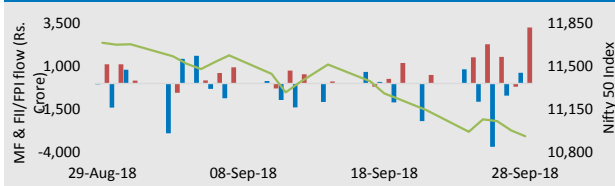


## Macro Economic Release

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)	51.70	52.80	52.30

Source: Thomson Reuters Eikon

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

## Indian Equity Market Performance

Broad Indices	28-Sep-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	36,227	-1.67	15.81	6.37
Nifty 50	10,930	-1.91	11.89	3.80
S&P BSE 100	11,141	-2.33	9.85	1.01
Nifty 500	9,116	-3.28	6.53	-3.95
Nifty Mid cap 50	4,623	-5.51	-0.77	-16.56
Nifty Small cap 100	6,151	-10.88	-17.77	-32.36

Sector Indices	28-Sep-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	21,477	-7.73	-10.09	-19.72
S&P BSE Bankex	27,992	-2.47	3.73	-3.00
S&P BSE CD	19,134	-4.75	10.35	-15.67
S&P BSE CG	17,109	-5.26	0.42	-10.58
S&P BSE FMCG	11,503	-2.57	16.92	7.55
S&P BSE HC	15,025	-3.61	12.09	1.53
S&P BSE IT	15,629	1.03	56.69	38.58
S&P BSE METAL	13,279	-4.85	-0.77	-11.11
S&P BSE Oil & Gas	14,855	-1.28	1.24	-8.77
S&P BSE Power	1,929	-4.44	-11.85	-18.99
S&P BSE PSU	7,171	-3.92	-13.11	-21.82
S&P BSE Realty	1,703	-12.23	-15.56	-34.71
S&P BSE Teck	7,731	0.09	37.85	20.64

Source: BSE & NSE

## Macro economic Update

- Government data showed that India's fiscal deficit for Apr-Aug 2018 came in at Rs. 5.91 lakh crore, or 94.7% of the budgeted target for FY19 against 96.1% in the corresponding period of the previous year. Net tax receipts were Rs. 3.66 lakh crore or 24.7% of the budget estimate for FY19 compared with 27.8% in the corresponding period of the previous year. The government's total expenditure for the period from Apr to Aug of 2018 stood at Rs. 10.70 lakh crore or 43.8% of the budget estimate for FY19 compared with 44.3% in the corresponding period of the previous year.
- India has raised import duty on a range of including air-conditioners, refrigerators, washing machines, footwear, jewellery, furniture fittings and tableware. Also, it has been raised on aviation turbine fuel (ATF). Basic customs duties have been increased by 2.5-10% points on 19 tariff lines that accounted for an import bill of Rs. 86,000 crore in FY18. Meanwhile, basic customs duty of 5% has been imposed on ATF. The raise comes on the wake of government's efforts to rein in the current account deficit and strengthen up the rupee.
- Ayushman Bharat-Pradhan Mantri Jan Aarogya Yojana (AB-PMJAY), the world's largest government-funded healthcare scheme, was launched by the Prime Minister of India. The government aims to provide healthcare facilities to more than 10 crore families that covers urban and rural poor. The scheme that offers an insurance cover of Rs. 5 lakh and would cover 10 crore poor families or almost 50 crore persons have become operational from Sep 25, 2018.

