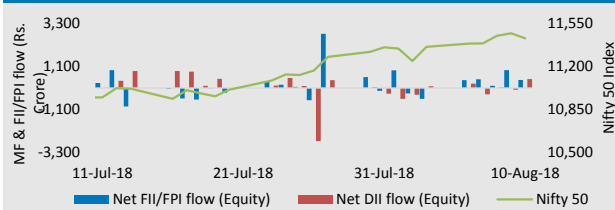


## Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Jun 2018)	5.77%	4.93%	4.43%
CPI inflation (Jun 2018)	5.00%	5.30%	4.87%
IIP growth (Jun 2018)	7.00%	5.40%	3.90%
Nikkei India Manufacturing PMI (Jul 2018)	52.3	51.4	53.1

Source: Thomson Reuters Eikon

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

## Indian Equity Market Performance

Broad Indices	10-Aug-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	37,869	0.83	20.10	11.19
Nifty 50	11,430	0.60	16.39	8.54
S&P BSE 100	11,697	0.54	15.20	6.05
Nifty 500	9,724	0.40	14.44	2.46
Nifty Mid cap 50	5,038	-0.03	11.58	-9.07
Nifty Small cap 100	7,537	-0.59	5.14	-17.11

Sector Indices	10-Aug-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	24,235	0.47	2.50	-9.41
S&P BSE Bankex	31,748	2.15	16.12	10.02
S&P BSE CD	21,948	2.69	28.51	-3.27
S&P BSE CG	18,090	-1.18	5.58	-5.46
S&P BSE FMCG	12,187	0.24	24.57	13.94
S&P BSE HC	14,254	-2.87	11.54	-3.69
S&P BSE IT	14,684	0.54	42.86	30.20
S&P BSE METAL	13,018	1.67	2.16	-12.86
S&P BSE Oil & Gas	15,096	-0.73	4.94	-7.29
S&P BSE Power	1,988	-0.17	-10.60	-16.51
S&P BSE PSU	7,810	-0.30	-7.91	-14.86
S&P BSE Realty	2,105	1.08	5.93	-19.30
S&P BSE Teck	7,456	0.64	28.81	16.36

Source: BSE & NSE

## Macro economic Update

- Government data showed that the Index of Industrial Production (IIP) grew to a 5-month high of 7% YoY in Jun 2018 from a revised 3.93% (3.20% originally reported) in the previous month. In the year-ago period, IIP had seen a decline of 0.3% YoY. The growth of IIP from Apr to Jun accelerated to 5.2% YoY from 1.9% in the same period of the previous year. The manufacturing sector grew to 6.9% in Jun from a decline of 0.7% in in the same month of the previous year.
- According to data from the Society of Indian Automobile Manufacturers (SIAM), domestic passenger vehicle sales decreased 2.71% to 2,90,960 units in Jul 2018 compared with 2,99,066 units in the year-ago period. Domestic car sales came down slightly to 1,91,979 units in Jul against 1,92,845 in the same period previous year. Motorcycle sales increased 9.67% to 11,50,995 units in Jul against 10,49,478 units in the year-ago period. Total two-wheeler sales in the month increased 8.17% to 18,17,077 units from 16,79,876 units. Vehicle sales across categories posted an increase of 7.97% to 22,44,875 units from 20,79,204 units in Jul 2017.
- According to media report, public sector and private banks collected a substantial amount in the form of penalty on customers for not maintaining minimum balance with the banks. Twenty-one public sector banks and three major private sector lenders have collected Rs. 5,000 crore in 2017-18. Under Reserve Bank of India norms, banks can levy service/miscellaneous charges, however customers opening accounts under the basic savings bank deposit scheme and Pradhan Mantri Jan Dhan Yojna are exempt from the rule.

