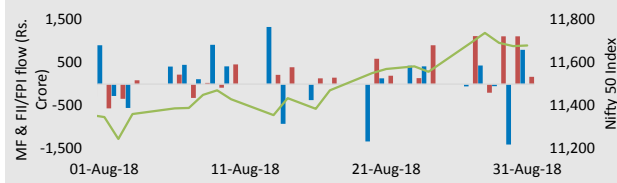


Macro Economic Release

Indicators	Actual	Consensus	Previous
GDP Growth % (Q1 FY19)	8.20%	7.60%	7.70%
Fiscal Deficit (Rs. billion) (Jul 2018)	5,402.57	--	4,290.33
Index of eight core industries (% growth) (Jul)	6.60%	--	7.60%
India Trade Deficit (Jul 2018)	\$18.02 billion	\$15.50 billion	\$16.60 billion

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	31-Aug-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	38,645	1.03	21.79	13.47
Nifty 50	11,681	1.07	17.77	10.92
S&P BSE 100	12,017	1.24	16.50	8.95
Nifty 500	9,992	1.43	14.92	5.28
Nifty Mid cap 50	5,345	2.40	13.55	-3.51
Nifty Small cap 100	7,669	1.81	-1.03	-15.66

Sector Indices	31-Aug-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	24,716	1.01	4.34	-7.61
S&P BSE Bankex	31,742	0.95	15.67	10.00
S&P BSE CD	21,696	0.23	22.57	-4.38
S&P BSE CG	18,997	1.51	9.61	-0.72
S&P BSE FMCG	12,772	1.74	25.53	19.42
S&P BSE HC	15,945	3.00	21.26	7.74
S&P BSE IT	15,549	3.29	54.50	37.87
S&P BSE METAL	13,821	4.67	4.04	-7.48
S&P BSE Oil & Gas	15,079	0.27	-0.65	-7.40
S&P BSE Power	2,141	4.85	-5.34	-10.12
S&P BSE PSU	7,908	2.19	-8.53	-13.80
S&P BSE Realty	2,141	0.63	0.18	-17.90
S&P BSE Teck	7,817	2.92	36.93	21.99

Source: BSE & NSE

Macro economic Update

- Government data showed that the gross domestic product (GDP) at 2011-12 prices of the Indian economy witnessed a growth of 8.2% on a yearly basis in the first quarter of FY19, mainly on the back of manufacturing growth. GDP growth in Jun 2017 came in at 5.6% as companies were preparing for the start of the Goods and Services Tax (GST) regime. On the sectoral front, manufacturing and public administration, defence & other services surged 13.5% and 9.9%, respectively. Construction and electricity, gas, water supply & other utility services grew 8.7% and 7.3%, respectively.
- India's fiscal deficit for Apr-Jul 2018 came in at Rs. 5.40 lakh crore, or 86.5% of the budgeted target for FY19 against 92.4% in the year-ago period. Net tax receipts were Rs. 2.92 lakh crore or 19.8% of the budget estimate for FY19 compared with 21.0% in the corresponding period of the previous year. The government's total expenditure for the period from Apr to Jul of 2018 stood at Rs. 8.89 lakh crore or 36.4% of the budget estimate for FY19 compared with 37.7% in the corresponding period of the previous year.
- Growth of index of eight core industries in India came in at 6.6% in Jul 2018 as against an upwardly revised growth of 7.6% (6.7% originally reported) in Jun 2018. Refinery products witnessed the maximum growth of 12.3%, followed by cement and coal sectors that surged 10.8% and 9.7%, respectively. However, crude oil sector witnessed the maximum decline of 5.4%, marking a decrease for the eighth consecutive month. Natural gas also registered a decline of 5.2%, marking the third consecutive monthly fall.

