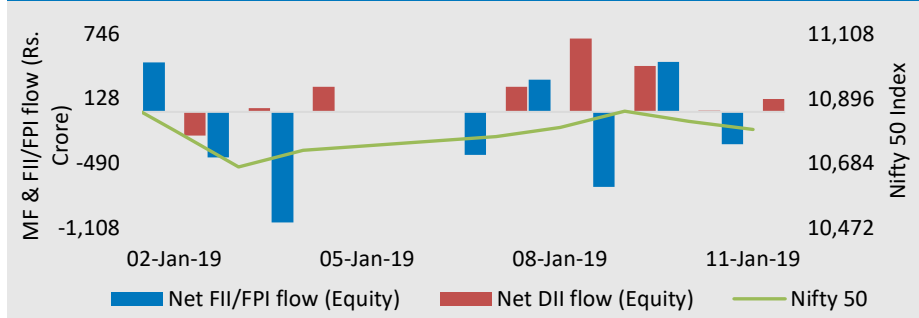


Macro Economic Release

Indicators	Actual	Consensus	Previous
CPI inflation (Nov 2018)	2.33%	2.80%	3.38%
Infrastructure Output (Nov 2018)	3.50%	--	4.80%
IIP growth (Nov 2018) (%)	0.50%	4.10%	8.10%
Nikkei India Manufacturing PMI (Dec 2018)	53.2	51.5	54.0

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	11-Jan-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	36,010	0.88	4.37	-0.16
Nifty 50	10,795	0.63	1.35	-0.62
S&P BSE 100	11,080	0.58	-0.93	-0.73
Nifty 500	9,098	0.48	-5.72	-0.78
Nifty Mid cap 50	4,876	0.58	-13.87	-1.12
Nifty Small cap 100	6,396	0.23	-33.13	-0.82

Sector Indices	11-Jan-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	19,980	0.43	-24.36	-4.10
S&P BSE Bankex	30,801	1.19	6.39	1.40
S&P BSE CD	20,922	1.72	-12.22	1.10
S&P BSE CG	18,234	-0.82	-8.60	-3.12
S&P BSE FMCG	11,959	2.12	9.99	1.09
S&P BSE HC	14,019	1.42	-6.66	0.69
S&P BSE IT	14,048	1.10	20.11	-0.29
S&P BSE METAL	11,133	-0.95	-29.43	-5.96
S&P BSE Oil & Gas	13,187	-2.40	-18.86	-4.09
S&P BSE Power	1,976	0.52	-18.34	-1.14
S&P BSE PSU	7,114	-0.77	-23.09	-1.69
S&P BSE Realty	1,833	0.45	-34.63	1.98
S&P BSE Teck	7,085	1.10	7.79	0.26

Source: BSE & NSE

Macro economic Update

- The Index of Industrial Production (IIP) rose to 0.5% in Nov 2018 as against an upwardly revised growth of 8.4% (8.1% originally reported) in the previous month and 8.5% in the same period of the previous year. This marked a 17-month low. For the period from Apr to Nov of 2018, IIP grew 5.0% as against an increase of 3.2% in the same period of the previous year. On the sectoral front, the manufacturing sector fell 0.4% in Nov 2018 compared with growth of 10.4% in the same month of the previous year.
- The Goods and Services Tax (GST) Council has doubled the GST exemption limit for micro, small and medium enterprises (MSMEs) with an annual turnover of Rs. 40 lakh from the current Rs. 20 lakh. For North East and hilly states, the limit has been raised to Rs. 20 lakh from Rs. 10 lakh. Service providers with a turnover of up to Rs. 50 lakh can now use the composition scheme as well at a rate of 6%. The ones who use the scheme will have to file tax on a quarterly basis. Returns can be filed annually.
- Direct tax mop-up increased 14.1% to Rs. 8.74 lakh crore during Apr-Dec 2018, the finance ministry said. Refunds amounting to Rs. 1.30 lakh crore have been issued during Apr-Dec 2018, 17% higher than refunds issued in the year-ago period. The amount collected as advance tax is as much as Rs. 3.64 lakh crore, 14.5% higher than the advance tax collections in the year-ago period.

