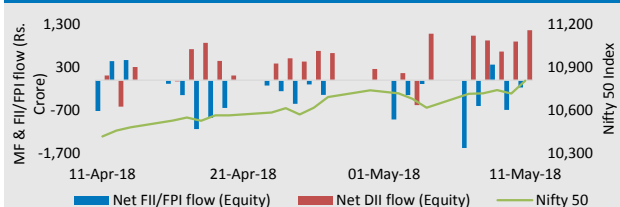


Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Mar 2018)	2.47%	2.58%	2.48%
CPI inflation (Mar 2018)	4.28%	4.20%	4.44%
IIP growth (Mar 2018) (%)	4.40%	5.90%	7.00%
Nikkei India Manufacturing PMI (Apr 2018)	51.60	51.60	51.00

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	11-May-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	35,536	1.78	17.47	5.10
Nifty 50	10,807	1.77	14.69	3.55
S&P BSE 100	11,135	1.25	13.52	1.60
Nifty 500	9,416	0.82	13.03	-0.19
Nifty Mid cap 50	5,231	-1.05	11.31	-5.45
Nifty Small cap 100	8,099	-1.06	6.48	-11.76

Sector Indices	11-May-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	25,279	0.42	8.87	-4.76
S&P BSE Bankex	29,689	3.58	14.41	3.67
S&P BSE CD	21,965	-1.38	35.92	-3.37
S&P BSE CG	19,219	0.53	6.80	0.05
S&P BSE FMCG	11,213	1.32	17.80	5.14
S&P BSE HC	13,370	-3.43	-10.80	-9.73
S&P BSE IT	13,203	0.48	33.26	17.71
S&P BSE METAL	14,051	2.15	26.75	-5.45
S&P BSE Oil & Gas	14,752	3.60	3.45	-8.98
S&P BSE Power	2,151	-1.83	-7.94	-10.39
S&P BSE PSU	7,841	1.54	-13.25	-14.39
S&P BSE Realty	2,336	-0.12	13.91	-10.76
S&P BSE Teck	6,880	-0.32	22.62	8.06

Source: BSE & NSE

Macro economic Update

- India's Index of Industrial Production (IIP) grew 4.4% in Mar 2018 as against downwardly revised growth of 7.0% (7.1% originally reported) in Feb 2018. However, the growth rate remained similar compared with the same period of the previous year. This marked a five-month low. The manufacturing sector surged 4.4% in Mar from 3.3% growth in the same period of the previous year. However, IIP growth for the Apr 2017-Mar 2018 period slowed to 4.3% from 4.6% in the same period of the previous fiscal.
- Data from the Society of Indian Automobile Manufacturers (SIAM) showed that sale of domestic passenger cars grew 4.89% in Apr 2018 to 200,183 units from 190,854 units in Apr 2017. Subsequently the overall domestic passenger vehicle sales grew 7.50% in Apr 2018 to 298,504 units from 277,683 units in the same period of the previous year. Sale of utility vehicles grew 11.92% to 79,136 units while the sale of vans grew 18.99% to 19,185 units.
- The Department of Telecommunications (DoT) has revealed the National Digital Communications Policy 2018. The policy aims at attracting investments worth \$100 billion by 2020 in the sector. Besides, creating 4 million jobs, the policy aims at improving the sector's contribution to 8% of India's GDP from about 6% in 2017.
- According to the International Monetary Fund (IMF), the Indian economy is forecasted to grow 7.4% in FY19 as the economy recovers gradually from the impact of demonetization and Goods and Services Tax (GST). IMF also underlined challenges and risks for the Indian economy which includes tightening of global financial conditions, slower productivity growth and rise of digitization.

