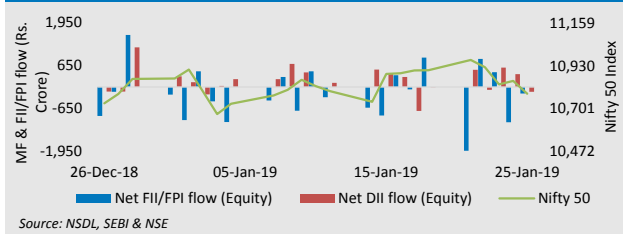


## Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Dec 2018)	3.80%	4.42%	4.64%
CPI inflation (Dec 2018)	2.19%	2.20%	2.33%
Trade Deficit (Dec 2018) (\$bn)	\$13.08 bn	\$14.98 bn	\$16.67 bn
IIP growth (Nov 2018) (%)	0.50%	4.10%	8.10%

Source: Thomson Reuters Eikon

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

## Indian Equity Market Performance

Broad Indices	25-Jan-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	36,026	-0.99	-0.07	-0.12
Nifty 50	10,781	-1.16	-2.61	-0.75
S&P BSE 100	11,020	-1.30	-4.11	-1.26
Nifty 500	8,994	-1.59	-8.31	-1.92
Nifty Mid cap 50	4,713	-2.90	-13.83	-4.43
Nifty Small cap 100	6,158	-3.34	-33.30	-4.51

Sector Indices	25-Jan-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	18,624	-6.49	-27.45	-10.61
S&P BSE Bankex	30,377	-1.18	-2.27	0.00
S&P BSE CD	20,951	0.01	-8.76	1.24
S&P BSE CG	17,174	-2.99	-16.77	-8.75
S&P BSE FMCG	11,657	-1.81	6.59	-1.45
S&P BSE HC	13,948	1.06	-7.19	0.18
S&P BSE IT	14,784	0.77	16.52	4.93
S&P BSE METAL	10,736	-3.11	-31.55	-9.33
S&P BSE Oil & Gas	13,765	1.37	-15.25	0.12
S&P BSE Power	1,883	-3.64	-19.78	-5.80
S&P BSE PSU	6,857	-2.89	-25.52	-5.24
S&P BSE Realty	1,790	-3.08	-32.43	-0.41
S&P BSE Teck	7,274	-0.40	5.45	2.95

Source: BSE & NSE

## Macro economic Update

- The International Monetary Fund (IMF) upgraded the growth forecasts of the Indian economy for 2019 by 10 bps to 7.5%. For 2018, IMF estimated the growth of the Indian economy at 7.3% and projected the growth rate to go up to 7.7% in 2020. IMF is of the view that low global crude oil prices, slower pace of monetary tightening and fall in domestic inflationary pressures will provide support to the growth prospects of the Indian economy.
- An interim finance minister got appointed for the second time in the absence of the incumbent finance minister. The interim minister will present the upcoming Budget 2019-20. This has happened as the incumbent finance minister is said to be in the U.S. for treatment of an illness.
- A United Nations (UN) report showed India's economy could grow at 7.4% during 2018-19 and improve to 7.6% in 2019-20. The United Nations' World Economic Situation and Prospects 2019 report expects India's Gross Domestic Product (GDP) to expand by 7.4% in 2020-21. The report said growth continues to be supported by robust private consumption, a more expansionary fiscal stance and benefits from earlier reforms.
- Union agriculture minister said the government is planning to link 22,000 mandis pan India with the National Agriculture Market (e-NAM), which is an online trading platform for agricultural commodities, by 2021-22. The minister said 585 mandis have already been linked with e-NAM. The government is implementing many programmes to develop the agricultural sector and improve the economic condition of farmers.