Domestic Equity Market Update

- Indian equity markets witnessed gains in the week ended Jan 11, 2019, after witnessing losses in the past week. Positive global cues and favourable reports by the World Bank and the World Economic Forum boosted investor sentiment. The World Bank expects India's GDP to grow at 7.3% in FY19 and 7.5% in the following two years on the back of an upswing in consumption and investment. Gains in real estate stocks on hopes of cut in the goods and services tax (GST) rate for under-construction and finished houses to 5% also buoyed indices.
- Optimism that U.S. and China's trade talks in Beijing are tugging along nicely after the they were extended to the unscheduled third day boosted investor sentiment. This led to hopes that a resolution to the trade stand-off is nearby. However, gains were restricted after the three-day meeting ended without any significant breakthroughs. Weakness in rupee and rise in crude oil prices added to the woes.
- On the BSE sectoral front, indices closed on a positive note. S&P BSE FMCG was the major gainer that grew 2.12% followed by S&P BSE Consumer Durables that grew 1.72%. Media reports showing market expectations that consumer durables sector could have benefitted from a rise in consumption demand in the quarter ended Dec 2018 led to the gains for FMCG and Consumer Durables sector.
- S&P BSE Healthcare and S&P BSE Bankex gained 1.42% and 1.19%, respectively. Reports that banks, especially public sector banks, could do well as the non-performing assets problem seems to be at bay gave a boost to the banking sector.
- S&P BSE information technology (IT) and S&P BSE Teck each grew 1.10%. Weakness in rupee boosted the IT sector. However, S&P BSE Oil & Gas was the major loser, down 2.40%, followed by S&P BSE Metal that fell 0.95%.

Indian Debt Market Indicators

Broad Indices	11-Jan-19	Week Ago	Month Ago	Year Ago
Call Rate	6.35%	6.31%	6.48%	5.88%
CBLO	6.38%	6.23%	6.55%	5.88%
Repo	6.50%	6.50%	6.50%	6.00%
Reverse Repo	6.25%	6.25%	6.25%	5.75%
3 Month CP	7.70%	7.85%	7.40%	7.35%
1 Year CP	8.50%	8.60%	8.90%	7.68%
3 Month CD	7.48%	7.49%	7.19%	6.83%
1 Year CD	7.90%	8.16%	8.37%	7.09%

Source: CCIL, Thomson Reuters Eikon * as on Jan 04, 2019; ** as on Dec 28, 2018; @ as on Dec 7, 2018; @@ as on Jan 5, 2018

Broad Indices	11-Jan-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	8.43%	8.49%	8.67%	7.65%
3 Year AAA Corporate Bond	8.44%	8.52%	8.47%	7.79%
5 Year AAA Corporate Bond	8.38%	8.38%	8.45%	8.02%
1 Year G-Sec	6.84%	6.84%	7.13%	6.61%
3 Year G-Sec	7.07%	7.11%	7.25%	7.08%
5 Year G-Sec	7.29%	7.32%	7.46%	7.24%
10 Year G-Sec	7.50%	7.45%	7.53%	7.44%
Forex Reserve (\$ in billion)	396.08*	393.40**	393.73@	411.12@@

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Domestic Debt Market Update

- Bond yields rose following decline in rupee and rise in crude oil prices, which dampened market sentiment. This aggravated concerns over foreign fund outflow, particularly amid worries of widening current account deficit. However, the auction of a new 10-year note capped further losses.
- Yield on the 10-year benchmark paper (7.17% GS 2028) rose 5 bps to close at 7.50% from the last week's close at 7.45%, after trading in a range of 7.44% to 7.53%.
- RBI conducted auction of government securities of 10 state governments for aggregate amount of Rs. 9,492 crore. The amount accepted stood at Rs. 10,231.90 crore as Gujrat and Maharashtra accepted additional amount under green shoe option. The cut-off yield was in the range of 8.27% to 8.32%, while the tenure was 10 years.
- RBI conducted auction of 91-, 182- and 364-Days Treasury Bills for notified amount of Rs. 4,000 crore, Rs. 3,000 crore and Rs. 2,000 crore, respectively, for which the entire amount was accepted. The cut-off prices stood at Rs. 98.37 (YTM: 6.65%), Rs. 96.73 (YTM: 6.78%) and Rs. 93.58 (YTM: 6.88%), respectively.

Global Commodity Update

Commodities	11-Jan-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	51.58	6.84	-18.80	12.92
Brent Crude Oil (\$/barrel)	60.59	5.70	-12.33	11.91
Gold (\$/ounce)	1287.5	0.21	-2.63	0.37
Silver (\$/ounce)	15.598	-0.59	-8.08	0.76

Source: Thomson Reuters Eikon

Currencies Update

Currency	11-Jan-19	Week Ago	Year Ago
U.S. Dollar	70.38	69.54	63.68
GBP	90.43	88.50	86.20
Euro	80.71	79.23	76.61
100 Yen	64.83	64.07	57.23

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	11-Jan-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	23,996	2.40	-6.17	2.87
	S&P 500	2,596	2.54	-6.19	3.57
U.K.	FTSE	6,918	1.18	-10.88	2.82
France	CAC 40	4,781	0.93	-12.89	1.07
Germany	DAX	10,887	1.11	-17.54	3.11
Japan	Nikkei 225	20,360	4.08	-14.13	1.72
China	Shanghai Composite	2,554	1.55	-25.44	2.40
Hong Kong	Hang Seng	26,667	4.06	-14.31	3.18
Singapore	Straits Times	3,199	4.56	-8.94	4.23
Russia	RTS Index	1,149	2.75	-8.01	7.75
Brazil	Sao Paulo Se Bovespa	93,658	1.98	18.01	6.57