Domestic Equity Market Update

- Indian equity markets regained in the week and continued to trade above the 35,000 mark during for the most part.
- The primary reasons were strong corporate earnings reports and improved car sales numbers in Apr, as reported by the Society of Indian Automobile Manufacturers (SIAM).
- Announcement of purchase of government bonds worth up to Rs. 10,000 crore on May 17, 2018, also helped gains.
- Slightly less than expected U.S. inflation data and mixed U.S. jobs data for Apr 2018 also eased fears of faster rate hikes by the U.S. Federal Reserve in 2018.
- However, the upside was limited as investors refrained from making any major move ahead of key inflation data for Apr due next week and Karnataka election results. Surging oil prices stoked concerns over domestic fiscal deficit.
- On the BSE sectoral front, indices mostly closed in the green barring S&P BSE HC (-3.43%), S&P BSE Power (-1.83%), S&P BSE Consumer Durables (-1.38%) and S&P BSE Teck (-0.32%). S&P BSE Oil & Gas (3.60%) stood as the major gainer followed by S&P BSE Bankex (3.58%) and S&P BSE Metal (2.15%).
- Among the major auto stocks, one multinational automotive manufacturing company said that sales of its subsidiary increased in Apr 2018 YoY.

Indian Debt Market Indicators

Broad Indices	11-May-18	Week Ago	Month Ago	Year Ago
Call Rate	5.92%	5.92%	5.87%	6.02%
CBLO	5.36%	5.93%	5.86%	6.04%
Repo	6.00%	6.00%	6.00%	6.25%
Reverse Repo	5.75%	5.75%	5.75%	6.00%
3 Month CP	7.95%	7.65%	6.90%	6.78%
1 Year CP	8.40%	8.10%	7.55%	7.26%
3 Month CD	7.45%	7.17%	6.69%	6.43%
1 Year CD	7.94%	7.84%	7.33%	6.75%

Source: CCIL, Thomson Reuters Eikon ; * as on May 4; ** as on Apr 27; @ as on Apr 13; @ as on May 12, 2017

Broad Indices	11-May-18	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	8.16%	8.06%	7.52%	7.40%
3 Year AAA Corporate Bond	8.41%	8.38%	7.92%	7.48%
5 Year AAA Corporate Bond	8.51%	8.45%	8.17%	7.81%
1 Year G-Sec	6.86%	6.83%	6.55%	6.46%
3 Year G-Sec	7.62%	7.60%	7.11%	6.75%
5 Year G-Sec	7.79%	7.77%	7.37%	7.05%
10 Year G-Sec	7.73%	7.73%	7.54%	6.94%
Forex Reserve (\$ in billion)	418.94*	420.37**	426.08@	375.27@

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Domestic Debt Market Update

- Bond yields fell initially after surprise announcement by the government to conduct an open market purchase of bonds on May 17. However, all gains were neutralised following rising inflationary pressure after the U.S. withdrew from the Iran nuclear deal, which further drove global crude oil prices upside. Investors also feared that Reserve Bank of India (RBI) will increase interest rates in the near term amid inflationary pressures.
- The central bank conducted auction of state development loans of 11 state governments for a notified amount of Rs. 11,200 crore for which Rs. 9,200 crore was accepted. The cut-off yield stood in the range of 7.20% to 8.20%. Andhra Pradesh and Haryana rejected the entire amount in the auction.
- According to the Scheduled Bank's Statement of Position in India as of Apr 27, 2018, banks' deposit and credit growth stood at 8.20% and 12.61% YoY, respectively.
- RBI conducted auction of four government securities namely 6.84% GS 2022, 7.17% GS 2028, 7.40% GS 2035 and 7.72% GS 2055 for a notified amount of Rs. 12,000 crore for which Rs. 9,081.014 crore was accepted. The cut-off price for 6.84% GS 2022, 7.17% GS 2028, 7.40% GS 2035 and 7.72% GS 2055 stood at Rs. 96.25 (7.82%), Rs. 96.03 (7.76%), Rs. 94.77 (7.96%) and Rs. 97.49 (7.93%), respectively. 6.84% GS 2022 was almost fully devolved on primary dealers who underwrite the bond auctions.

