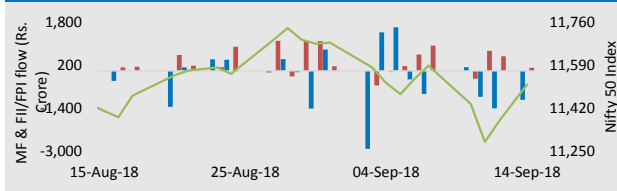


## Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Aug 2018)	4.53%	4.65%	5.09%
CPI inflation (Aug 2018)	3.69%	3.86%	4.17%
IIP growth (Jul 2018) (%)	6.60%	6.60%	6.90%
Nikkei India Manufacturing PMI (Aug 2018)	51.7	52.8	52.3

Source: Thomson Reuters Eikon

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

## Indian Equity Market Performance

Broad Indices	14-Sep-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	38,091	-0.78	18.14	11.84
Nifty 50	11,515	-0.64	14.16	9.35
S&P BSE 100	11,806	-0.75	12.21	7.03
Nifty 500	9,793	-0.83	10.22	3.18
Nifty Mid cap 50	5,183	-0.97	5.19	-6.45
Nifty Small cap 100	7,388	-1.75	-7.21	-18.75

Sector Indices	14-Sep-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	24,247	-1.85	-0.82	-9.36
S&P BSE Bankex	30,622	-1.25	9.07	6.12
S&P BSE CD	20,736	-0.63	14.51	-8.61
S&P BSE CG	18,554	0.07	1.81	-3.03
S&P BSE FMCG	12,068	-0.97	18.75	12.84
S&P BSE HC	16,236	-0.46	17.74	9.71
S&P BSE IT	15,747	-0.22	58.00	39.63
S&P BSE METAL	14,091	0.32	1.11	-5.68
S&P BSE Oil & Gas	14,874	-0.65	-2.06	-8.66
S&P BSE Power	2,108	0.47	-8.71	-11.48
S&P BSE PSU	7,670	-0.41	-11.21	-16.39
S&P BSE Realty	2,067	-0.43	-6.07	-20.74
S&P BSE Teck	7,855	-0.37	39.32	22.58

Source: BSE & NSE

## Macro economic Update

- Government data showed that the growth of Index of Industrial Production (IIP) slowed to 6.6% in Jul 2018 from a revised 6.9% (7% originally reported) in the previous month. In the year-ago period, IIP had grown 1%. For the period Apr to Jul 2018, IIP grew 5.4% as against 1.7% in the same period of the previous year. The manufacturing sector grew 7% in Jul 2018 as against a degrowth of 0.1% in the same month of the previous year.
- Government data showed that growth of India's Consumer Price Index (CPI)-based inflation or retail inflation eased to 3.69% in Aug 2018 from 4.17% in Jul 2018, thereby marking a 10-month low. However, it increased as against 3.28% in Aug 2017. The growth in Consumer Food Price Index eased to 0.29% in Aug 2018 from 1.30% in Jul 2018 and 1.52% in the same month of the previous year. Among the key components, fuel and light grew 8.47% in Aug 2018 as against a growth of 7.96% in Jul 2018. Inflation in housing came in at 7.59% in Aug 2018 compared with 8.30% in Jul 2018. Pan, tobacco and intoxicants grew 5.34% in Aug 2018 as against growth of 6.34% in Jul 2018.
- India's Wholesale Price Index (WPI)-based inflation eased to 4.53% in Aug 2018 from 5.09% in Jul 2018 as prices of food articles, mainly vegetables, came down. This marked a four-month low. Wholesale price inflation was at 3.24% in Aug 2017. Inflation in vegetables declined 20.18% as against a decline of 14.07% in Jul 2018. Inflation in fruits fell 16.40% in Aug 2018 as against a decline of 8.81% in Jul 2018. Meanwhile, inflation for onion fell 26.80% in Aug 2018 as against an increase of 38.82% in Jul 2018.

