	Smallcap -26.68%	PSU Bank -18.25%	Media -8.55%	Pharma 10.12%	Pharma -7.58%
IT -1.85%	Realty -34.38%	Metal 7.02%	PSU Bank -32.91%	Pharma -14.18%	Pharma -6.32%	Realty -32.87%	Media -29.72%	PSU Bank -30.50%	FMCG 9.96%	IT -21.47%

IT returns represented by NIFTY IT  
 Metal returns represented by NIFTY Metal  
 Realty returns represented by NIFTY Realty  
 Auto returns represented by NIFTY Auto  
 Pharma returns represented by NIFTY Pharma  
 Media returns represented by NIFTY Media

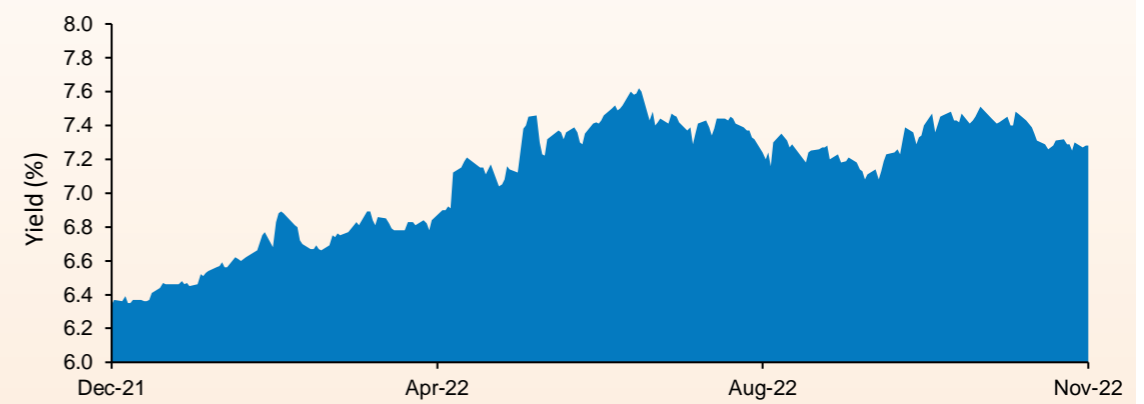
Finance returns represented by NIFTY Finance  
 FMCG returns represented by NIFTY FMCG  
 PSU Bank returns represented by NIFTY PSU Bank  
 Largecap returns represented by Nifty 100  
 Midcap returns represented by Nifty Midcap 150  
 Smallcap returns represented by Nifty Small cap 250

# Fixed Income Market Round Up

## Fixed Income Market Commentary

- Bond yields initially rose after the U.S. Federal Reserve remained hawkish in their monetary policy review, which indicated higher terminal rates in the near future. However, losses reversed after India's retail inflation slowed in Oct 2022. Strengthening of the rupee against the greenback, boosted market sentiments. Stronger-than-expected demand at the first weekly government debt auction, and fourth weekly state government auction during the reported month, indicated strong demand. Gains increased after minutes of the US Fed's Nov 2022 meeting indicated slower pace of rate increases from Dec 2022 and tracking fall in global crude oil prices. However, gains trimmed following higher-than-expected cut-off yields on the 10-year benchmark paper at the fourth government weekly auction.
- Yield on the 10-year benchmark bond fell 17 bps to close at 7.28% compared with the previous months' close of 7.45%.
- Yield on gilt securities fell in the range of 6 to 31 bps across the maturities. Yield on corporate bonds fell in the range of 4 to 122 bps across the curve, leaving 1 to 4 year papers that rose in the range of 17 to 29 bps, respectively. Difference in spread between corporate bond and gilt securities expanded in the range of 22 to 59 bps on 1 to 5 year papers while 6, 7, 10 & 15 year papers contracted in the range of 10 to 108 bps.

