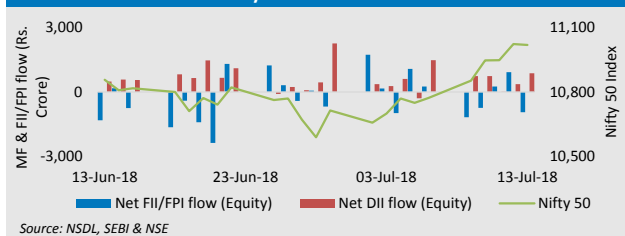


Macro Economic Release

Indicators	Actual	Consensus	Previous
CPI inflation (Jun 2018) (%)	5.00%	5.30%	4.87%
IIP growth (May 2018) (%)	3.20%	5.20%	4.80%
Trade Deficit (Jun 2018) (\$ Billion)	16.60	14.50	14.62
Nikkei India Manufacturing PMI (Jun 2018)	53.10	51.40	51.18

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	13-Jul-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	36,542	2.48	14.06	7.30
Nifty 50	11,019	2.29	11.40	4.64
S&P BSE 100	11,247	1.88	9.84	1.97
Nifty 500	9,349	1.68	8.13	-1.49
Nifty Mid cap 50	4,865	-0.27	3.78	-12.19
Nifty Small cap 100	7,206	-0.23	-5.31	-20.75

Sector Indices	13-Jul-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	24,567	-0.55	1.17	-8.16
S&P BSE Bankex	29,788	1.38	10.14	3.23
S&P BSE CD	19,765	0.92	23.16	-12.89
S&P BSE CG	17,799	1.57	0.37	-6.98
S&P BSE FMCG	11,485	1.07	6.05	7.39
S&P BSE HC	14,057	0.08	-3.54	-5.02
S&P BSE IT	14,386	3.17	41.76	27.56
S&P BSE METAL	12,471	-1.18	3.88	-16.52
S&P BSE Oil & Gas	14,154	3.36	2.45	-13.07
S&P BSE Power	1,911	0.58	-16.17	-19.77
S&P BSE PSU	7,199	-0.36	-14.96	-21.52
S&P BSE Realty	2,061	0.44	-4.19	-20.98
S&P BSE Teck	7,297	2.04	27.44	13.87

Source: BSE & NSE

Macro economic Update

- India's consumer price inflation or retail inflation grew to a 5-month high at 5.00% in Jun from 4.87% in May and 1.46% in the same period of the previous year. Among the key components, growth in fuel and light inflation accelerated to 7.14% in Jun from 5.80% in May. The growth in clothing and footwear inflation also rose to 5.67% in Jun from 5.47% in May. Housing inflation also inched up to 8.45% in Jun from 8.40% in May. The growth in Consumer Food Price Index stood at 2.91% in Jun compared with 3.10% in the previous month and -2.12% in the same month of the previous year.
- The growth of index of industrial production (IIP) plunged to a seven-month low of 3.2% in May from a revised 4.8% (4.9% originally reported) in the previous month. However, the latest industrial production growth is better than 2.90% in the same month of the previous year. Manufacturing sector grew 2.8% in May better than 2.6% in the same month of the previous year. The growth of IIP from Apr to May of 2018 accelerated to 4.0% from 3.1% in the same period of the previous year.
- According to the trade ministry, India's trade deficit reached its highest level in more than five years in Jun 2018. Trade deficit stood at \$16.60 billion in Jun 2018 from \$14.62 billion in May 2018. Imports went up 21.31% YoY to \$44.30 billion in Jun 2018 due to rise in oil imports that jumped 56.61% to \$12.73 billion. Merchandise exports rose 17.57% YoY to \$27.7 billion. Meanwhile, gold imports dropped 2.8% YoY to \$2.39 billion.