## Domestic Equity Market Update

- Indian equity markets closed in the green with Sensex surpassing the 38,000 mark for the first time in one of the sessions during the week. Announcement by the Reserve Bank of India to pay dividend of Rs. 50,000 crore to the government, in line with the Union Budget provisions, boosted the indices. Gains in an index heavyweight after it finalised a stake buy in a leading entertainment and media company added to the gains. Positive cues emanated from global markets on expectations of higher corporate earnings.
- Additionally, uninterrupted foreign and domestic fund inflows and optimism over domestic corporate earnings added to the gains. Decline in oil prices supported the markets.
- However, gains were capped due to lingering trade war concerns. Investors remained cautious of U.S. and China trade tensions after the U.S. administration indicated to impose 25% tariffs on \$16 billion Chinese imports starting on Aug 23, 2018. Banking crisis in Turkey added to the woes.
- On the BSE sectoral front, indices closed on a mixed note. S&P BSE Consumer Durables stood as the major gainer with gains of 2.69% followed by S&P BSE Bankex that grew 2.15%.
- Gains in banking stocks reflect announcement by RBI to pay dividend of Rs. 50,000 crore to the government. S&P BSE Metal and S&P BSE Realty rose 1.67% and 1.08%, respectively.
- S&P BSE Healthcare stood as the major loser, down 2.87% followed by S&P BSE Capital Goods that fell 1.18%. S&P BSE Oil & Gas and S&P BSE Power were fell 0.73% and 0.17%, respectively.
- Decline in healthcare sector reflects decline in share price in one of the pharma majors after its consolidated profit for the quarter ended Jun 30, 2018, witnessed significant decline.

## Indian Debt Market Indicators

Broad Indices	10-Aug-18	Week Ago	Month Ago	Year Ago
Call Rate	6.37%	6.37%	6.15%	5.86%
CBLO	6.40%	5.21%	6.24%	5.94%
Repo	6.50%	6.50%	6.25%	6.00%
Reverse Repo	6.25%	6.25%	6.00%	5.75%
3 Month CP	7.50%	7.60%	7.15%	6.56%
1 Year CP	8.45%	8.60%	8.30%	6.93%
3 Month CD	7.18%	7.03%	6.77%	6.19%
1 Year CD	8.02%	7.96%	8.10%	6.49%

Source: CCIL, Thomson Reuters Eikon \* as on Aug 03, 2018; \*\* as on July 27, 2018; @ as on July 13, 2018; @@ as on Aug 11, 2017

Broad Indices	10-Aug-18	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	8.25%	8.25%	8.33%	6.94%
3 Year AAA Corporate Bond	8.47%	8.52%	8.71%	7.03%
5 Year AAA Corporate Bond	8.61%	8.64%	8.86%	7.40%
1 Year G-Sec	7.22%	7.25%	7.24%	6.31%
3 Year G-Sec	7.61%	7.65%	7.79%	6.36%
5 Year G-Sec	7.80%	7.85%	8.04%	6.48%
10 Year G-Sec	7.75%	7.76%	7.90%	6.49%
Forex Reserve (\$ in billion)	402.7*	404.19**	405.08@	393.61@@

## 10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

## Domestic Debt Market Update

- Bond yields were little changed after moving in a narrow range during the week due to lack of fresh domestic triggers. Initially, yields rose following weakness in the domestic currency and rise in crude oil prices. Iran received a sanction from the U.S., which is anticipated to tighten global oil supply. Further, fresh supply of government bonds worth around Rs. 12,700 crore through the auction by 11 Indian states kept the yield at an elevated level.
- However, yields retreated after crude oil prices dropped easing worries of increase in domestic inflationary pressures. Crude oil prices tumbled on renewed U.S.-China trade tension and demand concerns raised by a Chinese data that showed a fall in crude oil imports in Jul 2018.
- Yield on the 10-year benchmark paper (7.17% GS 2028) fell 1 bps to close at 7.75% from the previous week's close of 7.76% after trading in a range of 7.74 to 7.79%.
- The Reserve Bank of India (RBI) conducted the auction of state development loans for 11 state governments for a notified amount of Rs. 13,200 crore for which Rs. 12,700.5 crore was accepted. The cut-off yield was in the range of 8.42% to 8.49% and the tenure varied from nine years to 25 years.