Movement of 10-Year Benchmark Bond Rate



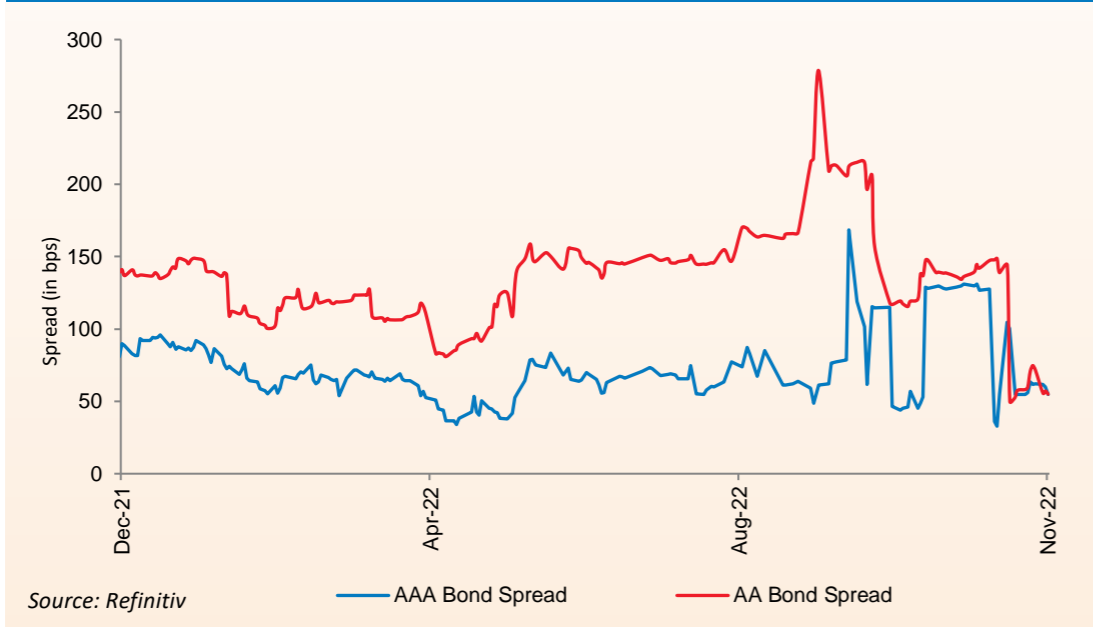
Source: Refinitiv

10 Year Corporate Bond Spread (for AAA & AA bonds)

Date	Period	Spread	
		AAA	AA
30-Nov-22	1 Yr	72	85
	3 Yr	47	82
	5 Yr	59	110
31-Oct-22	1 Yr	46	61
	3 Yr	-12	50
	5 Yr	38	75