Domestic Equity Market Update

- Indian equity markets closed in the green. Gains in oil & gas stocks due to fall in crude oil prices boosted the indices.
- Additionally, updated gross domestic product numbers by the World Bank bringing India ahead of France in terms of GDP in 2017 and making it the world's sixth-largest economy helped improve market sentiment.
- Gains in stock of an Indian conglomerate in one of the sessions, after an international brokerage firm showed positivity on the prospects of the stock, supported buying interest. Optimism over upcoming corporate earnings season also added to the gains.
- However, surge in retail inflation data to 5-month high for Jun 2018 and fall in index of industrial production growth to seven-month low in May 2018 weighed on market sentiment.
- Concerns over U.S. threats of tariffs on an additional \$200 billion worth of Chinese goods, raised probability of a full-scale trade war between the two nations, thereby restricting the gains.
- On the BSE sectoral front, indices closed on a higher note. S&P BSE Oil & Gas (3.36%) stood as the major gainer followed by S&P BSE IT (3.17%) and S&P BSE Teck (2.04%). Gains in Oil & Gas stocks are driven by fall in global crude oil prices.
- Gains in the stock of an IT major, following better than expected corporate earnings numbers for Q1FY19, helped the S&P BSE IT sector go up.
- S&P BSE Capital Goods and S&P BSE Bankex grew 1.57% and 1.38%, respectively. S&P BSE Metal stood as the major loser (-1.18%) followed by S&P BSE Auto that fell (-0.55%).
- Consistent trade war concerns amid threats of tariffs led to decline in metal stocks.

Indian Debt Market Indicators

Broad Indices	13-Jul-18	Week Ago	Month Ago	Year Ago
Call Rate	6.16%	6.15%	6.08%	6.05%
CBLO	6.23%	4.99%	6.14%	6.15%
Repo	6.25%	6.25%	6.25%	6.25%
Reverse Repo	6.00%	6.00%	6.00%	6.00%
3 Month CP	7.55%	7.20%	7.75%	6.64%
1 Year CP	8.45%	8.35%	8.50%	7.14%
3 Month CD	6.98%	7.00%	7.16%	6.30%
1 Year CD	7.99%	8.12%	8.44%	6.61%

Source: CCLIL * as on Jul 06, 2018; ** as on Jun 29, 2018; @ as on June 8, 2018; @@ as on Jun 9, 2017

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Domestic Debt Market Update

- Bond yields fell following decline in the global crude oil prices. However, rise in consumer price inflation data to a five-month high in Jun 2018 and easing of Index of Industrial Production data to a 7-month low in May 2018, capped the gains.
- Yield on the 10-year benchmark paper (7.17% GS 2028) fell 8 bps to close at 7.79% from the previous week's close of 7.87% after trading in a range of 7.77% to 7.91%.
- The Reserve Bank of India (RBI) conducted auction of state development loans of 10 state governments for a notified amount of Rs. 10,500 crore for which Rs. 8,264.75 crore was accepted. The cut-off yield stood in the range of 8.50% to 8.59%. Maharashtra and Andhra Pradesh have accepted partial amount of Rs. 1,001.35 crore and Rs. 563.40 crore, respectively.
- RBI conducted a 70-Days Cash Management Bills (CMB) auction for a notified amount of Rs. 20,000 crore for which full amount was allotted at a cut-off rate of 6.49%.
- RBI conducted auction of four government securities namely 7.37% GS 2023, 7.17% GS 2028, 7.40% GS 2035, 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 7.37% GS 2023, 7.17% GS 2028, 7.40% GS 2035, and 7.06% GS 2046 stood at Rs. 97.72 (7.95%), Rs. 95.82 (7.80%), Rs. 93.38 (8.12%), and Rs. 88.01 (8.15%), respectively.