## Domestic Equity Market Update

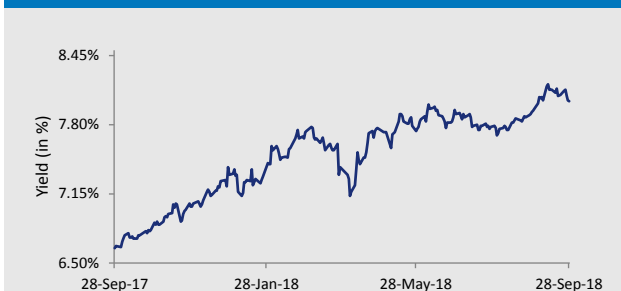
- Indian equity markets closed in the red during the week under review. Liquidity concerns kept the investors wary. The finance minister and the Reserve Bank of India (RBI) came out with separate statements saying they are monitoring the situation and would take all required steps to ensure adequate liquidity in the system. This, however, could not do much to calm investor nerves. Surge in crude oil prices amid worries regarding the shrinking supplies once U.S.' sanction on Iran kicks in Nov 2018 continued to weigh on the investor sentiment. Depreciating rupee against the greenback added to the woes.
- Additionally, decline in banking stocks after stock price of one of the major private sector bank witnessed fall following reports that the RBI has denied an extension of the term of bank's current managing director and chief executive officer weighed on the market sentiment. Expiry of Sep derivative contracts kept the investors on the sidelines.
- On the BSE sectoral front, indices closed on a weak note. S&P BSE Realty stood as the major loser that fell 12.23% followed by S&P BSE Auto that fell 7.73%. Decline in auto stocks likely comes on the wake of rising crude oil prices and trade tensions between the U.S. and China. S&P BSE Capital Goods and S&P BSE Metal fell 5.26% and 4.85%, respectively. S&P BSE Consumer Durables and S&P BSE Power fell 4.75% and 4.44%, respectively.
- S&P BSE Information Technology stood as the major gainer that grew 1.03% followed by S&P BSE Teck that rose 0.09%. Gains in Information Technology reflected weakness in rupee against the greenback. A low rupee benefits export-oriented businesses such as IT. However, the gains for the sector were partially restricted after an IT stock plunged more than 70% in one of the sessions ahead of its annual general meeting scheduled on Sep 29, 2018.

## Indian Debt Market Indicators

Broad Indices	28-Sep-18	Week Ago	Month Ago	Year Ago
Call Rate	6.51%	6.58%	6.35%	5.83%
CBLO	4.36%	6.42%	6.38%	5.86%
Repo	6.50%	6.50%	6.50%	6.00%
Reverse Repo	6.25%	6.25%	6.25%	5.75%
3 Month CP	8.15%	8.05%	7.80%	6.64%
1 Year CP	8.75%	8.70%	8.60%	7.03%
3 Month CD	7.43%	7.40%	7.30%	6.15%
1 Year CD	8.40%	8.34%	8.00%	6.57%

Source: CCIL, Thomson Reuters Eikon \* as on Sep 21, 2018; \*\* as on Sep 14, 2018; † as on Aug 24, 2018; ‡ as on Sep 22, 2017

## 10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

## Domestic Debt Market Update

- Bond yields fell following announcement of Open market operations (OMO) purchase of up to Rs. 10,000 crore which took place later during the week. Further, market participants resorted to short covering as they expected government borrowing targets to come down in the second half of FY19. However, increase in crude oil prices and weakening of rupee against the greenback restricted the gains as it triggered concerns over rising inflation.
- Yield on the 10-year benchmark paper (7.17% GS 2028) fell 6 bps to close at 8.02% from the previous week's close of 8.08% after trading in a range of 8.02 to 8.14%.
- Data from RBI showed that India's foreign exchange reserves rose to \$401.79 billion as of Sep 21, 2018, from \$400.49 billion in the previous week.
- RBI on Sep 27 conducted OMO purchase auction of 7.80% GS 2020, 8.20% GS 2022, 7.72% GS 2025, 6.79% GS 2027 and 6.68% GS 2031 for an aggregate amount of Rs. 10,000 crore. The entire amount was accepted. The cut-off yield was 7.86%, 8.03%, 8.10%, 8.12% and 8.10%, respectively. The cut-off price was Rs. 99.90, Rs. 100.49, Rs. 98.04, Rs. 91.84 and Rs. 88.71, respectively.