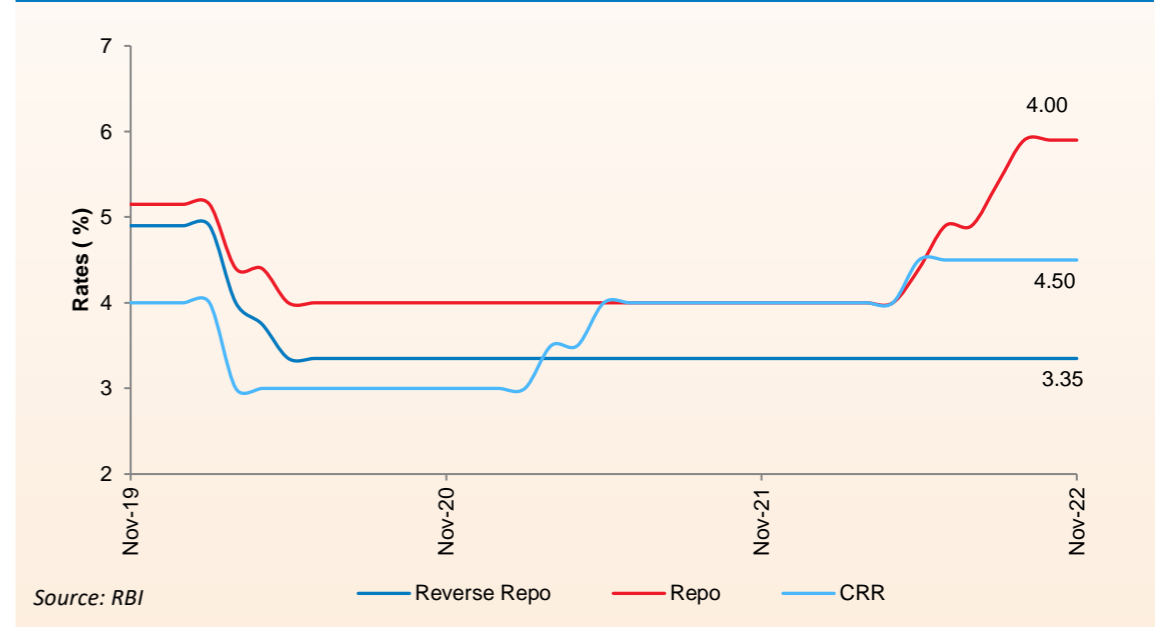
Source: Refinitiv

10 Year Corporate Bond Spread (for AAA & AA bonds)



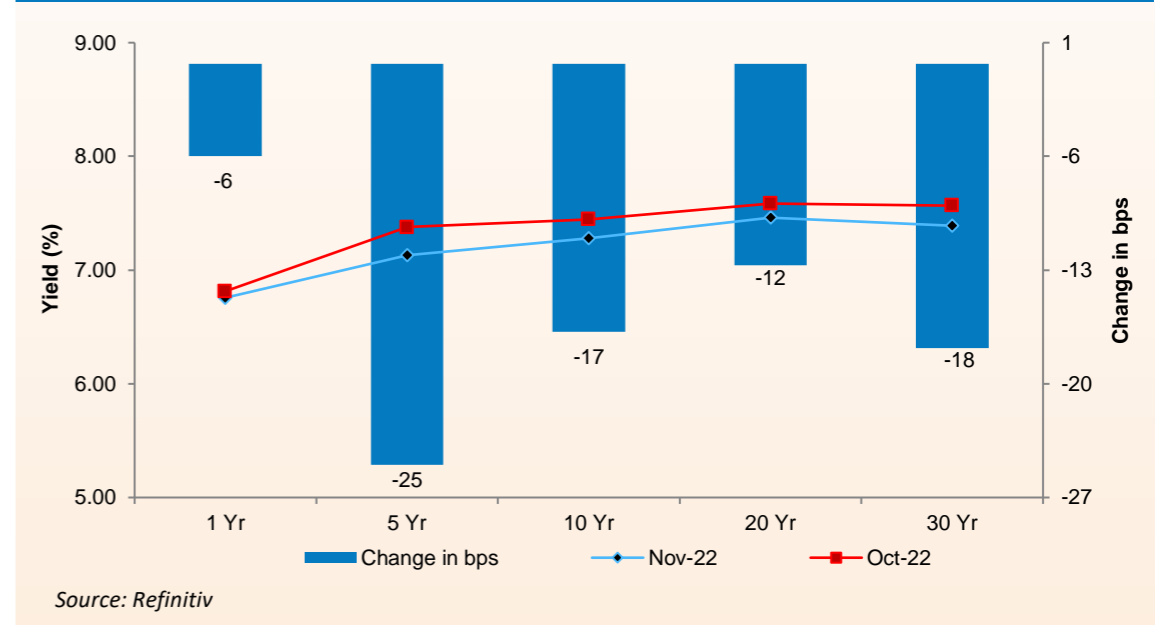
Source: Refinitiv

Movements of Key Policy Rates in India



Source: RBI

India Yield Curve Shift (Month-on-Month)



Source: Refinitiv

# Macro-Economic Update and Key Events

## Key Events

### India's gross domestic product (GDP) grew 6.3% YoY in Q2FY23

- India's gross domestic product (GDP) grew 6.3% on a yearly basis for the quarter ended Sep 30, 2022 as compared to a growth of 13.5% in the previous quarter and a growth of 8.4% in the same period of the previous year. During Sep 2022 quarter, agriculture grew at 4.6%, public administration, defence and other services, which represent government expenditure, grew 6.5% and construction sector grew 6.6%. The manufacturing and mining sectors recorded a fall in growth at 4.3% and 2.8%, respectively, during the quarter under review.

### Retail inflation slowed to 6.77% in Oct 2022

- Consumer Price Index based inflation slowed to 6.77% in Oct 2022 from 7.41% in the previous month but accelerated from 4.48% in Oct 2021. Retail inflation thus stayed above the upper tolerance level of the Reserve Bank of India's retail inflation target of 6% for the tenth consecutive month.

### India's Index of Industrial Production rose 3.1% YoY in Sep 2022

- The Index of Industrial Production (IIP) rose 3.1% YoY in Sep 2022 compared with a contraction of 0.7% in the previous month and 4.4% rise in the same period of the previous year. For the period from Apr to Sep of FY23, IIP growth slowed considerably to 7.0% from a growth of 23.8% in the same period of the previous fiscal. The manufacturing sector output grew at a slower pace of 1.8% in Sep 2022 from a growth of 4.3% in the same period of the previous year.

### India's Manufacturing PMI rose to 55.7 in Nov 2022

- According to S&P Global, India's Manufacturing Purchasing Managers' Index rose to 55.7 in Nov 2022 from 55.3 in Oct 2022. India's manufacturing sector expanded at its highest rate in three months in Nov as input cost inflation dropped to a two-year low in spite of the worsening state of the global economy.

