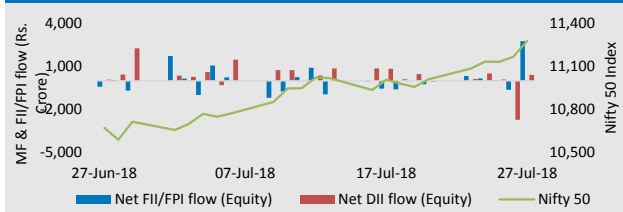


## Macro Economic Release

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 (May 2018) (%)	3.20%	5.20%	4.80%
Nikkei India Manufacturing PMI (Jun 2018)	53.10	51.40	51.20

Source: Thomson Reuters Eikon

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

## Indian Equity Market Performance

Broad Indices	27-Jul-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	37,337	2.30	15.30	9.63
Nifty 50	11,278	2.44	12.55	7.10
S&P BSE 100	11,535	2.87	11.18	4.58
Nifty 500	9,579	3.15	9.64	0.93
Nifty Mid cap 50	4,983	3.86	4.99	-10.05
Nifty Small cap 100	7,403	5.29	-4.53	-18.59

Sector Indices	27-Jul-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	24,269	1.07	-0.09	-9.28
S&P BSE Bankex	30,743	3.51	9.08	6.54
S&P BSE CD	20,630	3.29	27.83	-9.08
S&P BSE CG	18,165	3.83	1.86	-5.07
S&P BSE FMCG	11,893	4.87	16.92	11.20
S&P BSE HC	14,028	2.68	-4.37	-5.21
S&P BSE IT	14,517	-0.38	41.59	28.72
S&P BSE METAL	12,511	6.65	0.96	-16.25
S&P BSE Oil & Gas	14,839	3.11	5.63	-8.87
S&P BSE Power	1,951	3.13	-15.02	-18.08
S&P BSE PSU	7,558	4.87	-11.50	-17.61
S&P BSE Realty	2,068	4.70	-5.28	-20.70
S&P BSE Teck	7,353	-0.04	26.42	14.74

Source: BSE & NSE

## Macro economic Update

- The Goods and Services Tax (GST) Council met on Jul 21, 2018, and reduced tax rate on various items to boost consumption. Amongst the changes announced, the tax rate on ethanol for oil marketing companies reduced from 18% to 5%, for consumer electronics reduced from 28% to 18%. The council has simplified returns and approved quarterly returns for enterprises that have turnover less than Rs. 5 crore. Tax payments, however, will continue on a monthly basis.
- According to a report by a major multinational bank, 10 major Asian economies, including India, will see robust growth and their real GDP on aggregate could cross \$28 trillion by 2030. This would be more than U.S.' \$22.33 trillion by that time. The 10 Asian economies are — China, Hong Kong, India, Indonesia, Malaysia, the Philippines, Singapore, South Korea, Taiwan and Thailand.
- The GST Council has approved the setting up of a National Appellate Tribunal in Delhi. It will have three regional benches and members from the judiciary and tax departments. Under the GST regime, states have their own appellate authorities called Authority for Advance Ruling (AAR). The national tribunal will hear appeals against the state appellate authorities. The proposal is set to be placed before the council on Jul 21. The three regional benches will at Mumbai, Chennai and Kolkata. This step is being considered to mitigate problems arising from contradictory orders of AAR in different states.

