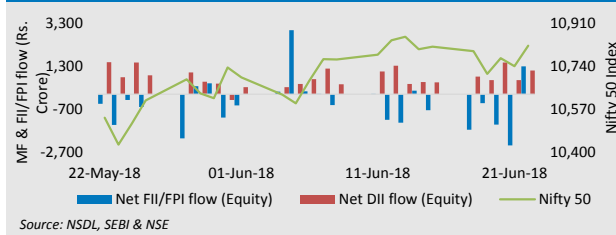


Macro Economic Release

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	22-Jun-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	35,690	0.19	14.06	4.79
Nifty 50	10,822	0.04	12.38	2.76
S&P BSE 100	11,112	-0.07	11.59	0.75
Nifty 500	9,297	-0.50	10.36	-2.04
Nifty Mid cap 50	4,962	-1.27	8.36	-10.43
Nifty Small cap 100	7,433	-2.57	0.37	-18.26

Sector Indices	22-Jun-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	24,675	-0.71	2.88	-7.76
S&P BSE Bankex	29,897	1.15	11.48	3.60
S&P BSE CD	20,216	-1.47	26.41	-10.90
S&P BSE CG	17,802	-2.66	1.94	-6.96
S&P BSE FMCG	11,130	-0.77	8.79	4.07
S&P BSE HC	14,299	-0.02	1.73	-3.38
S&P BSE IT	13,624	-2.35	37.79	20.80
S&P BSE METAL	12,994	-3.07	17.54	-13.02
S&P BSE Oil & Gas	14,386	-0.08	6.89	-11.65
S&P BSE Power	2,006	-0.53	-9.56	-15.77
S&P BSE PSU	7,611	-1.43	-8.48	-17.03
S&P BSE Realty	2,156	-1.24	4.20	-17.36
S&P BSE Teck	7,033	-2.12	26.86	9.75

Source: BSE & NSE

Macro economic Update

- According to minutes of Monetary Policy Committee's (MPC) second monetary policy meeting for FY19, interest rate increase in Jun 2018 reflects rising inflation due to high oil prices. Members raised concerns over rising inflationary pressures. The members who had voted for rate hike in Jun 2018 kept the stance as "neutral" as they chose to wait for more clarity on the inflationary impact of government's decision to increase minimum purchase price of food grains and the direction of oil prices.
- According to data from the Export Promotion Council for EoUs and SEZs (EPCES), exports from special economic zones (SEZs) grew 38% in May 2018 to Rs. 29,236 crore. EPCES stated that biotech, chemicals, pharmaceuticals, computers, electronics, non-conventional energy, plastic, rubber, trading and services sectors mainly contributed to the growth.
- According to a major credit rating agency, retail non-banking finance companies (NBFCs) will face challenges in FY19 due to higher borrowing costs and lowering options to raise funds. The agency stated that NBFCs are looking to raise Rs. 3.8 to Rs. 4 lakh crore of debt for financing of 20% growth in loan portfolio. It expects the weighted average cost of funds for NBFCs to surge to approximately 9.3%-9.5% in FY19 as against 8.4%-8.5% in FY18.
- The government plans to build 30 GW offshore wind capacity by 2030. The move is expected to place India among leading markets in the segment. The Minister for Power and New & Renewable Energy stated that India's target of achieving 175 GW renewable energy target by 2022 is expected to exceed by additional 50 GW within the same time period.

Domestic Equity Market Update

- Indian equity markets closed marginally higher. Gains in banking stocks boosted the indices. Positive sentiment in European markets due to strong eurozone PMI data for Jun 2018 added to the gains.
- Lack of any positive triggers on the domestic front capped the gains. Further, minutes of the Monetary Policy Committee's latest policy meeting held early in Jun 2018 gave no indication of policymakers' stance on future rate hikes, citing uncertainties over oil and food prices.
- Weak global cues neutralised the risk appetite of investors as China continued to retaliate against U.S.' protectionist move. U.S. President threatened additional tariffs on Chinese goods worth \$200 billion, weighing on market sentiment.
- Decline in metal and oil and gas stocks amid trade conflicts negatively impacted the indices. Additionally, foreign investors have been pulling out funds from the equity market due to global trade war worries.
- On the BSE sectoral front, indices closed on a negative note. S&P BSE Metal (-3.07%) stood as the major loser followed by S&P BSE Capital Goods (-2.66%) and S&P BSE Information Technology (-2.35%).
- S&P BSE Teck and S&P BSE Consumer Durables fell (-2.12%) and (-1.47%), respectively. Significant fall in S&P BSE Metal and S&P BSE Capital Goods is due to the heat of escalating trade dispute between the U.S. and China. S&P BSE Bankex stood as the only gainer (1.15%).
- Gains in banking stocks likely reflect announcement by the Reserve Bank of India to purchase government securities of up to Rs. 10,000 crore on Jun 21 in order to aid liquidity management.