Key Rates (%)	Current	Month Ago	Year Ago
Reverse Repo	3.35	3.35	3.35
Repo	5.90	5.90	4.00
CRR	4.50	4.50	4.00
SLR	18.00	18.00	18.00
Bank Rate	6.15	6.15	4.25

Source: RBI

Key Indicator	Period	Current Month	Previous Month
CPI - Monthly	Oct-22	6.77%	7.41%
WPI - Monthly	Oct-22	8.39%	10.70%
IIP - Monthly	Sep-22	3.10%	-0.70%
Export (Y-o-Y) - Monthly	Oct-22	-16.47%	4.91%
Import (Y-o-Y) - Monthly	Oct-22	2.38%	8.46%
Trade Deficit - Monthly	Oct-22	26.91	25.71

Source: Refinitiv; CPI- Consumer Price Index, WPI- Wholesale Price Index IIP- Index of Industrial Production, Trade deficit- in \$Billion

Institutional Flows (Equity)			
Net Flow (INR Crore)	Current Month	Previous Month	Year to Date
FII Flows	36,239	(8)	(132,558)
DII Flows	(2,870)	9,197	255,536
MF Flows <sup>[1]</sup>	4,402	6,318	172,995

Source: CDSL, NSE & SEBI

Institutional Flows (Debt)			
Net Flow (INR Crore)	Current Month	Previous Month	Year to Date
FII Flows	(1,637)	(3,532)	(14,238)
MF Flows <sup>[1]</sup>	(598)	(9,324)	(33,506)

Source: NSDL & SEBI

## Events for December 2022

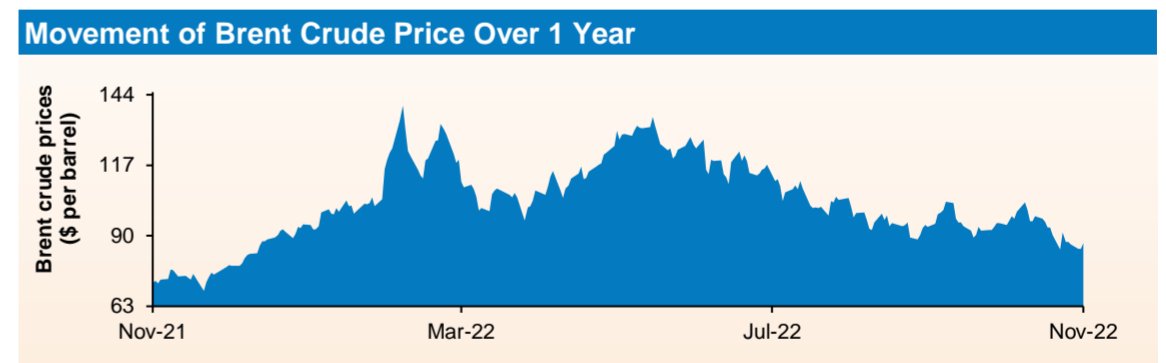
Events	Date
MPC Monetary Policy Review	7-Dec-22
Industrial Output YY - Oct 2022	12-Dec-22
Manufacturing Output YY - Oct 2022	12-Dec-22
CPI Inflation YY - Nov 2022	12-Dec-22

Events	Date
WPI Inflation YY - Nov 2022	14-Dec-22
Payroll Reporting in India - Oct 2022	23-Dec-22
Fiscal Deficit - Apr 2022 to Nov 2022	30-Dec-22
Infrastructure Output - Nov 2022	30-Dec-22

## Commodity and Currency Round up

### Commodity Market - Brent Crude

- Brent crude oil prices fell as concerns over rising interest rates and fears of a recession in U.S. hit the demand outlook of the commodity. Prices fell further as the Group of Seven (G7) countries considered a price ceiling on Russian oil.
- Losses were extended as concerns of a worsening COVID situation in China led to worries of a slowdown in global growth. However, further losses were restricted on expectations of relaxation of COVID-19 restrictions in China and reopening of the Chinese economy.



### Currency Market

- The Indian rupee rose against the U.S. dollar after U.S. inflation slowed in Oct and gains in the domestic equity market.
- Rupee rose further after U.S. Fed minutes reiterated expectations of a slowdown in the pace of rate hikes and on growing hopes of China gradually reopening its economy.

Movement of Major Currencies (as on November 30, 2022)			
Currency	30-Nov-22	Month Ago	Year Ago
INR/USD	81.60	82.39	75.09
INR/GBP	97.75	95.54	99.99
INR/EUR	84.45	81.92	84.94
INR/100 JPY	58.95	55.74	66.34

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