Global Commodity Update

Commodities	13-Jul-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	70.50	-4.52	53.09	17.30
Brent Crude Oil (\$/barrel)	74.80	-3.03	54.67	6.55
Gold (\$/ounce)	1241.00	-1.05	1.98	-4.72
Silver (\$/ounce)	15.78	-1.38	0.77	-6.88

Source: Thomson Reuters Eikon

Currencies Update

Currency	13-Jul-18	Week Ago	Year Ago
U.S. Dollar	68.52	68.80	64.46
GBP	90.63	91.39	83.37
Euro	80.03	80.81	73.45
100 Yen	60.94	62.28	56.89

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	13-Jul-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	25,019	2.30	16.08	1.21
	S&P 500	2,801	1.50	14.44	4.78
U.K.	FTSE	7,662	0.58	3.35	-0.34
France	CAC 40	5,429	0.99	3.70	2.20
Germany	DAX	12,541	0.36	-0.80	-2.92
Japan	Nikkei 225	22,597	3.71	12.43	-0.74
China	Shanghai Composite	2,831	3.06	-12.02	-14.39
Hong Kong	Hang Seng	28,525	0.74	8.27	-4.66
Singapore	Straits Times	3,260	2.15	0.76	-4.19
Russia	RTS Index	1,189	1.35	15.48	3.02
Brazil	Sao Paulo Se Bovespa	76,594	2.11	17.52	0.25

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	13-Jul-18	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.83	2.83	2.98	2.35
U.K. 10 Year Bond yield (%)	1.27	1.27	1.37	1.30
German 10 Year Bond yield (%)	0.28	0.29	0.48	0.60
Japan 10 Year Bond yield (%)	0.04	0.03	0.04	0.07

Source: Thomson Reuters Eikon

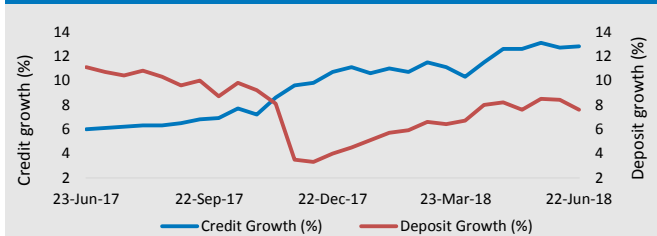
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
China Consumer Price Index (Jun)	10-Jul	1.90%	1.90%	1.80%
U.S. Consumer Price Index (Jun)	12-Jul	2.90%	2.80%	2.90%
Germany Consumer Price Index (Jun)	12-Jul	2.10%	2.10%	2.10%
Eurozone Industrial Production (YoY) (May)	12-Jul	2.40%	2.30%	1.70%

Source: FX Street

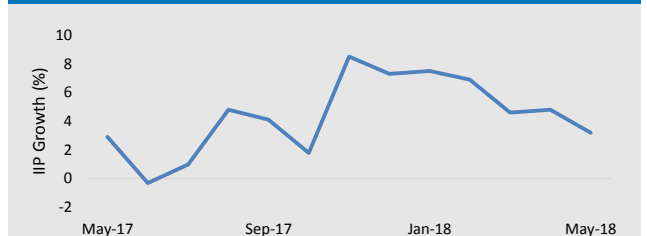
Macro Economic Performance of India

Credit growth vs Deposit growth



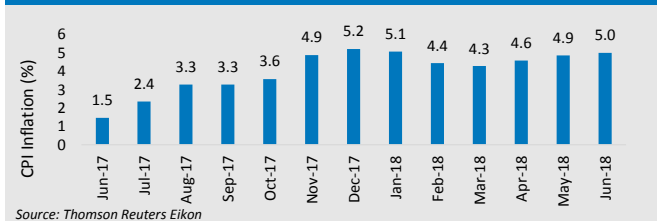
Source: Thomson Reuters Eikon

IIP Growth (%)



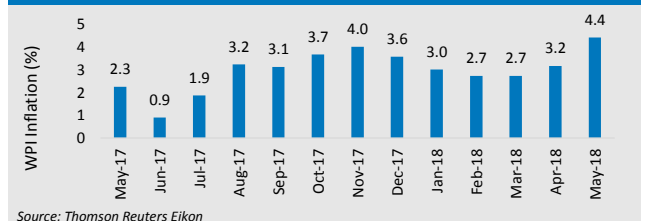
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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