Indian Debt Market Indicators

Broad Indices	22-Jun-18	Week Ago	Month Ago	Year Ago
Call Rate	6.25%	6.10%	5.97%	6.10%
CBLO	5.39%	6.09%	6.01%	6.23%
Repo	6.25%	6.25%	6.00%	6.25%
Reverse Repo	6.00%	6.00%	5.75%	6.00%
3 Month CP	7.58%	7.65%	8.40%	6.70%
1 Year CP	8.58%	8.40%	8.75%	7.16%
3 Month CD	6.93%	7.04%	7.70%	6.35%
1 Year CD	8.04%	8.46%	8.17%	6.66%

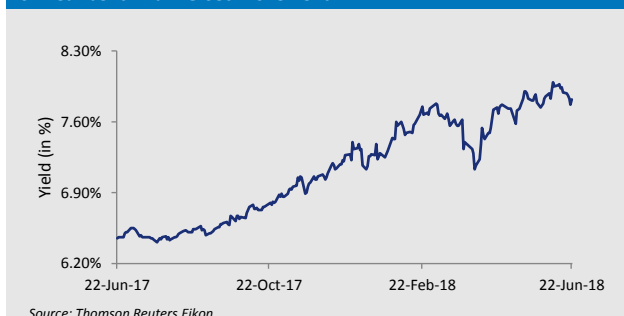
Source: CCIL * as on June 15, 2018; ** as on June 08, 2018; @ as on May 18, 2018; @@ as on June 16, 2017

Broad Indices	22-Jun-18	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	8.30%	8.37%	8.33%	7.06%
3 Year AAA Corporate Bond	8.61%	8.64%	8.52%	7.25%
5 Year AAA Corporate Bond	8.72%	8.78%	8.60%	7.48%
1 Year G-Sec	6.98%	7.03%	6.92%	6.39%
3 Year G-Sec	7.68%	7.72%	7.64%	6.45%
5 Year G-Sec	7.85%	7.91%	7.78%	6.67%
10 Year G-Sec	7.82%	7.89%	7.81%	6.45%
Forex Reserve (\$ in billion)	410.07*	413.11**	415.05@	381.96@@

Domestic Debt Market Update

- Bond yields fell following decline in global crude oil prices on Monday that eased concerns over rising domestic inflationary pressures. Prices rose further after the Reserve Bank of India (RBI) announced to buy government securities to the tune of Rs. 10,000 crore through an open market operation (OMO), to inject liquidity into the banking system.
- Demand for bonds boosted after minutes of the MPC's latest policy meeting came in line with the Jun 2018 policy review as they chose to wait for more clarity on the inflationary impact of government's decision to increase minimum purchase price of food grains and the direction of oil prices.
- RBI conducted OMO purchase for a notified amount of Rs. 10,000 crore, which was fully accepted. Amount accepted for 7.80% GS 2020, 7.16% GS 2023 and 8.32% GS 2032 bonds were Rs. 8,339 crore, Rs. 773 crore and Rs. 888 crore, respectively. However, no offers were accepted for 6.79% GS 2026 and 6.79% GS 2029.
- RBI conducted auction of four government securities namely 6.65% GS 2020, 7.59% GS 2026, Gol FRB 2031, 6.57% GS 2033 and 7.06% GS 2046 for a notified amount of Rs. 12,000 crore for which full amount was accepted. The cut-off price for 6.65% GS 2020, 7.59% GS 2026, Gol FRB 2031, 6.57% GS 2033 and 7.06% GS 2046 stood at Rs. 98.74 (7.41%), Rs. 97.56 (8.03%), Rs. 99.80 (7.87%) Rs. 86.65 (8.10%) and Rs. 88.50 (8.10%), respectively.

