**Monthly Market Roundup June 2023**

In June 2023, the domestic market reached its all-time high with benchmark Nifty and Sensex Index ending the month above 19,100 with 4.5% profit and 64,000 with 3.6% profit in a month respectively. The major reason for this rally was FII buying, amid increasing faith in the domestic growth prospects in the backdrop of a subdued global environment. So far in June, they have poured more than $3 billion into Indian equities. With RBI keeping the policy rates unchanged also contributed to the rally.

Moreover, positive trends in global markets have also contributed to the gains in the domestic market. Improving economic indicators in the US and indications of likely stimulus measures by China have propelled sentiment globally.

India shines as an attractive destination for investors from across the globe, offering steady growth, falling inflation, better external trade/services situation, improving corporate earnings trajectory, prudent growth-enhancing and fiscal policies. From the March lows, benchmark indices have risen nearly13%.

With 3 major IPOs IKIO Lightings, ideaForge, and Cyient DLM hitting the Indian markets, which witnessed a significant interest from investors.

The broad market has also shown positive performance including Nifty Midcap 50 up by 5.1% & Nifty SmallCap 250 up by 4.1%.

**UNCTAD slashed India's growth forecast for year 2023**

The UN Trade and Development Conference (UNCTAD) in its latest Trade and Development Report
said that India grew by 6.6 percent in 2022, ceding the pole position among G20 countries in 2022 to oil-rich Saudi Arabia, which grew at 8.6 percent. Meanwhile, as current government spending has been weakening, but export orders remain on the rise, India's GDP growth is projected to decelerate to 6.0 percent in 2023, assuming the financial fallout from higher interest rates is contained to the bank runs and bailouts of the first quarter.

**FII Inflows**

Foreign institutional investors (FIIs) have invested over $10 billion in the Indian stock market, driving the Nifty to surpass 19,100 points. After being net sellers in the previous two years, FIIs have shown interest in Indian equities since March 2023. In comparison, domestic institutional investors (DIIs) have been selling, with only Rs 1,785 crore in buying. Factors contributing to India's outperformance include strong FII equity flows, increased mutual fund equity flows, rural and capex cycle recovery.

India's GDP has reached $3.75 trillion in 2023, from around $2 trillion in 2014, moving from 10th largest to the 5th largest economy in the world. India is now being called a Bright Spot in the global economy.

**PM Modi’s Visit to US**

Prime Minister Narendra Modi wrapped up his state visit to the United States on Friday. The three-day state visit, his first in nine years, included at least three meetings with President Joe Biden, an address to members of the US Congress, and interactions with some of Silicon Valley’s top CEOs.US tech giants Amazon.com Inc. and Alphabet Inc.’s Google are to ramp up their investments in India as they seek to spur growth in a key market.A slew of economic deals were announced during Modi’s visit to the US, including Micron Technology Inc. to invest more than $800 million toward a $2.75 billion semiconductor assembly and testing facility in India.

**Sectoral Performance**

On the sectoral front, Nifty PSE and Nifty Realty have outperformed all other major indices with a higher gain of 5.8% and 8.6% respectively. All other sectors have also shown positive momentum like Nifty PHARMA- 8.5%, Nifty NBFCs- 4.4%, NIFTY FMCG- 2.2%, Nifty ENERGY- 3.4%, Bank Nifty- 1.4%, NIFTY Auto- 6.6% and Nifty Metal- 5.4%. On the other side only, Nifty Media was negative by -0.7%.

**On the global front**

Global equities were positive in June 2023, Dow Jones rose by 4% and Nasdaq Index up by 6.5% respectively. In context to that S&P500 has also shown a rise by 5.4%. However, Nikkei showed a positive move of 8.7% and FTSE100 increased by 1%.The US economy expanded at a much faster pace in the first three months of the year[than previously estimated](https://www.cnn.com/2023/05/25/business/q1-gdp-second-estimate/index.html), GDP increased at a 2% annualized pace for the January-March period, up from the previous estimate of 1.3% and ahead of the 1.4% Dow Jones consensus forecast. Federal Reserve Chairman Jerome Powell-led FOMC voted to pause its aggressive campaign of interest rate hikes despite "elevated" inflation while indicating that another sharp increase could be needed before year-end. After 10 straight increases since March 2022, the Fed's rate-setting committee voted to hold its benchmark lending rate between 5.0 percent and 5.25 percent. In commodities, gold decreased by 3.6% in the month of June, while Brent crude increased by 2.2%. USD/INR was negative to 0.47% in the month of June.

**Economic Data Wrap Up:**

India’s MayFederal Fiscal Deficit (USD) hit 2102.87B as compared to 1,335.95Bin May.

India's MayNikkei Services PMI declined to 61.2 as compared to 62in May.

India's May Nikkei Markit Manufacturing PMI grewby58.7 as compared to 57.2 in May.

India’s May CPI inflation came in at 4.25% as compared to 4.70% in May.

India’s April IIP came in at 4.2% YoY as compared to 1.7% in April.

India's May WPI inflation came in at -3.48%as compared to -0.94% in May.

India’s MayTrade Balance (USD) decreased by -22.12B as compared to -15.14B in May.