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	11-Jan-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.70	2.66	2.88	2.53
U.K. 10 Year Bond yield (%)	1.29	1.28	1.19	1.31
German 10 Year Bond yield (%)	0.18	0.21	0.24	0.53
Japan 10 Year Bond yield (%)	0.01	-0.03	0.05	0.07

Source: Thomson Reuters Eikon

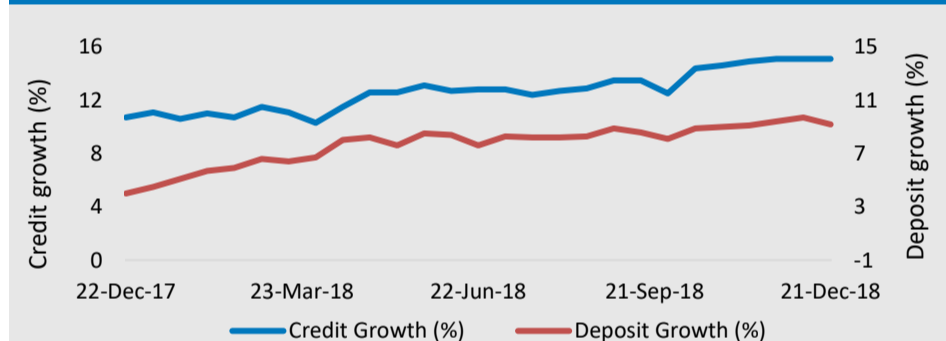
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. ISM Services PMI (Dec)	7-Jan	57.60	58.50	60.70
Germany Trade Balance (Nov)	9-Jan	20.5B	18.6B	18.9B
China CPI (YoY) (Dec)	10-Jan	1.90%	2.10%	2.20%
U.S. CPI (YoY) (Dec)	11-Jan	1.90%	1.90%	2.20%

Source: Dailyfx

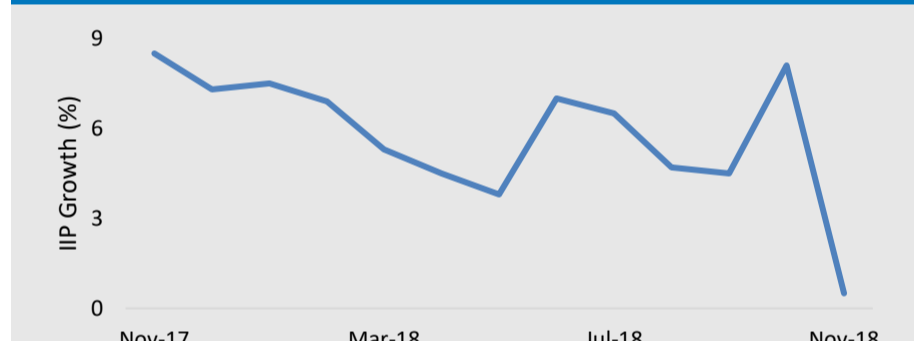
Macro Economic Performance of India

Credit growth vs Deposit growth



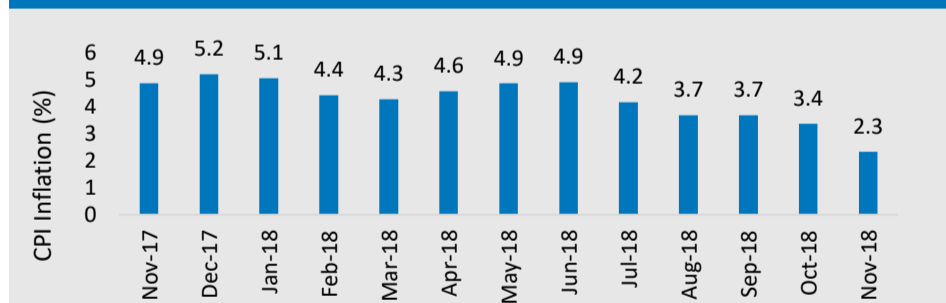
Source: Thomson Reuters Eikon

IIP Growth (%)



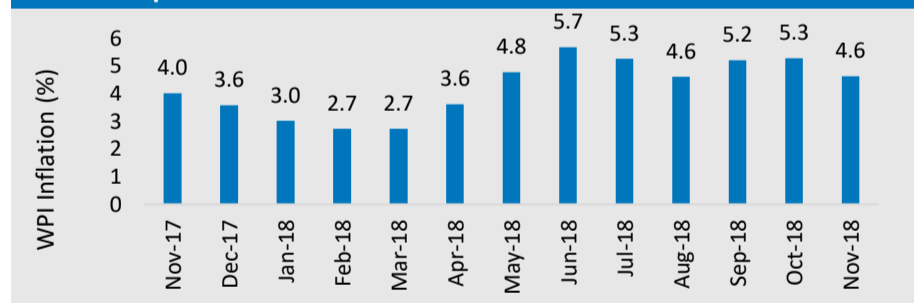
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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