Index Dashboard: India

July 31, 2017

Summary

- The S&P BSE SENSEX gained 5.44% in July to start the third quarter on the front foot. India’s large-cap equity benchmark recorded a 17 new all-time highs this month, before closing the month at a record level of 32,515.

- In a reversal of June’s results, large-cap stocks outperformed mid-cap stocks, which in turn outperformed small-cap stocks.

- The S&P BSE Momentum index was the best performing equity index strategy; the 9.38% monthly return meant the index has increased 38.38% year-to-date. All other equity strategy indices rose, apart from the S&P BSE SENSEX Inverse Daily, whose 4.21% fall was the natural exception.

- All but one of the S&P BSE sectors rose in July; the anticipated benefit to the Indian economy of the newly implemented GST reform provided tailwinds to a variety of companies. Fast Moving Consumer Goods (FMCG) was the exception; it fell 3.15% this month.

- Global commodity prices rose this month, with the S&P GSCI gaining 4.19%. Oil prices increased after Saudi Arabia announced it would curtail supplies to Asia and the U.S. The Indian Energy sector sparked into life, rising 11.18% in response.

- July’s record-low reading of 1.5% in the Indian rate of inflation (as measured by the Consumer Price Index) may well provide the Reserve Bank of India with sufficient wiggle room for the first cut in interest rates since October 2016. The central bank has cited inflation concerns when keeping rates on hold so far; all other equity strategy indices rose, apart from the S&P BSE SENSEX Inverse Daily, whose 4.21% fall was the natural exception.

- Volatility expectations remain low globally; the VIX declined.

Source: S&P Dow Jones Indices LLC and/or its affiliates. Data as of the close July 31, 2017 except * as of July 28. Index performance based on total return. Global Equity index returns are in USD, otherwise returns for indices are in local currency and/or USD for multi-currency regions. Charts and graphs are provided for illustrative purposes. Past performance is no guarantee of future results. For more information, please visit our website at www.spdji.com
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