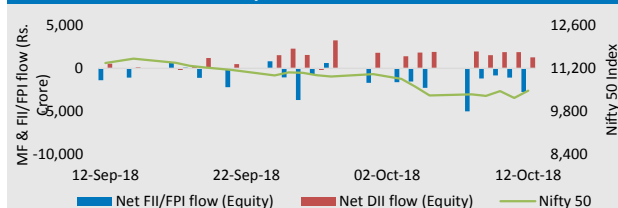


Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Aug 2018)	4.53%	4.65%	5.09%
CPI inflation (Sep 2018)	3.77%	4.00%	3.69%
IIP growth (Aug 2018) (%)	4.30%	4.00%	6.50%
Nikkei India Manufacturing PMI (Sep 2018)	52.20	52.40	51.70

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	12-Oct-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	34,734	1.04	7.93	1.99
Nifty 50	10,473	1.51	3.73	-0.55
S&P BSE 100	10,694	1.48	1.83	-3.04
Nifty 500	8,767	1.65	-1.38	-7.62
Nifty Mid cap 50	4,561	3.49	-6.65	-17.67
Nifty Small cap 100	6,025	1.91	-24.12	-33.74

Sector Indices	12-Oct-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	20,420	2.23	-17.44	-23.67
S&P BSE Bankex	28,429	4.42	3.83	-1.48
S&P BSE CD	18,734	0.40	2.52	-17.43
S&P BSE CG	16,853	1.31	-3.27	-11.92
S&P BSE FMCG	10,973	0.94	7.50	2.60
S&P BSE HC	14,455	0.38	2.53	-2.33
S&P BSE IT	14,299	-6.57	38.53	26.79
S&P BSE METAL	13,089	-0.45	-8.17	-12.39
S&P BSE Oil & Gas	13,277	9.33	-15.14	-18.47
S&P BSE Power	1,947	2.50	-13.00	-18.23
S&P BSE PSU	6,935	4.47	-18.31	-24.40
S&P BSE Realty	1,620	0.36	-23.59	-37.88
S&P BSE Teck	7,128	-5.25	22.70	11.23

Source: BSE & NSE

Indian Debt Market Indicators

Broad Indices	12-Oct-18	Week Ago	Month Ago	Year Ago
Call Rate	6.42%	6.41%	6.45%	5.84%
CBLO	4.86%	6.12%	6.32%	5.78%
Repo	6.50%	6.50%	6.50%	6.00%
Reverse Repo	6.25%	6.25%	6.25%	5.75%
3 Month CP	7.75%	8.35%	7.95%	6.75%
1 Year CP	8.80%	8.85%	8.75%	7.08%
3 Month CD	7.14%	7.42%	7.25%	6.18%
1 Year CD	8.42%	8.52%	8.39%	6.60%

Source: CCIL, Thomson Reuters Eikon * as on Oct 5, 2018; ** as on Sep 28, 2018; # as on Sep 7, 2018; ## as on Oct 6, 2017

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Macro economic Update

- Government data showed that India's Consumer Price Index (CPI)-based inflation or retail inflation stood at 3.77% in Sep 2018 compared to 3.69% in Aug 2018 and 3.28% in Sep 2017. The Consumer Food Price Index stood at 0.51% in Sep 2018 compared to 0.29% in the previous month and 1.25% in the same month of the previous year. The increase was because of surge in inflation of food and beverages to 1.08% in Sep 2018 from 0.85% in Aug 2018. Inflation in paan, tobacco and intoxicants surged to 5.57% in Sep 2018 as against 5.34% in Aug 2018. Inflation in fuel and light remained steady at 8.47% in Sep 2018 as against Aug 2018.
- Government data showed that the growth of Index of Industrial Production (IIP) slowed to 4.3% in Aug 2018 from a revised 6.5% (6.6% originally reported) in the previous month, marking a 3-month low. In the year-ago period, IIP had grown 4.8%. For the period Apr to Aug 2018, IIP grew 5.2% as against 2.3% in the same period of the previous year. The manufacturing sector grew 4.6% in Aug 2018 as against a growth of 3.8% in the same month of the previous year.
- According to a data released by the Society of Indian Automobile Manufacturers (SIAM), passenger vehicle (PV) sales fell 5.61% to 2,92,658 units in Sep 2018 from 3,10,041 units in Sep 2017. Domestic car sales also fell 5.57% to 1,97,124 units as against 2,08,742 units in Sep 2017. Meanwhile, the domestic passenger vehicle sales grew 6.88% to 17,44,305 units in the first half of FY19 as against 16,32,006 units in the first half of FY18.

