

Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (May 2018)	4.43%	3.76%	3.18%
CPI inflation (May 2018)	4.87%	4.83%	4.58%
IIP growth (Apr 2018) (%)	4.90%	5.20%	4.60%
India Trade Deficit (May 2018) (\$ in billion)	14.62	14.23	13.72

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	15-Jun-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	35,622	0.50	14.63	4.60
Nifty 50	10,818	0.46	12.94	2.73
S&P BSE 100	11,120	0.35	12.17	0.81
Nifty 500	9,344	0.29	11.23	-1.55
Nifty Mid cap 50	5,026	0.15	8.99	-9.28
Nifty Small cap 100	7,629	-0.38	2.94	-16.10

Sector Indices	15-Jun-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	24,850	-0.44	3.21	-7.11
S&P BSE Bankex	29,558	-0.12	11.70	2.43
S&P BSE CD	20,518	0.51	29.11	-9.57
S&P BSE CG	18,289	-1.15	4.63	-4.42
S&P BSE FMCG	11,217	0.12	11.29	4.88
S&P BSE HC	14,301	6.53	-0.45	-3.36
S&P BSE IT	13,951	2.91	39.98	23.70
S&P BSE METAL	13,406	-3.23	20.47	-10.26
S&P BSE Oil & Gas	14,397	-1.71	5.39	-11.58
S&P BSE Power	2,017	-1.76	-9.39	-15.33
S&P BSE PSU	7,722	-1.70	-8.43	-15.83
S&P BSE Realty	2,183	-1.50	4.78	-16.32
S&P BSE Teck	7,185	2.20	28.88	12.12

Source: BSE & NSE

Macro economic Update

- The Consumer Price Index (CPI)-based inflation or retail inflation grew 4.87% in May 2018, up from 4.58% in Apr 2018 and from 2.18% in May 2017. This marked a four-month high. The increase reflects increase in prices of fruits and vegetables by 12.33% and 8.04%, respectively. However, prices of pulses and products, sugar and confectionery, declined 11.57% and 8.12%, respectively. The retail inflation growth remained above the Reserve Bank of India's medium-term target of 4% for the seventh consecutive month. The Consumer Food Price Index also grew 3.10% in May, as against 2.80% in the previous month and -1.05% in the same month of the previous year.
- India's Index of Industrial Production (IIP) grew 4.9% in Apr 2018 as against upwardly revised growth of 4.6% (4.4% originally reported) in Mar 2018 and 3.2% in Apr 2017. The manufacturing sector surged 5.2% in Apr 2018 as against 2.9% growth in Apr 2017. Meanwhile, the mining sector surged 5.1% in Apr 2018 following 3.0% growth in Apr 2017.
- Government data showed that India's Wholesale Price Index-based inflation (WPI) sharply rose to 4.43% in May 2018 from a provisional 3.18% in Apr 2018 and 2.26% in May 2017. This marked a 14-month high. The WPI Food Index also increased to 1.12% in May 2018 from 0.67% in Apr 2018. The inflation for fuel items surged to 11.22% in May 2018 from 7.85% in Apr 2018.

Domestic Equity Market Update

- Indian equity markets closed the week on a positive note. Initially, market got support following the U.S.-North Korea summit in Singapore ending on a positive note and expectations of a more cordial relationship between the nations. Improved industrial production data for Apr 2018 further provided support. Additionally, stock specific gains were witnessed in the IT sector after a major software services exporter announced that its board has approved a buyback proposal of up to 7.61 crore equity shares through tender offer.
- However, higher inflation data raised concerns of more rate hikes by the central bank in the coming days. Consumer Price Index (CPI)-based inflation grew 4.87% in May 2018 and stood above the Reserve Bank of India's (RBI) medium-term target. The Wholesale Price Inflation (WPI) rose to 14-month high in May 2018 and domestic trade deficit stood at a four-month high level during the same period.
- Renewed concerns over trade war between U.S. and China also kept investors wary. Further, fears over foreign fund outflow reignited after the U.S. Federal Reserve (Fed) raised interest rates and adopted a hawkish stance by forecasting faster pace of hikes for the remaining part of 2018.
- On the BSE sectoral front, indices closed on a mixed note. S&P BSE Metal (-3.23%) stood as the major loser followed by S&P BSE Power (-1.76%) and S&P BSE Oil & Gas (-1.71%). Meanwhile, S&P BSE HC (6.53%) surged followed by S&P BSE IT (2.91%) and S&P BSE Teck (2.20%).
- Auto sector posted loss although as per the Society of Indian Automobile Manufacturers (SIAM) data, domestic passenger vehicle sales grew 19.65% YoY to 3,01,238 units in May 2018 from 2,51,764 units in May 2017.

