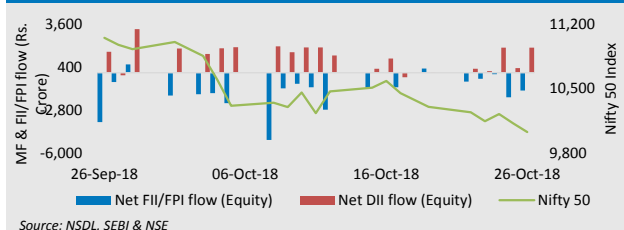


## Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Sep 2018)	5.13%	4.90%	4.53%
CPI inflation (Sep 2018)	3.77%	4.00%	3.69%
IIP growth (Aug 2018) (%)	4.30%	4.00%	6.50%
Trade Deficit (Sep 2018) (\$ bn)	13.98	17.03	17.39

Source: Thomson Reuters Eikon

## FII and DII Investment vs Nifty 50



## Indian Equity Market Performance

Broad Indices	26-Oct-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	33,349	-2.82	0.61	-2.08
Nifty 50	10,030	-2.65	-3.03	-4.75
S&P BSE 100	10,266	-2.55	-4.61	-6.92
Nifty 500	8,417	-2.59	-7.57	-11.31
Nifty Mid cap 50	4,444	-1.02	-12.06	-19.78
Nifty Small cap 100	5,748	-4.09	-31.19	-36.79

Sector Indices	26-Oct-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	19,296	-1.41	-23.10	-27.87
S&P BSE Bankex	27,159	-3.15	-4.13	-5.88
S&P BSE CD	18,233	-0.07	2.16	-19.64
S&P BSE CG	16,410	-1.41	-10.26	-14.24
S&P BSE FMCG	10,908	-2.47	6.37	1.99
S&P BSE HC	13,876	-4.63	-0.30	-6.24
S&P BSE IT	13,477	-5.73	29.48	19.50
S&P BSE METAL	12,527	-2.26	-16.71	-16.15
S&P BSE Oil & Gas	12,931	-1.65	-21.90	-20.59
S&P BSE Power	1,906	-1.83	-18.47	-19.96
S&P BSE PSU	6,775	-1.78	-28.83	-26.15
S&P BSE Realty	1,596	0.75	-27.42	-38.80
S&P BSE Teck	6,749	-4.97	12.16	5.32

Source: BSE & NSE

## Macro economic Update

- Government data showed that India's fiscal deficit for Apr-Sep 2018 period came in at Rs. 5.95 lakh crore, or 95.3% of the budgeted target for FY19 against 91.3% in the year-ago period. Net tax revenue was Rs. 5.83 lakh crore or 39.4% of the budget estimate for FY19 compared with 44.2% in the corresponding period of the previous year. The government's total expenditure for the period from Apr to Sep of 2018 stood at Rs. 13.04 lakh crore or 53.4% of the budget estimate for FY19 compared with 53.5% in the corresponding period of the previous year.
- The Centre has given ex-post facto approval to an agreement signed among BRICS nations on environmental cooperation. This is expected to bring in latest technologies and best practices for better environment protection.
- According to a major credit rating agency, the supply of corporate bonds is expected to increase to Rs. 55 lakh crore - Rs. 60 lakh crore by the end of FY23. This will be double as against Rs. 27.4 lakh crore witnessed at the end of FY18. The upside is driven by increase in bond issuances from the financial and infrastructure sectors. Meanwhile, the agency expects the demand for these instruments to be more than Rs. 53 lakh crore, driven by retirement funds, insurance companies, mutual funds, foreign portfolio investors and others, and banks. This means that there would be a gap between supply and demand in the range of Rs. 2 lakh crore- Rs. 7 lakh crore.

## Domestic Equity Market Update

- Indian equity markets fell for the second consecutive week ended Oct 26, 2018. Weakness in rupee against the greenback and concerns surrounding liquidity crunch continued to weigh on the markets. Widening of the fiscal deficit in the first half of 2018-19 to 95.3% of the Budget Estimate on account of slow growth in revenue collections further dampened investor sentiment.
- Directive by the Reserve Bank of India that promoters of small finance banks must list their banking units separately within three years of operations also weighed on the market sentiment. Disappointing quarterly earnings of some blue-chip companies for Sep 2018 across sectors added to the woes.
- On the global front, rising geopolitical tensions and concerns over Italian government finances kept major markets around the world under pressure and the affects were seen in domestic markets as well. Additionally, worries of faster rate hikes by the U.S. Federal Reserve and the outlook for U.S. corporate earnings kept Asian stocks under pressure.
- On the BSE sectoral front, indices closed on a negative note. S&P BSE information technology was the major loser that fell 5.73% followed by S&P BSE Teck that fell 4.97%. S&P BSE Healthcare and S&P BSE Bankex plunged 4.63% and 3.15%, respectively. S&P BSE FMCG and S&P BSE Metal declined 2.47% and 2.26%, respectively.
- FMCG stocks were hit after an FMCG major witnessed decline as the domestic legal cigarette industry faces severe pressure due to punitive and discriminatory taxation and regulatory regime. S&P BSE Power and S&P BSE Oil & Gas fell 1.83% and 1.65%, respectively. S&P BSE Realty was the only gainer, up 0.75%.