## Domestic Equity Market Update

- Indian equity markets lost in the week ended Jan 25, 2019, after witnessing gains in the last two weeks. Investors shied away from riskier assets after the International Monetary Fund (IMF) revised its growth forecast for the global economy. The IMF's revised projection is 3.5% growth rate worldwide for 2019 and 3.6% for 2020, which is a cut of 0.2 and 0.1 percentage points, respectively, from its forecasts in Oct 2018. The main reasons behind the downgrade are the trade tensions, Brexit uncertainties and slowing China growth.
- Weak global cues continued to mar the Indian equity markets. U.S.-China trade tensions re-emerged as media reports claimed a meeting between the two has been cancelled, though U.S. officials denied the same. Further, prolonged U.S. government shutdown and Brexit concerns played spoil sport. However, decline in crude oil prices improved market sentiment, thereby restricting the losses.
- On the BSE sectoral front, indices closed on a weak note. S&P BSE Auto was the major loser, down 6.49%, followed by S&P BSE Power that fell 3.64%. Auto stocks remained under pressure as a major domestic automaker registered double-digit decline in net profit for the third quarter.
- S&P BSE Metal and S&P BSE Realty plunged 3.11% and 3.08%, respectively. S&P BSE Capital Goods and S&P BSE FMCG fell 2.99% and 1.81%, respectively. FMCG came under fire as a sector leader lost after its margin missed market expectations for the third quarter ended Dec 2018.
- However, S&P BSE Oil & Gas was the major gainer that grew 1.37% followed by S&P BSE Healthcare that grew 1.06%. S&P BSE information technology and S&P BSE Consumer Durables gained 0.77% and 0.01%, respectively.

## Indian Debt Market Indicators

Broad Indices	25-Jan-19	Week Ago	Month Ago	Year Ago
Call Rate	6.41%	6.45%	6.50%	5.91%
T-Repo	6.39%	6.49%	6.52%	--
Repo	6.50%	6.50%	6.50%	6.00%
Reverse Repo	6.25%	6.25%	6.25%	5.75%
3 Month CP	7.65%	7.65%	7.20%	7.75%
1 Year CP	8.50%	8.50%	8.60%	7.98%
3 Month CD	7.27%	7.14%	7.10%	7.21%
1 Year CD	7.88%	7.87%	8.17%	7.45%

Source: CCIL, Thomson Reuters Eikon \* as on Jan 18, 2019; \*\*as on Jan 11, 2019; @as on Dec 28, 2018; @@@ as on Jan 26, 2018

Broad Indices	25-Jan-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	8.38%	8.36%	8.49%	7.68%
3 Year AAA Corporate Bond	8.54%	8.45%	8.44%	7.82%
5 Year AAA Corporate Bond	8.49%	8.44%	8.22%	8.00%
1 Year G-Sec	6.82%	6.84%	6.86%	6.60%
3 Year G-Sec	7.00%	7.00%	7.07%	7.04%
5 Year G-Sec	7.30%	7.37%	7.22%	7.23%
10 Year G-Sec	7.55%	7.60%	7.29%	7.31%
Forex Reserve (\$ in billion)	396.68*	397.35**	393.40@	417.79@@

## 10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

## Domestic Debt Market Update

- Bond yield came down over the week as fall in global crude oil prices boosted market sentiment. However, gains were capped as the country's fiscal position remained in focus. Market participants worry that a farm relief package, which is expected to be announced by the government soon, and increase in expenditure ahead of the general elections might make it difficult for the government to adhere to its fiscal consolidation roadmap.
- Yield on the 10-year benchmark paper (7.17% GS 2028) fell 5 bps to close at 7.55% from the last week's close at 7.60%, after trading in a range of 7.51% to 7.65%.
- The Reserve Bank of India (RBI) on Jan 23, 2019 conducted auction of 91-, 182- and 364-Day Treasury Bills for Rs. 4,000 crore, Rs. 3,000 crore and Rs. 2,000 crore, respectively. The cut-off prices were Rs. 98.38 (6.60%), Rs. 96.75 (6.74%) and Rs. 93.63 (6.82%), respectively.
- Data from RBI showed that reserve money increased at an annualised rate of 17.1% in the week to Jan 18, 2019 compared with an increase of 53.0% a year earlier. The currency in circulation rose 19.1% during the week compared with an increase of 75.5% a year earlier.
- RBI on Jan 25, 2019 conducted the auction of New GS 2024, 7.26% GS 2029, 8.24% GS 2033 and 7.72% GS 2055 for notified amount of Rs. 12,000 crore for which the full amount was accepted.