Indian Debt Market Indicators

Broad Indices	15-Jun-18	Week Ago	Month Ago	Year Ago
Call Rate	6.10%	6.02%	5.87%	6.06%
CBLO	6.09%	5.07%	5.96%	6.19%
Repo	6.25%	6.25%	6.00%	6.25%
Reverse Repo	6.00%	6.00%	5.75%	6.00%
3 Month CP	7.65%	7.80%	8.00%	6.67%
1 Year CP	8.40%	8.45%	8.50%	7.20%
3 Month CD	7.04%	7.09%	7.45%	6.37%
1 Year CD	8.46%	8.39%	7.90%	6.69%

Source: CCIL * as on Jun 8, 2018; **as on Jun 1, 2018; @ as on May 18, 2018; @@ as on Jun 16, 2017

Broad Indices	15-Jun-18	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	8.37%	8.45%	8.20%	7.16%
3 Year AAA Corporate Bond	8.64%	8.68%	8.49%	7.27%
5 Year AAA Corporate Bond	8.78%	8.75%	8.57%	7.53%
1 Year G-Sec	7.03%	7.06%	6.89%	6.36%
3 Year G-Sec	7.72%	7.77%	7.70%	6.47%
5 Year G-Sec	7.91%	7.98%	7.91%	6.68%
10 Year G-Sec	7.89%	7.95%	7.90%	6.48%
Forex Reserve (\$ in billion)	413.11*	412.23**	415.05@	381.96@@

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Domestic Debt Market Update

- Bond yields fell following drop in global crude oil prices. Oil prices fell from multi-year highs ahead of a meeting of the Organization of the Petroleum Exporting Countries next week in which Saudi Arabia and Russia indicated they were prepared to increase production. Yields dropped further on likely short covering by foreign banks.
- However, gains were restricted as India's retail inflation touched 4-month high in May 2018 and the U.S. Federal Reserve increased interest rates for the second time in 2018.
- Yield on the 10-year benchmark paper (7.17% GS 2028) fell 6 bps to close at 7.89% from the previous week's close of 7.95% after trading in a range of 7.88% to 8.00%.
- RBI conducted auction of state development loans of six state governments for a notified amount of Rs. 5,000 crore for which only Jammu & Kashmir and Punjab accepted Rs. 500 crore each at cut-off rates of 8.61% and 8.62%, respectively. Andhra Pradesh, Assam, Maharashtra and Tamil Nadu have rejected the entire amount in the auction.
- RBI conducted the auction of 91-, 182- and 364-days Treasury Bills for the notified amount of Rs. 7,000 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. 98.40 (6.52%), Rs. 96.68 (6.89%) and Rs. 93.40 (7.09%), respectively.