## Domestic Equity Market Update

- Indian equity markets closed on a higher note. Rate cuts by the Goods and Service Tax (GST) council gave a boost to the market sentiment. According to media reports, the GST council has cut the rates for 88 items with effect from Jul 27, 2018.
- Gains were extended after the ruling party won the no-confidence motion in the Lok Sabha on Jul 20, 2018.
- Optimism over corporate earnings, surge in rupee and capital infusion by DIIs and FIIs added to the gains. Further, U.S. President relaxing his stand over trade tariffs with the European Union improved market sentiment.
- However, gains were capped following reports that a major credit rating agency expects the Monetary Policy Committee to increase the repo rate to 6.5% in its upcoming policy review meeting.
- On the BSE sectoral front, indices closed on a higher note. S&P BSE Metal stood as the major gainer, 6.65%, followed by S&P BSE FMCG that grew 4.87%. Gains in metal stocks were driven by a series of steps taken by China, which hinted that the country could shift to the stimulus mode.
- Gains in FMCG stocks reflect GST rate cut and increase in stock price of an FMCG major after its net profit surged 10.1% for the quarter ended Jun 2018. S&P BSE Realty and S&P BSE Capital Goods rose 4.70% and 3.83%, respectively.
- S&P BSE Bankex and S&P BSE Consumer Durables surged 3.51% and 3.29%, respectively. S&P BSE IT and S&P BSE Teck were the only losers that fell 0.38% and 0.04%, respectively.

## Indian Debt Market Indicators

Broad Indices	27-Jul-18	Week Ago	Month Ago	Year Ago
Call Rate	6.14%	6.20%	6.14%	6.08%
CBLO	6.21%	5.78%	6.09%	6.20%
Repo	6.25%	6.25%	6.25%	6.25%
Reverse Repo	6.00%	6.00%	6.00%	6.00%
3 Month CP	7.50%	7.55%	7.55%	6.54%
1 Year CP	8.70%	8.50%	8.50%	6.96%
3 Month CD	7.33%	6.97%	6.99%	6.23%
1 Year CD	7.99%	7.98%	8.12%	6.53%

Source: CCIL, Thomson Reuters Eikon \* as on Jul 20, 2018; \*\* as on Jul 13, 2018; @ as on June 29, 2018; @@ as on Jul 28, 2017

Broad Indices	27-Jul-18	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	8.41%	8.29%	8.25%	6.99%
3 Year AAA Corporate Bond	8.62%	8.58%	8.62%	7.05%
5 Year AAA Corporate Bond	8.73%	8.73%	8.73%	7.42%
1 Year G-Sec	7.25%	7.21%	7.02%	6.30%
3 Year G-Sec	7.67%	7.73%	7.70%	6.44%
5 Year G-Sec	7.92%	7.93%	7.89%	6.52%
10 Year G-Sec	7.78%	7.79%	7.87%	6.44%
Forex Reserve (\$ in billion)	405.14*	405.08**	406.06@	392.87@@

## 10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

## Domestic Debt Market Update

- Bond yields moved in a range during the week and closed little changed. Rise in global crude oil prices and surge in the U.S. Treasury yield, led to a rise in bond yields.
- Mixed expectations over the outcome of the third bi-monthly monetary policy review due on Aug 1, 2018, kept investors on the edge. However, losses were neutralised due to strength in rupee.
- Yield on the 10-year benchmark paper (7.17% GS 2028) inched down 1 bps to close at 7.78% from the previous week's close of 7.79% after trading in a range of 7.76% to 7.82%.
- The Reserve Bank of India (RBI) conducted the yield/price-based auction of State Development Loans of nine state governments for notified amount of Rs. 8,400 crore. The amount accepted was Rs. 7,282.5 crore. The cut-off yield was in the range of 8.42% to 8.46%, while tenure was in the range of 5 years to 15 years.
- 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. 98.36 (6.69%), Rs. 96.64 (6.97%) and Rs. 93.24 (7.27%), respectively.

# Weekly Market Update

27 July 2018

## Global Commodity Update

Commodities	27-Jul-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	68.98	-0.48	40.46	14.78
Brent Crude Oil (\$/barrel)	74.34	1.86	44.07	11.59
Gold (\$/ounce)	1222.97	-0.68	-2.82	-6.10
Silver (\$/ounce)	15.456	-0.10	-6.50	-8.79

Source: Thomson Reuters Eikon

## Currencies Update

Currency	27-Jul-18	Week Ago	Year Ago
U.S. Dollar	68.60	68.73	64.11
GBP	89.93	90.26	83.75
Euro	79.97	80.54	74.85
100 Yen	61.77	61.68	57.61