Domestic Equity Market Update

- Indian equity markets closed in the green for the week ended Oct 12, 2018, after posting weekly losses for five consecutive weeks. Gains in the domestic markets reflect easing of crude oil prices. Global crude oil prices fell over the week on worries that slowing global growth prospect could dent overall oil demand.
- Further, investors welcomed Reserve Bank of India's (RBI) announcement of injecting Rs. 12,000 crore into the system through purchase of government bonds. Investor sentiment improved on hopes that this step would help in easing the tight liquidity condition that has been bothering investors after the financial sector was rocked by a series of debt defaults by a leading infrastructure and finance company.
- However, gains were restricted as the move by RBI to tighten regulations weighed on the market sentiment. The central bank has decided to revise the asset-liability guidelines for non-banking financial companies because of recent mismatches between their short-term borrowings and lending practices. Further, steep decline in U.S. markets after technology stocks dropped on slowing-demand worries and the U.S. President commenting that the U.S. Federal Reserve's pace of interest rate hike is unjustified added to the losses.
- On the BSE sectoral front, indices closed on a positive note. S&P BSE Oil & Gas stood as the major gainer that grew 9.33% followed by S&P BSE Bankex that grew 4.42%. Oil & Gas sector gained followed by easing global crude oil prices. Gains in banking sector was no more a surprise as investor sentiment improved on RBI's announcement to inject fund into the system. S&P BSE Power and S&P BSE Auto grew 2.50% and 2.23%, respectively. Gains in auto sector reflected surge in passenger vehicle sales in the first half of FY19. However, it was partially offset as the same fell for the month of Sep 2018. S&P BSE Capital Goods and S&P BSE FMCG rose 1.31% and 0.94%, respectively.
- S&P BSE Information Technology stood as the major loser that fell 6.57% followed by S&P BSE Teck that fell 5.25%. Decline in one of the IT majors after the company reported a lower than expected revenue growth of 3.7% in constant currency terms on sequential basis for the quarter ended Sep 2018 weighed on the sector.

Domestic Debt Market Update

- Bond yields fell following the central bank's bond purchase worth Rs. 12,000 crore under open market operation on Oct 11. Fall in global crude oil prices over the week also boosted market sentiments which helped ease concerns of increase in domestic inflationary pressures to some extent.
- Yield on the 10-year benchmark paper (7.17% GS 2028) fell 4 bps to close at 7.98% from the last week's close at 8.02%.
- RBI on Oct 11 conducted OMO purchase auction of 8.27% GS 2020, 8.15% GS 2022, 7.35 % GS 2024, 8.15 % GS 2026 and 7.61% GS 2030 for notified amount of Rs. 12,000 crore, of which the entire amount was accepted. The cut-off yield were 7.64%, 7.83%, 7.92%, 8.08% and 8.10% at cut-off price of Rs. 100.95, Rs. 100.98, Rs. 97.43, Rs. 100.41 and Rs. 96.38, respectively.
- RBI on Oct 10 conducted auction of 91-, 182- and 364-Days Treasury Bills for notified amount of Rs. 7,000 crore, Rs. 4,000 crore and Rs. 4,000 crore, respectively, for which the entire amount was accepted. The cut-off prices were Rs. 98.30 (YTM: 6.94%), Rs. 96.49 (YTM: 7.30%) and Rs. 92.97 (YTM: 7.58%), respectively.