Weekly Market Update

15 June 2018

Global Commodity Update

Commodities	15-Jun-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	65.01	-1.16	46.35	7.61
Brent Crude Oil (\$/barrel)	71.11	-4.16	57.85	6.02
Gold (\$/ounce)	1279	-1.46	2.03	-1.80
Silver (\$/ounce)	16.51	-1.33	-1.18	-2.56

Source: Thomson Reuters Eikon

Currencies Update

Currency	15-Jun-18	Week Ago	Year Ago
U.S. Dollar	68.06	67.52	64.54
GBP	90.40	90.54	82.31
Euro	78.99	79.44	71.91
100 Yen	61.48	61.62	58.18

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	15-Jun-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	25,090	-0.89	17.47	1.50
	S&P 500	2,780	0.02	14.27	3.97
U.K.	FTSE	7,634	-0.61	2.89	-0.70
France	CAC 40	5,502	0.95	5.46	3.56
Germany	DAX	13,011	1.91	2.51	0.72
Japan	Nikkei 225	22,852	0.69	15.23	0.38
China	Shanghai Composite	3,022	-1.48	-3.53	-8.63
Hong Kong	Hang Seng	30,309	-2.10	18.56	1.30
Singapore	Straits Times	3,357	-2.32	3.86	-1.36
Russia	RTS Index	1,117	-2.26	12.61	-3.24
Brazil	Sao Paulo Se Bovespa	70,758	-2.99	14.27	-7.39

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	15-Jun-18	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.92	2.94	3.08	2.16
U.K. 10 Year Bond yield (%)	1.33	1.39	1.52	1.03
German 10 Year Bond yield (%)	0.41	0.45	0.64	0.29
Japan 10 Year Bond yield (%)	0.03	0.04	0.06	0.06

Source: Thomson Reuters Eikon

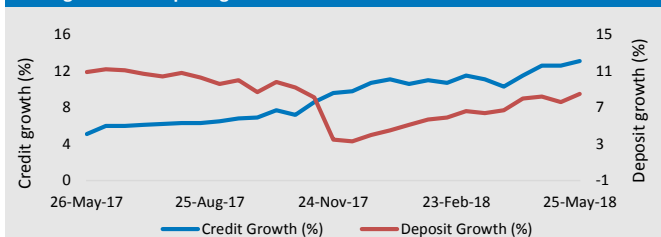
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.K. Mfg. Production (YoY) (APR)	11-Jun	1.40%	3.10%	2.90%
U.S. Consumer Price Index (YoY)	12-Jun	2.80%	2.80%	2.50%
U.S. FOMC Rate Decision (Upper bound)	13-Jun	2.00%	2.00%	1.75%
U.S University of Michigan Sentiment (JUN P)	15-Jun	99.30	98.50	98.00

Source: FX Street

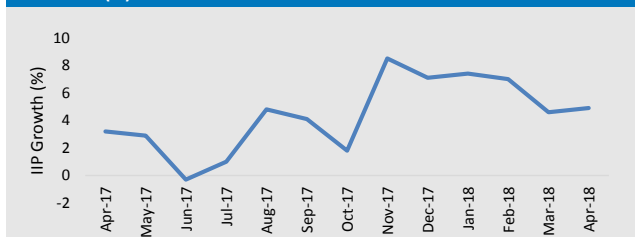
Macro Economic Performance of India

Credit growth vs Deposit growth



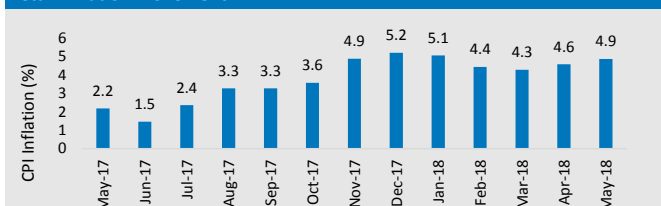
Source: Thomson Reuters Eikon

IIP Growth (%)



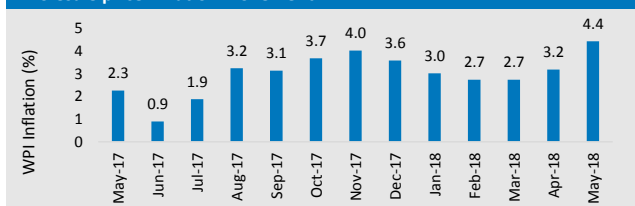
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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