Global Commodity Update

Commodities	11-May-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	70.64	1.41	47.91	17.11
Brent Crude Oil (\$/barrel)	78.36	3.46	61.93	16.97
Gold (\$/ounce)	1317.68	0.23	7.62	-0.03
Silver (\$/ounce)	16.62	0.82	2.03	-3.28

Source: Thomson Reuters Eikon

Currencies Update

Currency	11-May-18	Week Ago	Year Ago
U.S. Dollar	67.22	66.77	64.44
GBP	90.88	90.58	83.42
Euro	80.09	79.97	70.15
100 Yen	61.43	61.17	56.48

Source: RBI

Global Equity Market Performance

Country/Region	Indices	11-May-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	24,831	2.34	18.70	0.03
	S&P 500	2,728	2.41	13.92	1.18
U.K.	FTSE	7,725	2.08	4.57	1.00
France	CAC 40	5,542	0.47	2.94	4.79
Germany	DAX	13,001	1.42	2.28	1.01
Japan	Nikkei 225	22,758	1.27	14.01	-3.18
China	Shanghai Composite	3,163	2.34	3.32	-5.53
Hong Kong	Hang Seng	31,122	3.99	23.87	1.99
Singapore	Straits Times	3,570	0.70	9.14	4.08
Russia	RTS Index	1,194	4.13	7.97	0.92
Brazil	Sao Paulo Se Bovespa	85,220	2.53	26.18	9.41

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	11-May-18	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.97	2.94	2.79	2.40
U.K. 10 Year Bond yield (%)	1.44	1.40	1.39	1.16
German 10 Year Bond yield (%)	0.56	0.55	0.50	0.43
Japan 10 Year Bond yield (%)	0.04	0.04	0.03	0.05

Source: Thomson Reuters Eikon

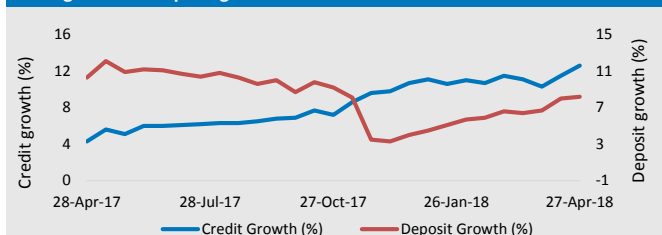
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
China Trade Balance (Apr)	8-May	\$28.78b	\$24.70b	-\$4.98b
Bank of England Policy Meeting	10-May	0.50%	0.50%	0.50%
U.S. Consumer Price Index (YoY) (Apr)	10-May	2.50%	2.50%	2.40%
China Consumer Price Index (YoY) (Apr)	10-May	1.80%	1.90%	2.10%

Source: FX Street

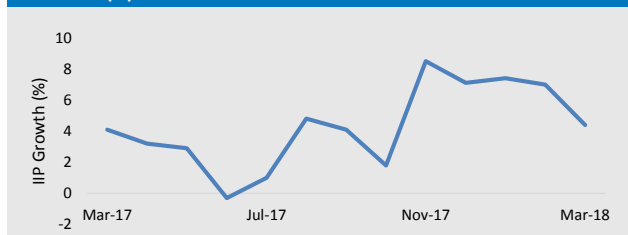
Macro Economic Performance of India

Credit growth vs Deposit growth



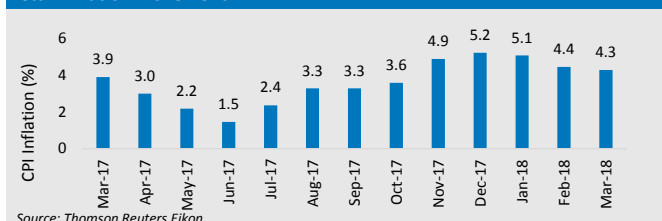
Source: Thomson Reuters Eikon

IIP Growth (%)



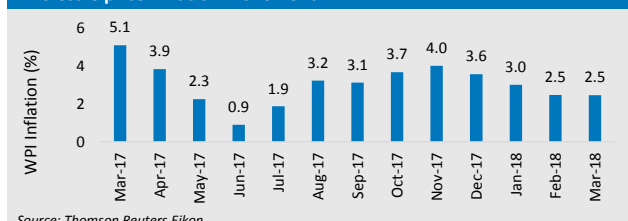
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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