Global Commodity Update

Commodities	12-Oct-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	71.45	-3.77	40.95	18.89
Brent Crude Oil (\$/barrel)	80.47	-4.21	42.68	20.79
Gold (\$/ounce)	1217.53	1.25	-5.87	-6.52
Silver (\$/ounce)	14.551	-0.27	-15.25	-14.13

Source: Thomson Reuters Eikon

Currencies Update

Currency	12-Oct-18	Week Ago	Year Ago
U.S. Dollar	73.60	73.77	65.05
GBP	96.81	96.79	86.26
Euro	85.10	85.00	76.95
100 Yen	65.59	64.85	57.93

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	12-Oct-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	25,340	-4.19	10.94	2.51
	S&P 500	2,767	-4.10	8.48	3.50
U.K.	FTSE	6,996	-4.41	-7.42	-9.00
France	CAC 40	5,096	-4.91	-4.94	-4.08
Germany	DAX	11,524	-4.86	-11.24	-10.79
Japan	Nikkei 225	22,695	-4.58	8.30	-0.31
China	Shanghai Composite	2,607	NA	-23.01	-21.17
Hong Kong	Hang Seng	25,801	-2.90	-9.34	-13.76
Singapore	Straits Times	3,069	-4.38	-7.08	-9.81
Russia	RTS Index	1,141	-1.55	-0.23	-1.13
Brazil	Sao Paulo Se Bovespa	Closed	NA	NA	NA

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	12-Oct-18	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	3.14	3.23	2.96	2.32
U.K. 10 Year Bond yield (%)	1.63	1.73	1.48	1.38
German 10 Year Bond yield (%)	0.50	0.56	0.42	0.45
Japan 10 Year Bond yield (%)	0.14	0.15	0.10	0.06

Source: Thomson Reuters Eikon

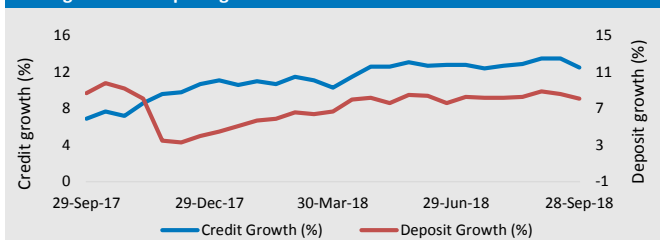
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Germany Industrial Production (YoY) (Aug)	8-Oct	-0.10%	-0.10%	1.1%
Japan Machine Orders (YoY) (Aug)	9-Oct	12.6%	1.80%	13.9%
Germany CPI (YoY) (Sep F)	12-Oct	2.30%	2.30%	2.30%
China Trade Balance USD (Sep)	12-Oct	\$31.69B	\$19.40B	\$27.89B

Source: FX Street; Thomson Reuters Eikon

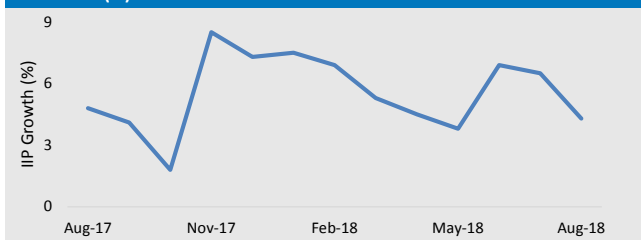
Macro Economic Performance of India

Credit growth vs Deposit growth



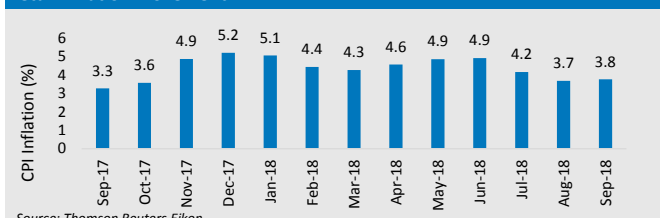
Source: Thomson Reuters Eikon

IIP Growth (%)



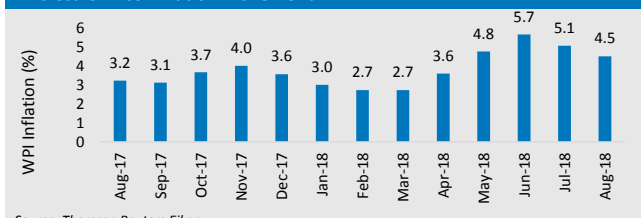
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale Price inflation movement



Source: Thomson Reuters Eikon

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