Source: Thomson Reuters Eikon

## Global Equity Market Performance

Country/Region	Indices	27-Jul-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	25,451	1.57	16.77	2.96
	S&P 500	2,819	0.61	13.87	5.43
U.K.	FTSE	7,701	0.29	3.47	0.18
France	CAC 40	5,512	2.10	6.26	3.75
Germany	DAX	12,860	2.38	5.31	-0.44
Japan	Nikkei 225	22,713	0.07	13.11	-0.23
China	Shanghai Composite	2,874	1.57	-11.58	-13.11
Hong Kong	Hang Seng	28,804	2.05	6.17	-3.73
Singapore	Straits Times	3,325	0.82	-0.89	-2.29
Russia	RTS Index	1,152	3.33	11.72	-0.23
Brazil	Sao Paulo Se Bovespa	79,866	1.65	22.35	4.53

Source: Thomson Reuters Eikon

## Global Bond Yield Update

Indicators	27-Jul-18	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.96	2.89	2.83	2.31
U.K. 10 Year Bond yield (%)	1.28	1.23	1.25	1.20
German 10 Year Bond yield (%)	0.41	0.37	0.32	0.53
Japan 10 Year Bond yield (%)	0.10	0.04	0.03	0.07

Source: Thomson Reuters Eikon

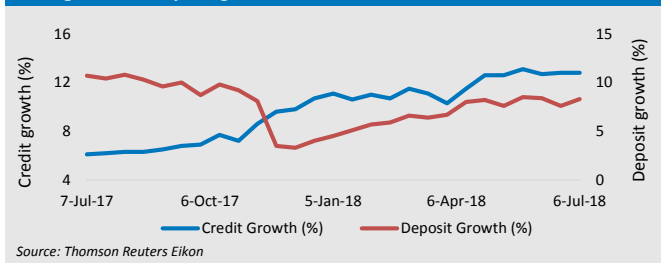
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Eurozone Consumer Confidence	23-Jul	-0.60	-0.70	-0.60
Eurozone Composite PMI (JUL P)	24-Jul	54.30	54.80	54.90
U.S. New Home Sales (MoM) (JUN)	25-Jul	-5.30%	-3.10%	3.90%
U.S. GDP Annualized (QoQ) (2Q)	27-Jul	4.10%	4.20%	2.20%

Source: FX Street; Thomson Reuters Eikon

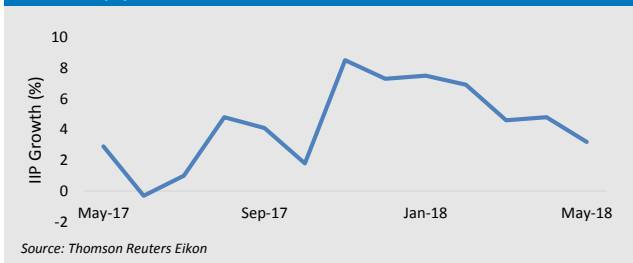
## Macro Economic Performance of India

### Credit growth vs Deposit growth



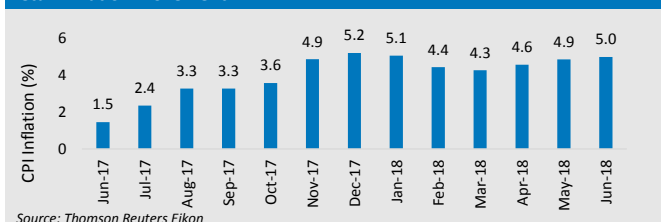
Source: Thomson Reuters Eikon

### IIP Growth (%)



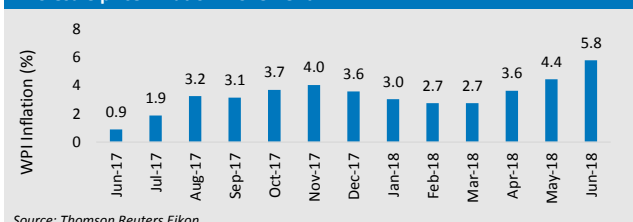
Source: Thomson Reuters Eikon

### Retail inflation movement



Source: Thomson Reuters Eikon

### Wholesale price inflation movement



Source: Thomson Reuters Eikon

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