## Global Commodity Update

Commodities	10-Aug-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	67.71	-1.07	39.64	12.08
Brent Crude Oil (\$/barrel)	72.92	-0.27	37.71	8.72
Gold (\$/ounce)	1210.85	-0.18	-5.84	-7.03
Silver (\$/ounce)	15.27	-0.70	-10.58	-9.88

Source: Thomson Reuters Eikon

## Currencies Update

Currency	10-Aug-18	Week Ago	Year Ago
U.S. Dollar	68.89	68.54	64.09
GBP	87.95	89.14	83.15
Euro	78.60	79.28	75.43
100 Yen	62.08	61.59	58.67

Source: Thomson Reuters Eikon

## Global Equity Market Performance

Country/Region	Indices	10-Aug-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	25,313	-0.59	15.88	2.40
	S&P 500	2,833	-0.25	16.20	5.97
U.K.	FTSE	7,667	0.10	3.75	-0.27
France	CAC 40	5,415	-1.17	5.85	1.92
Germany	DAX	12,424	-1.52	3.41	-3.82
Japan	Nikkei 225	22,298	-1.01	13.02	-2.05
China	Shanghai Composite	2,795	2.00	-14.30	-15.48
Hong Kong	Hang Seng	28,367	2.49	3.36	-5.19
Singapore	Straits Times	3,285	0.58	-1.16	-3.47
Russia	RTS Index	1,057	-7.70	2.69	-8.45
Brazil	Sao Paulo Se Bovespa	76,514	-6.04	14.21	0.15

Source: Thomson Reuters Eikon

## Global Bond Yield Update

Indicators	10-Aug-18	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.86	2.95	2.87	2.21
U.K. 10 Year Bond yield (%)	1.24	1.33	1.30	1.08
German 10 Year Bond yield (%)	0.32	0.41	0.32	0.41
Japan 10 Year Bond yield (%)	0.10	0.11	0.04	0.06

Source: Thomson Reuters Eikon

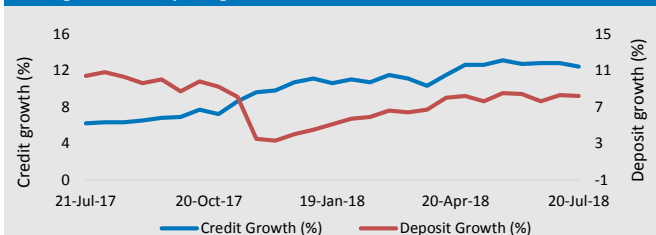
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Germany Factory Orders (YoY) (Jun)	6-Aug	-0.80%	3.40%	4.40%
Germany Industrial Prod. (Jun)	7-Aug	2.50%	3.00%	3.10%
Japan Machine Orders (YoY) (Jun)	8-Aug	0.30%	10.50%	16.50%
U.S. Initial Jobless Claims (week ended Aug 4)	9-Aug	213k	220k	219k

Source: FX Street

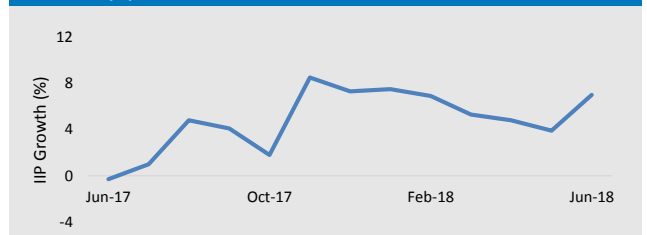
## Macro Economic Performance of India

### Credit growth vs Deposit growth



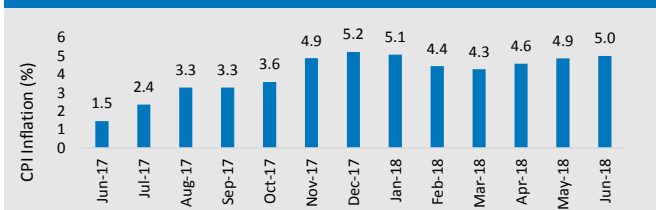
Source: Thomson Reuters Eikon

### IIP Growth (%)



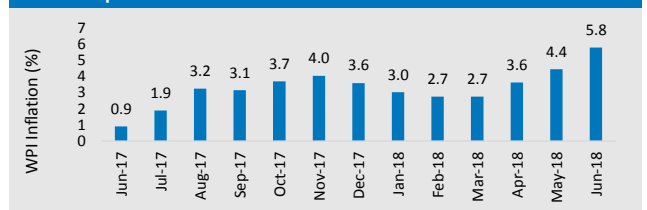
Source: Thomson Reuters Eikon

### Retail inflation movement



Source: Thomson Reuters Eikon

### Wholesale price inflation movement



Source: Thomson Reuters Eikon

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