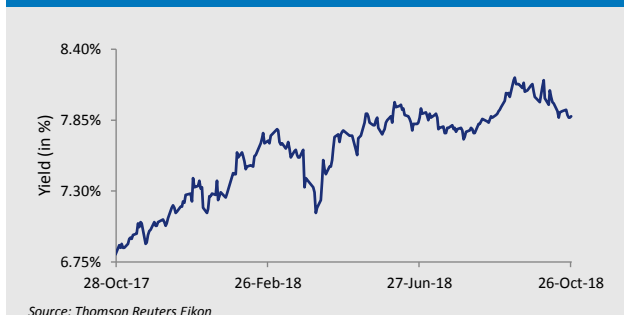
## Indian Debt Market Indicators

Broad Indices	26-Oct-18	Week Ago	Month Ago	Year Ago
Call Rate	6.48%	6.55%	6.45%	5.85%
CBLO	5.13%	6.41%	6.02%	5.83%
Repo	6.50%	6.50%	6.50%	6.00%
Reverse Repo	6.25%	6.25%	6.25%	5.75%
3 Month CP	8.45%	7.90%	8.40%	6.76%
1 Year CP	9.05%	8.85%	8.90%	7.10%
3 Month CD	7.34%	8.33%	7.74%	6.20%
1 Year CD	8.34%	8.38%	8.44%	6.58%

Broad Indices	26-Oct-18	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	8.95%	8.88%	8.91%	7.07%
3 Year AAA Corporate Bond	8.84%	8.90%	8.87%	7.17%
5 Year AAA Corporate Bond	8.84%	8.87%	8.96%	7.50%
1 Year G-Sec	7.56%	7.49%	7.83%	6.27%
3 Year G-Sec	7.67%	7.73%	8.02%	6.46%
5 Year G-Sec	7.86%	7.91%	8.13%	6.70%
10 Year G-Sec	7.88%	7.92%	8.07%	6.80%
Forex Reserve (\$ in billion)	393.52*	394.47**	401.79 <sup>#</sup>	399.92 <sup>###</sup>

Source: CCIL, Thomson Reuters Eikon \* as on Oct 19, 2018; \*\* as on Oct 12, 2018; <sup>#</sup> as on Sep 21, 2018; <sup>###</sup> as on Oct 20, 2017

## 10 - Year benchmark G-Sec Movement



## Domestic Debt Market Update

- Bond yields fell following plunge in crude oil prices boosting market sentiments which helped ease inflationary concerns to some extent. Release of minutes of the latest monetary policy, which came in as per expectations with no significant deviations, also boosted market sentiment.
- However, weekly debt auction conducted by the Reserve Bank of India (RBI) that increased the supply of government securities in the market capped gains. Weakness in domestic equity market also weighed on investors' sentiment.
- Yield on the 10-year benchmark paper (7.17% GS 2028) fell 4 bps to close at 7.88% from the last week's close at 7.92%, after trading in a range of 7.83% to 7.94%.
- RBI announced its plan to conduct purchase of Government securities under open market operations for an aggregate amount of Rs. 40,000 crore in Nov 2018.
- Data from RBI showed that India's foreign exchange reserves fell to \$393.52 billion as on Oct 19, 2018, from \$394.47 billion in the previous week.
- RBI conducted auction of state development loans of eight state governments for notified amount of Rs. 9,600 crore, of which Rs. 8,597.55 crore was accepted. The cut-off yield was in the range of 8.61% to 8.77%, while the tenure varied from 10 years to 15 years.