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Weekly Market Update

22 June 2018

Global Commodity Update

Commodities	22-Jun-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	68.82	5.86	61.85	13.92
Brent Crude Oil (\$/barrel)	73.41	3.23	68.76	9.45
Gold (\$/ounce)	1268.49	-0.82	1.46	-2.61
Silver (\$/ounce)	16.434	-0.48	-0.56	-3.02

Source: Thomson Reuters Eikon

Currencies Update

Currency	22-Jun-18	Week Ago	Year Ago
U.S. Dollar	67.86	68.06	64.59
GBP	90.40	90.40	81.91
Euro	79.09	78.99	72.02
100 Yen	61.70	61.48	58.01

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	22-Jun-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	24,581	-2.03	14.88	-0.56
	S&P 500	2,755	-0.89	13.16	3.04
U.K.	FTSE	7,682	0.63	3.27	-0.07
France	CAC 40	5,387	-2.08	2.00	1.41
Germany	DAX	12,580	-3.31	-1.67	-2.62
Japan	Nikkei 225	22,517	-1.47	11.97	-1.09
China	Shanghai Composite	2,890	-4.37	-8.19	-12.62
Hong Kong	Hang Seng	29,339	-3.20	14.27	-1.94
Singapore	Straits Times	3,287	-2.07	2.23	-3.39
Russia	RTS Index	1,125	0.75	15.02	-2.51
Brazil	Sao Paulo Se Bovespa	70,641	-0.17	15.29	-7.54

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	22-Jun-18	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.90	2.92	3.07	2.15
U.K. 10 Year Bond yield (%)	1.32	1.33	1.52	1.02
German 10 Year Bond yield (%)	0.33	0.41	0.56	0.25
Japan 10 Year Bond yield (%)	0.03	0.03	0.05	0.05

Source: Thomson Reuters Eikon

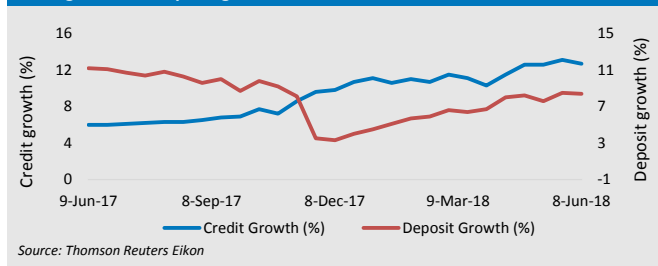
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. Housing Starts (MoM) (May)	19-Jun	5.00%	1.90%	-3.10%
U.K. Bank of England Bank Rate	21-Jun	0.50%	0.50%	0.50%
Japan Consumer Price (YoY) (May)	21-Jun	0.70%	0.60%	0.60%
Eurozone Markit Composite PMI (Jun P)	22-Jun	54.80	53.90	54.10

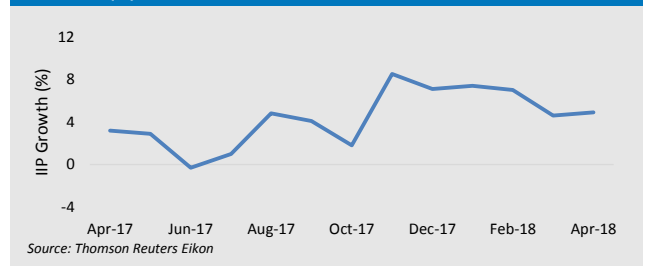
Source: FX Street

Macro Economic Performance of India

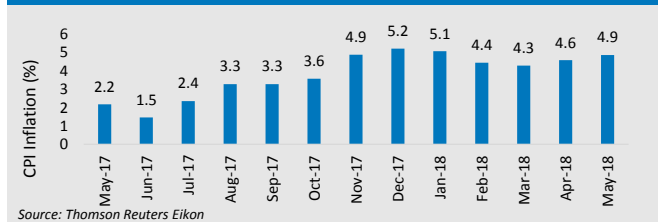
Credit growth vs Deposit growth



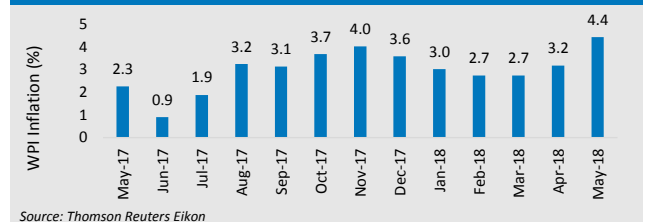
IIP Growth (%)



Retail inflation movement



Wholesale price inflation movement



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