Domestic Equity Market Update

- The domestic market gained over the week and touched all-time highs in one of the sessions. Initially, the market started moving up after the Federal Reserve (Fed) chairman hinted at gradual rate hikes going forward if the strong growth in income and jobs continues.
- Further, the U.S. and Mexico reached a preliminary trade pact and Canada announced to re-join the North American Free Trade Agreement (NAFTA) talks.
- However, caution ahead of the GDP data for the first quarter of FY19, which was released on Aug 31 post market hours, kept investors wary.
- The upside was limited as growth of eight core industries slowed to 6.6% in Jul against 7.6% witnessed in the previous month. Meanwhile, fiscal deficit during Apr-Jul stood at 86.5% of the budgeted target for the current fiscal, compared with 92.4% a year earlier, which soothed market participants.
- Gains were further restricted by worries over rise in global crude oil prices due to withholding of supply by Iran coupled with depreciating rupee, which hit record low against the greenback. U.S. President hinting at increasing tariffs on Chinese imports and commenting negatively on European Union trade policies kept investors wary.
- Buying interest was hardly impacted by the Union Cabinet's approval on additional instalment of dearness allowance for central government employees and dearness relief to pensioners, effective from Jul 1, 2018.
- On the BSE sectoral front, all the indices closed in the green and S&P BSE Power (4.85%) stood as the major gainer followed by S&P BSE Metal (4.67%), S&P BSE IT (3.29%) and S&P BSE Healthcare (3.00%). Rally was witnessed in pharma and IT companies after the rupee depreciated to its lowest level against the U.S. dollar.

Indian Debt Market Indicators

Broad Indices	31-Aug-18	Week Ago	Month Ago	Year Ago
Call Rate	6.41%	6.39%	6.16%	5.83%
CBLO	5.40%	6.44%	6.24%	5.67%
Repo	6.50%	6.50%	6.25%	6.00%
Reverse Repo	6.25%	6.25%	6.00%	5.75%
3 Month CP	7.70%	7.80%	7.50%	6.57%
1 Year CP	8.60%	8.65%	8.65%	6.94%
3 Month CD	7.25%	7.21%	7.30%	6.15%
1 Year CD	8.04%	8.02%	8.06%	6.47%

Broad Indices	31-Aug-18	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	8.57%	8.31%	8.24%	7.02%
3 Year AAA Corporate Bond	8.62%	8.53%	8.56%	7.03%
5 Year AAA Corporate Bond	8.78%	8.64%	8.64%	7.34%
1 Year G-Sec	7.34%	7.30%	7.25%	6.29%
3 Year G-Sec	7.80%	7.73%	7.67%	6.40%
5 Year G-Sec	8.01%	7.94%	7.90%	6.50%
10 Year G-Sec	7.95%	7.87%	7.77%	6.53%
Forex Reserve (\$ in billion)	401.29*	400.85**	402.70@	398.12@@

Source: CCL, Thomson Reuters Eikon * as on Aug 24, 2018; ** as on Aug 17, 2018; @ as on Aug 3, 2018; @@ as on Sep 1, 2017

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Domestic Debt Market Update

- Bond yields rose as rupee plunged to a record low against the greenback. Besides, the consistent surge in crude oil prices following reports of falling U.S. crude inventories continued to dampen market sentiment.
- These factors have raised fears over foreign fund outflow from the domestic debt market and aggravated domestic inflationary concern in the coming months, which might lead the Monetary Policy Committee undertake measures on additional monetary tightening.
- Yield on the 10-year benchmark paper (7.17% GS 2028) rose 8 bps to close at 7.95% from the previous week's close of 7.87% after trading in a range of 7.86% to 7.96%.
- The Reserve Bank of India (RBI) conducted auction of state development loans of seven state governments for a notified amount of Rs. 5,700 crore out of which Rs. 2,200 crore was accepted. The cut-off yield stood in the range of 8.37% to 8.56%. Andhra Pradesh, Gujarat and Tamil Nadu did not accept any amount.
- RBI conducted the auction of 91-, 182- and 364-days Treasury Bills for the notified amount of Rs. 10,000 crore, Rs. 4,000 crore and Rs. 4,000 crore, respectively. The cut-off for 91-, 182- and 364-days T-Bill stood at Rs. 98.33 (6.81%), Rs. 96.62 (7.02%) and Rs. 93.19 (7.33%), respectively.