## Domestic Equity Market Update

- The domestic market posted loss during the truncated trading week as a declining rupee against the greenback stoked foreign fund outflow fears. During the week, foreign fund outflows stood at Rs. 3296 crore.
- Rise in global crude oil prices and global trade war tensions further weighed on sentiment after the U.S. President iterated his plan to impose tariffs an additional \$267 billion Chinese imports. Extra tariffs on \$200 billion Chinese imports are already being discussed.
- Further, U.S. and Canada are yet to close the deal for the North American Free Trade Agreement (NAFTA) and U.S. has expressed discomfort over trade balance with Japan.
- Later, some respite was seen following encouraging macro-economic numbers. Government data showed CPI and WPI inflation eased in Aug 2018, which raised optimism that the Monetary Policy Committee (MPC) might not raise interest rates in the near future. Meanwhile, the index of industrial production (IIP) stood at 6.6% in Jul 2018 albeit lower than the revised figure of 6.9% (7% originally reported) in the previous month but higher than 1% reported in the year-ago period.
- Also, news that the Prime Minister will review the economic situation in the wake of the sliding rupee, buoyed investor sentiment.
- On the BSE sectoral front, all the indices closed in the red barring S&P BSE Power (0.47%), S&P BSE Metal (0.32%) and S&P BSE Capital Goods (0.07%). Rate sensitive auto and banking sectors witnessed maximum fall of 1.85% and 1.25%, respectively.
- Meanwhile, according to the Society of Indian Automobile Manufacturers data, passenger car sales in Aug 2018 dipped 1% to 196,847 units compared with Aug 2017.

## Indian Debt Market Indicators

Broad Indices	14-Sep-18	Week Ago	Month Ago	Year Ago
Call Rate	6.43%	6.34%	6.37%	5.83%
CBLO	5.57%	6.33%	6.45%	5.85%
Repo	6.50%	6.50%	6.50%	6.00%
Reverse Repo	6.25%	6.25%	6.25%	5.75%
3 Month CP	7.95%	7.65%	7.75%	6.69%
1 Year CP	8.75%	8.60%	8.60%	7.01%
3 Month CD	7.40%	7.19%	7.17%	6.14%
1 Year CD	8.40%	8.20%	8.04%	6.50%

Source: CCLIL, Thomson Reuters Eikon \* as on Sep 7, 2018; \*\*as on Aug 31, 2018; @ as on Aug 17, 2018; @@ as on Sep 15, 2017

Broad Indices	14-Sep-18	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	8.81%	8.60%	8.24%	7.01%
3 Year AAA Corporate Bond	8.84%	8.66%	8.49%	7.08%
5 Year AAA Corporate Bond	8.92%	8.79%	8.65%	7.35%
1 Year G-Sec	7.86%	7.69%	7.26%	6.29%
3 Year G-Sec	8.11%	7.96%	7.66%	6.39%
5 Year G-Sec	8.19%	8.10%	7.86%	6.54%
10 Year G-Sec	8.13%	8.03%	7.82%	6.59%
Forex Reserve (\$ in billion)	399.28*	400.1**	400.85@	402.51@@

## 10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

## Domestic Debt Market Update

- Bond yields surged as rupee plunged to a record low against the greenback, closing above the 72-mark. The rise in crude oil prices and rise in U.S. Treasury yield also kept the yield at elevated level. The yield was also impacted by worries over possible monetary tightening action to handle inflation and the relentless surge in crude oil prices.
- However, losses were limited as concerns over inflationary pressure eased after consumer inflation touched 10-month low in Aug 2018.
- Yield on the 10-year benchmark paper (7.17% GS 2028) rose 10 bps to close at 8.13% from the previous week's close of 8.03% after trading in a range of 8.07 to 8.23%.
- The Reserve Bank of India (RBI) conducted auction of state development loans of 10 state governments for notified amount of Rs. 8,650 crore, for which the entire amount was accepted. The cut-off yield was in the range of 8.74% to 8.84%, while tenure for maturity varied between 10 years and 15 years.
- RBI conducted auction of 91-, 182- and 364-Day Treasury Bills for notified amount of Rs. 10,000 crore, Rs. 4,000 crore, and Rs. 4,000 crore, respectively, of which the total value was accepted. The cut-off price for 91-, 182- and 364-Day Treasury Bills stood at Rs. 98.29 (6.98%), Rs. 96.50 (7.27%), and Rs. 92.89 (7.68%), respectively.