## Global Commodity Update

Commodities	26-Oct-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	67.57	-1.44	27.95	12.43
Brent Crude Oil (\$/barrel)	77.70	-2.90	30.79	16.63
Gold (\$/ounce)	1,233.17	0.60	-2.65	-5.32
Silver (\$/ounce)	14.61	0.12	-12.74	-13.78

Source: Thomson Reuters Eikon

## Currencies Update

Currency	26-Oct-18	Week Ago	Year Ago
U.S. Dollar	73.46	73.37	64.83
GBP	94.06	95.90	85.30
Euro	83.78	84.47	75.53
100 Yen	65.63	65.18	56.87

Source: Thomson Reuters Eikon

## Global Equity Market Performance

Country/Region	Indices	26-Oct-18	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	24,688	-2.97	5.50	-0.13
	S&P 500	2,659	-3.94	3.84	-0.56
U.K.	FTSE	6,940	-1.56	-7.31	-9.73
France	CAC 40	4,967	-2.31	-8.95	-6.50
Germany	DAX	11,201	-3.06	-14.72	-13.29
Japan	Nikkei 225	21,185	-5.98	-2.55	-6.94
China	Shanghai Composite	2,599	1.90	-23.73	-21.42
Hong Kong	Hang Seng	24,718	-3.30	-12.36	-17.39
Singapore	Straits Times	2,972	-2.95	-11.45	-12.66
Russia	RTS Index	1,098	-2.54	-1.78	-4.86
Brazil	Sao Paulo Se Bovespa	85,720	1.78	12.94	12.20

Source: Thomson Reuters Eikon

## Global Bond Yield Update

Indicators	26-Oct-18	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	3.08	3.20	3.06	2.45
U.K. 10 Year Bond yield (%)	1.39	1.58	1.60	1.39
German 10 Year Bond yield (%)	0.35	0.43	0.53	0.44
Japan 10 Year Bond yield (%)	0.11	0.15	0.12	0.07

Source: Thomson Reuters Eikon

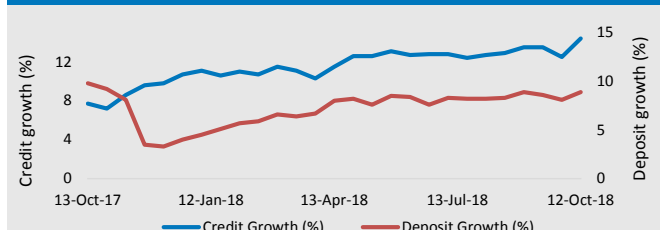
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Japan All Industry Activity Index (Aug)	22-Oct	0.50%	0.40%	0.00%
Eurozone Consumer Confidence (Oct A)	22-Oct	-2.70	-3.20	-2.90
Eurozone Markit Composite PMI (Oct P)	24-Oct	52.70	53.90	54.10
U.S. Gross Domestic Product Annualized (QoQ) (3Q A)	26-Oct	3.50%	3.30%	4.20%

Source: FX Street; Thomson Reuters Eikon

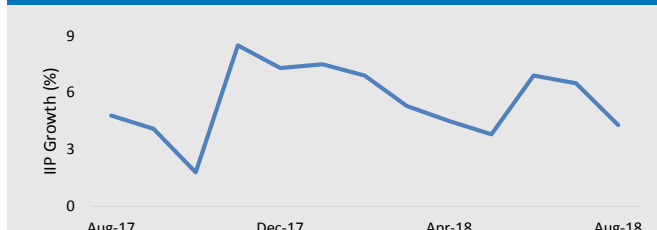
## Macro Economic Performance of India

### Credit growth vs Deposit growth



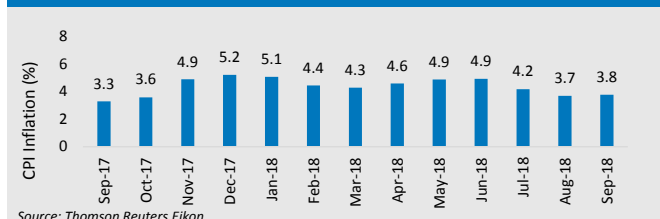
Source: Thomson Reuters Eikon

### IIP Growth (%)



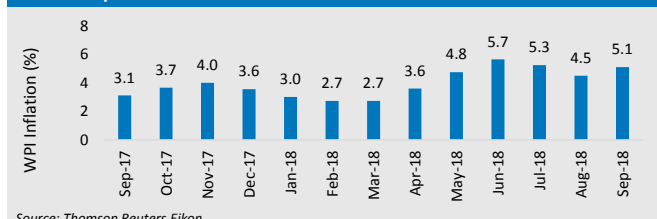
Source: Thomson Reuters Eikon

### Retail inflation movement



Source: Thomson Reuters Eikon

### Wholesale price inflation movement



Source: Thomson Reuters Eikon

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