

Good morning,
Here's your daily market and economy update:

Global:

- China's Caixin/Markit Manufacturing PMI stood at 48.1 in May, improving slightly from 46.0 the previous month but staying below the 50-point threshold due to Covid-19 related curbs.
- UK Manufacturing PMI fell to 54.6 in May from 55.8 in April, expanding at the weakest rate since January 2021. Weak confidence among businesses and consumers and the risk of recession weighed on the manufacturing sector.
- Sri Lanka's headline inflation (CCPI) quickened more than expected to 39.1% in May amid continuing food and fuel shortages. Food inflation surged 57.4%, while prices of non-food items jumped 30.6%.

Domestic:

- The gross GST revenue collected in May has come at Rs 1.41 lakh crore. This is 44% higher than the GST collections in the same month last year, however, is down 16% from the previous month.
- India's Manufacturing PMI fell marginally to 54.6 in May, lower than April's 54.7 but remained above the 50-level pointing to a sustained recovery across the sector.
- Credit offtake continued to be robust across all sectors - Agriculture, industry, services and retail in April 2022. Credit to industry accelerated by 8.1% while credit growth to services sector picked up to 11.1% in April 2022.

Global Indicators

	31-05-2022	01-06-2022	% / bps change
Dow	32,990	32,813	-0.54
NASDAQ	12,081	11,994	-0.72
S & P 500	4,132	4,101	-0.75
Nikkei 225	27,280	27,458	0.65
FTSE 100	7,608	7,533	-0.98
US 10-yr (%)	2.84	2.93	9 bps
UK 10-yr (%)	2.10	2.16	6 bps
Germany 10-yr (%)	1.12	1.19	7 bps
Gold (\$/t oz)	1,848	1,849	0.02
Crude Oil-WTI (\$/bbl)	114.67	115.26	0.51
Crude Oil-Brent (\$/bbl)	115.60	116.29	0.60
\$/€*	1.07	1.07	-0.78
¥/\$*	128.68	130.15	1.14
\$/£*	1.26	1.25	-0.92

*(-)Appreciation/(+)Depreciation; Source: WSJ

Equity and Currency Markets - Domestic

	31-05-2022	01-06-2022	% change
Sensex	55,566	55,381	-0.33
NIFTY	16,585	16,523	-0.37
BSE SME IPO	12,827	12,523	-2.37
Rs/\$*	77.63	77.53	-0.14
Rs/€*	83.25	83.15	-0.11

*(-)Appreciation/(+) Depreciation; Source: Business Standard

Corporate Bond Spreads over G-Sec (percentage point)*- Domestic

10 Year	PSU, FIs & Banks	NBFCs	Corporates
AAA	0.16	0.28	0.23
AA+	0.51	0.76	0.61
AA	0.88	1.13	0.91
AA-	1.33	1.52	1.32
A+	2.08	3.27	2.57
A	2.33	3.52	2.82
A-	2.58	3.77	3.32
BBB+	3.08	4.27	3.82
BBB	3.33	4.52	4.07
BBB-	3.83	5.02	4.57

*As of May 31, 2022; Source: FIMMDA

FPI and MFs Investment Flows - Domestic

	Equity Net	Debt Net	Total (Net)^
Net FPI Flows (USD million)			
May-22	(5,179)	456	(4,730)
Jun-22*	(128)	15	(108)
31-May-22	294	53	348
01-Jun-22	(128)	15	(108)
MF Investments (Rs crore)			
May-22#	32,826	(17,806)	15,021

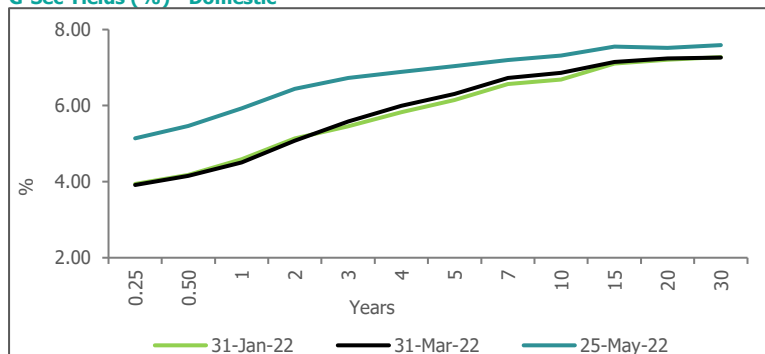
*Latest data as of previous trading day; #Data till May 26, 2022; ^Total (Net) of equity, debt & hybrid; Source: NSDL, SEBI

Money Market - Domestic

	31-05-2022	01-06-2022
Avg. Call Rate (%)	4.09	4.13
Vol. Traded (Rs crore)	10,939	12,737
Net banking system liquidity outstanding (Rs crore)*	(3,27,693)	(3,77,706)
T-Bills 91 days (%)	4.82	4.94
182 days (%)	5.40	5.47
364 days (%)	5.94	6.00
G-sec 3 years (%)	6.95	6.93
5 years (%)	7.16	7.14
10 years (%)	7.44	7.42

*(+)/Deficit/(-)Surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo); Source: RBI, CCIL

G-Sec Yields (%) - Domestic



Source: FBIL

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