## Global Commodity Update

Commodities	28-Sep-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	73.5	3.96	42.55	22.30
Brent Crude Oil (\$/barrel)	82.68	5.07	43.77	24.11
Gold (\$/ounce)	1,191.69	-0.62	-7.40	-8.50
Silver (\$/ounce)	14.6	2.46	-13.25	-13.84

Source: Thomson Reuters Eikon

## Currencies Update

Currency	28-Sep-18	Week Ago	Year Ago
U.S. Dollar	72.50	72.23	65.46
GBP	94.45	94.45	87.98
Euro	84.16	84.86	77.14
100 Yen	63.76	64.15	58.26

Source: Thomson Reuters Eikon

## Global Equity Market Performance

Country/Region	Indices	28-Sep-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	26,458	-1.07	18.22	7.04
	S&P 500	2,914	-0.54	16.09	8.99
U.K.	FTSE	7,510	0.27	2.56	-2.31
France	CAC 40	5,493	-0.01	3.77	3.41
Germany	DAX	12,247	-1.48	-3.60	-5.19
Japan	Nikkei 225	24,120	1.05	18.45	5.95
China	Shanghai Composite	2,821	0.85	-15.52	-14.69
Hong Kong	Hang Seng	27,789	-0.59	1.34	-7.12
Singapore	Straits Times	3,257	1.22	0.93	-4.29
Russia	RTS Index	1,192	3.70	5.91	3.26
Brazil	Sao Paulo Se Bovespa	79,342	-0.13	7.85	3.85

Source: Thomson Reuters Eikon

## Global Bond Yield Update

Indicators	28-Sep-18	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	3.06	3.07	2.88	2.31
U.K. 10 Year Bond yield (%)	1.57	1.55	1.45	1.38
German 10 Year Bond yield (%)	0.47	0.46	0.38	0.48
Japan 10 Year Bond yield (%)	0.12	0.12	0.09	0.07

Source: Thomson Reuters Eikon

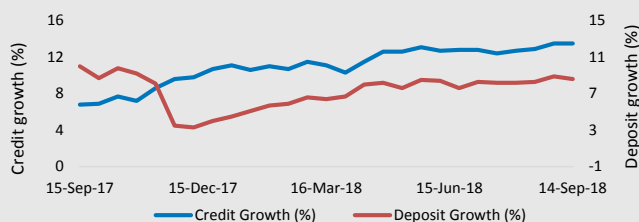
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. House Price Index (MoM) (Jul)	25-Sep	0.20%	0.30%	0.30%
U.S. New Home Sales (MoM) (Aug)	26-Sep	3.50%	0.50%	-1.60%
U.S. Durable Goods Orders (Aug P)	27-Sep	4.50%	2.00%	-1.20%
Eurozone Consumer Price Index (YoY) (Sep)	28-Sep	2.10%	2.10%	2.00%

Source: FX Street; Thomson Reuters Eikon

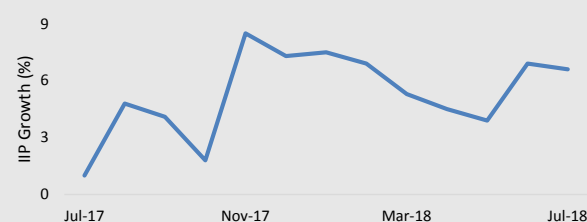
## Macro Economic Performance of India

### Credit growth vs Deposit growth



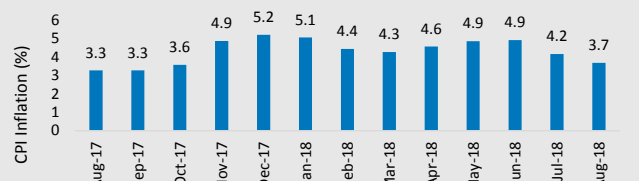
Source: Thomson Reuters Eikon

### IIP Growth (%)



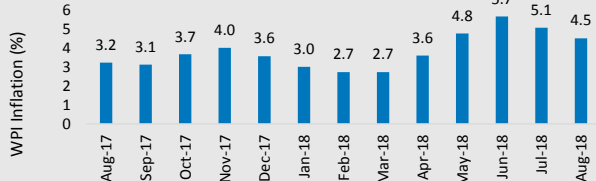
Source: Thomson Reuters Eikon

### Retail inflation movement



Source: Thomson Reuters Eikon

### Wholesale price inflation movement



Source: Thomson Reuters Eikon

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