Weekly Market Update

31 August 2018

Global Commodity Update

Commodities	31-Aug-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	69.87	0.59	48.00	15.66
Brent Crude Oil (\$/barrel)	77.39	5.15	44.71	15.39
Gold (\$/ounce)	1200.71	-0.40	-9.15	-7.81
Silver (\$/ounce)	14.5	-2.03	-17.45	-14.43

Source: Thomson Reuters Eikon

Currencies Update

Currency	31-Aug-18	Week Ago	Year Ago
U.S. Dollar	71.00	69.96	63.93
GBP	92.02	89.91	82.66
Euro	82.37	81.29	76.13
100 Yen	63.92	62.88	58.12

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	31-Aug-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	25,965	0.68	18.30	5.04
	S&P 500	2,902	0.93	17.39	8.52
U.K.	FTSE	7,432	-1.91	0.02	-3.32
France	CAC 40	5,407	-0.47	6.32	1.77
Germany	DAX	12,364	-0.25	2.56	-4.29
Japan	Nikkei 225	22,865	1.17	16.38	0.44
China	Shanghai Composite	2,725	-0.15	-18.91	-17.60
Hong Kong	Hang Seng	27,889	0.78	-0.29	-6.79
Singapore	Straits Times	3,213	0.01	-1.95	-5.57
Russia	RTS Index	1,092	2.61	-0.32	-5.38
Brazil	Sao Paulo Se Bovespa	76,678	0.54	8.25	0.36

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	31-Aug-18	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.85	2.83	2.96	2.12
U.K. 10 Year Bond yield (%)	1.43	1.28	1.33	1.04
German 10 Year Bond yield (%)	0.33	0.34	0.44	0.36
Japan 10 Year Bond yield (%)	0.10	0.09	0.04	0.00

Source: Thomson Reuters Eikon

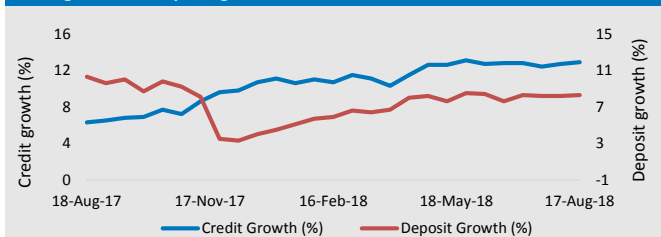
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Germany IFO Expectations (Aug)	27-Aug	98.40	98.40	98.20
U.S. GDP Annualized (QoQ) (2Q S)	29-Aug	4.2%	4.0%	4.1%
Japan Jobless Rate (Jul)	30-Aug	2.5%	2.4%	2.4%
China Manufacturing PMI (Aug)	31-Aug	51.3	51.0	51.2

Source: FX Street; Thomson Reuters Eikon

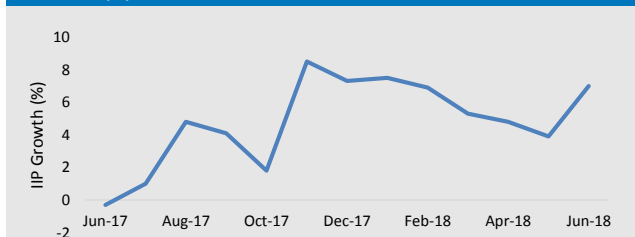
Macro Economic Performance of India

Credit growth vs Deposit growth



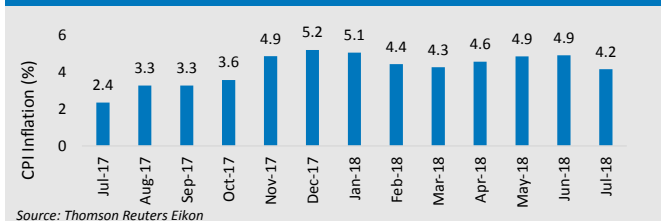
Source: Thomson Reuters Eikon

IIP Growth (%)



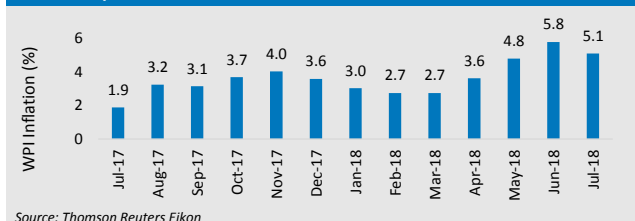
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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