## Global Commodity Update

Commodities	25-Jan-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	53.52	0.04	-17.91	17.16
Brent Crude Oil (\$/barrel)	61.50	-1.73	-12.17	13.59
Gold (\$/ounce)	1303.14	1.72	-3.30	1.59
Silver (\$/ounce)	15.74	2.77	-8.97	1.71

Source: Thomson Reuters Eikon

## Currencies Update

Currency	25-Jan-19	Week Ago	Year Ago
U.S. Dollar	70.89	71.20	63.51
GBP	93.55	91.66	89.80
Euro	80.85	80.89	78.72
100 Yen	64.70	64.85	58.04

Source: Thomson Reuters Eikon

## Global Equity Market Performance

Country/Region	Indices	25-Jan-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	24,737	0.12	-6.27	6.04
	S&P 500	2,665	-0.22	-6.15	6.30
U.K.	FTSE	6,809	-2.28	-10.59	1.21
France	CAC 40	4,926	1.02	-10.13	4.12
Germany	DAX	11,282	0.68	-15.16	6.85
Japan	Nikkei 225	20,774	0.52	-12.23	3.79
China	Shanghai Composite	2,602	0.22	-26.68	4.32
Hong Kong	Hang Seng	27,569	1.77	-15.57	6.67
Singapore	Straits Times	3,202	-0.69	-10.37	4.35
Russia	RTS Index	1,192	1.33	-9.09	11.81
Brazil	Sao Paulo Se Bovespa*	97,677	1.64	16.73	11.14

Source: Thomson Reuters Eikon

\*Last close as of 24-Jan-19

## Global Bond Yield Update

Indicators	25-Jan-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.75	2.78	2.75	2.62
U.K. 10 Year Bond yield (%)	1.31	1.35	1.26	1.41
German 10 Year Bond yield (%)	0.20	0.26	0.25	0.61
Japan 10 Year Bond yield (%)	0.00	0.01	0.02	0.08

Source: Thomson Reuters Eikon

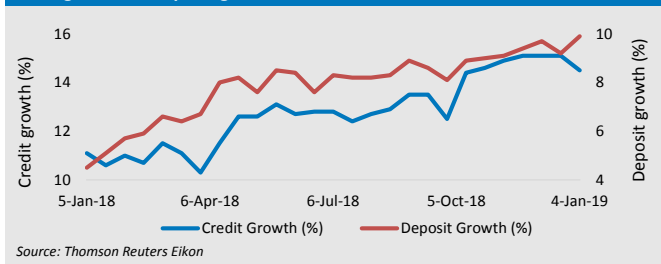
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
China Gross Domestic Product (YoY) (%)	21-Jan	6.40%	6.40%	6.50%
Japan Trade Balance (Dec)	22-Jan	-¥55.3b	--	-¥737.7b
Bank of Japan Rate Decision	23-Jan	-0.1%	-0.1%	-0.1%
U.S. Initial Jobless Claims (Jan 19)	24-Jan	199K	218k	212k

Source: FX Street; Thomson Reuters Eikon

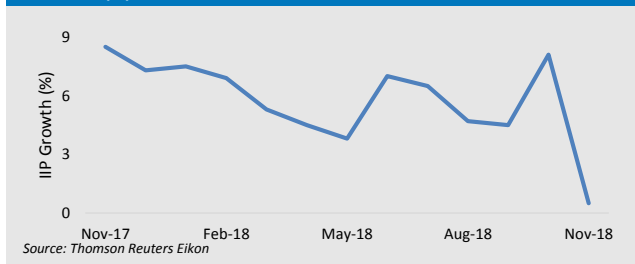
## Macro Economic Performance of India

### Credit growth vs Deposit growth



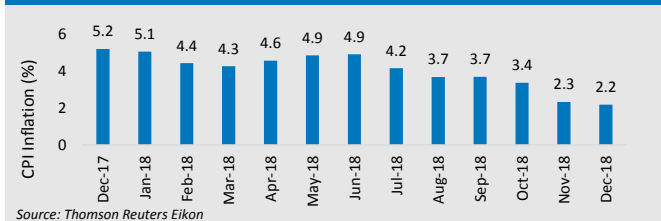
Source: Thomson Reuters Eikon

### IIP Growth (%)



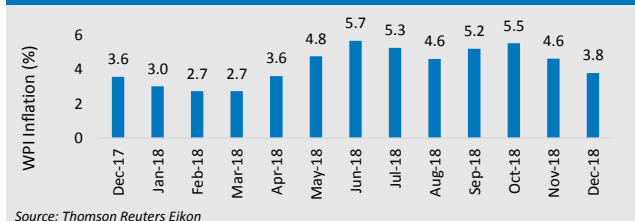
Source: Thomson Reuters Eikon

### Retail inflation movement



Source: Thomson Reuters Eikon

### Wholesale price inflation movement



Source: Thomson Reuters Eikon

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