# Weekly Market Update

14 September 2018

## Global Commodity Update

Commodities	14-Sep-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	68.90	1.80	38.33	14.05
Brent Crude Oil (\$/barrel)	78.04	3.20	35.37	16.36
Gold (\$/ounce)	1193.31	-0.17	-10.24	-8.38
Silver (\$/ounce)	14.04	-0.43	-20.87	-17.15

Source: Thomson Reuters Eikon

## Currencies Update

Currency	14-Sep-18	Week Ago	Year Ago
U.S. Dollar	71.88	71.78	64.12
GBP	93.89	92.74	85.89
Euro	83.57	82.91	76.42
100 Yen	64.13	64.61	58.16

Source: Thomson Reuters Eikon

## Global Equity Market Performance

Country/Region	Indices	14-Sep-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	26,155	0.92	17.80	5.81
	S&P 500	2,905	1.16	16.40	8.65
U.K.	FTSE	7,304	0.36	0.12	-4.99
France	CAC 40	5,353	1.91	2.44	0.75
Germany	DAX	12,124	1.38	-3.32	-6.14
Japan	Nikkei 225	23,095	3.53	16.60	1.45
China	Shanghai Composite	2,682	-0.76	-20.46	-18.91
Hong Kong	Hang Seng	27,286	1.16	-1.77	-8.80
Singapore	Straits Times	3,161	0.86	-1.85	-7.10
Russia	RTS Index	1,095	4.21	-2.75	-5.17
Brazil	Sao Paulo Se Bovespa	75,429	-1.29	1.03	-1.27

Source: Thomson Reuters Eikon

## Global Bond Yield Update

Indicators	14-Sep-18	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.99	2.94	2.90	2.20
U.K. 10 Year Bond yield (%)	1.53	1.46	1.26	1.23
German 10 Year Bond yield (%)	0.45	0.39	0.33	0.41
Japan 10 Year Bond yield (%)	0.11	0.11	0.11	0.04

Source: Thomson Reuters Eikon

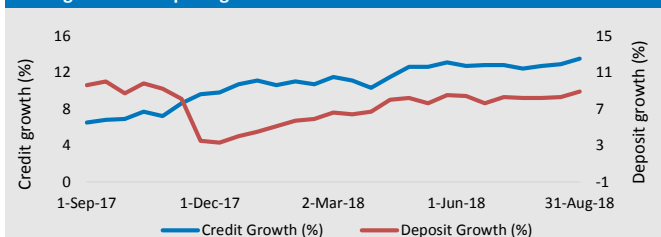
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
China CPI (YoY) (AUG)	10-Sep	2.30%	2.10%	2.10%
Bank of England Policy Review	13-Sep	0.75%	0.75%	0.75%
Germany CPI (AUG F)	13-Sep	2.00%	2.00%	2.00%
U.S. Retail Sales Advance (MoM) (AUG)	14-Sep	0.10%	0.40%	0.70%

Source: FX Street; Thomson Reuters Eikon

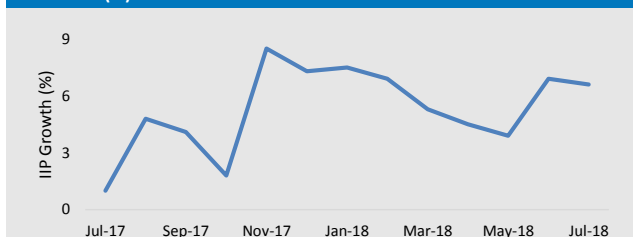
## Macro Economic Performance of India

### Credit growth vs Deposit growth



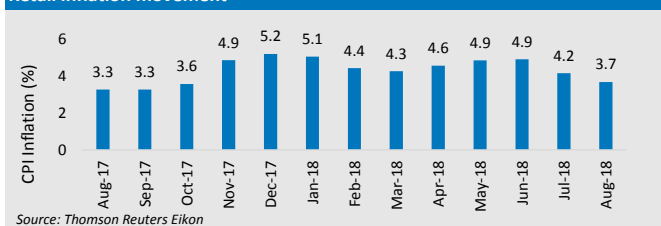
Source: Thomson Reuters Eikon

### IIP Growth (%)



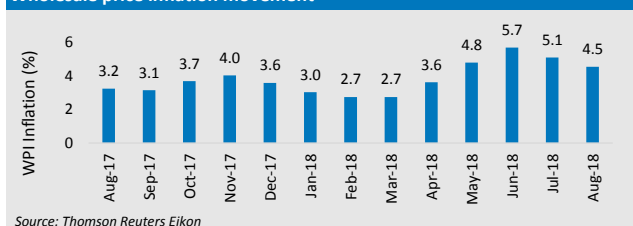
Source: Thomson Reuters Eikon

### Retail inflation movement



Source: Thomson Reuters Eikon

### Wholesale price inflation movement



Source: Thomson Reuters Eikon

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