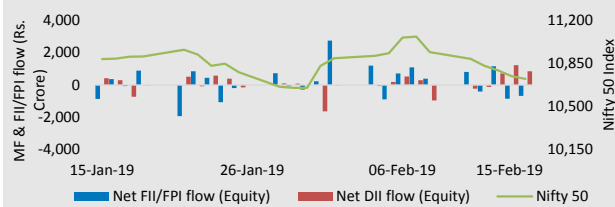


Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Jan 2019)	2.76%	3.65%	3.80%
CPI inflation (Jan 2019)	2.05%	2.48%	2.11%
IIP growth (Dec 2018) (%)	2.40%	2.00%	0.30%
Trade Deficit (\$ billion) (Jan 2019)	14.73	13.80	13.08

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	15-Feb-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	35,809	-2.02	4.41	-0.72
Nifty 50	10,724	-2.00	1.70	-1.27
S&P BSE 100	10,870	-2.33	-0.62	-2.61
Nifty 500	8,827	-2.32	-5.33	-3.74
Nifty Mid cap 50	4,445	-2.70	-14.52	-9.85
Nifty Small cap 100	5,727	-3.44	-32.17	-11.19

Sector Indices	15-Feb-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	18,263	-3.59	-27.49	-12.34
S&P BSE Bankex	29,972	-1.88	4.31	-1.33
S&P BSE CD	21,092	-2.60	-0.13	1.92
S&P BSE CG	16,411	-2.59	-15.66	-12.80
S&P BSE FMCG	11,359	-1.93	7.18	-3.98
S&P BSE HC	13,433	-3.93	-6.39	-3.52
S&P BSE IT	15,378	-1.57	27.20	9.15
S&P BSE METAL	10,014	-2.45	-34.83	-15.42
S&P BSE Oil & Gas	13,073	-4.22	-16.91	-4.91
S&P BSE Power	1,785	0.19	-20.52	-10.72
S&P BSE PSU	6,437	-3.62	-25.13	-11.05
S&P BSE Realty	1,740	-1.61	-30.43	-3.20
S&P BSE Teck	7,601	-1.43	16.04	7.57

Source: BSE & NSE

Macro economic Update

- India's retail inflation declined to 2.05% in Jan 2019 from 2.11% in the previous month and 5.07% in the same month of the previous year. This is the lowest reading since Jun 2017. Fuel and light category fell to 2.20% in Jan from 4.54% in Dec 2018. The drop came as food prices continued to decline with the consumer food price index contracting 2.17% in Jan 2019 compared with a contraction of 2.65% in the previous month but an expansion of 4.70% in the same month of the previous year.
- The Index of Industrial Production (IIP) rose to 2.4% in Dec 2018 as against a growth of 0.3% in the previous month and 7.3% in the same period of the previous year. For the period from Apr to Dec of 2018, IIP grew 4.6% as against an increase of 3.7% in the same period of the previous year.
- India's Wholesale Price Index-based inflation (WPI) came in at 2.76% in Jan 2019 as against 3.80% in Dec 2018 as prices of fuel and power came down. Wholesale price inflation was at 3.02% in Jan 2018. Fuel and power inflation increased 1.85% in Jan 2019 compared with a rise of 8.38% in Dec 2018.
- India's trade deficit widened to \$14.73 billion in Jan 2019 after hitting a 10-month low of \$13.08 billion in Dec 2018. India's trade deficit stood at \$15.67 billion in the same period of the previous year. Merchandise exports witnessed a growth of 3.74% in Jan 2019 on a yearly basis which stood at \$26.36 billion. Imports grew 0.01% on a yearly basis which subsequently stood at \$41.09 billion in Jan 2019 compared to \$41.01 billion in Dec 2018.

Domestic Equity Market Update

- Indian equity markets closed in the red in the week ended Feb 15, 2019. Investors remained concerned over rising oil prices after Saudi Arabia declared deeper cuts in oil production. Though rupee gained over the week, it remained under pressure throughout the week on concerns over rising crude oil prices. Further, the terrorist attack in Kashmir weighed on the market sentiment, thereby muting buying interest.
- Weak global cues continued to take a toll over the benchmark indices. Weak U.S. retail sales data for Dec 2018 and comments from the U.S. President to declare a national emergency to try to obtain more funds for the U.S.-Mexico border wall kept the markets under pressure. Further, investors remained cautious over the latest round of discussion between U.S. and China.
- However, slowdown in retail and wholesale inflation for Jan 2019 and strong industrial production data for Dec 2018 restricted the losses.
- On the BSE sectoral front, indices closed on a weak note. S&P BSE Oil & Gas was the major loser, down 4.22%, followed by S&P BSE Healthcare that fell 3.93%. Oil and Gas stocks remained under pressure over renewed concerns about rising crude oil prices. Healthcare sector plunged as a pharma major fell after a research firm reportedly stated that 11 observations found under Form 483 on one of its manufacturing unit includes four repeat observations.
- S&P BSE Auto and S&P BSE Consumer Durables fell 3.59% and 2.60%, respectively. Weak auto sales data from SIAM in the week ended Feb 8, 2019, and weak earnings results from a few of the auto majors continued to weigh on the auto sector. S&P BSE Capital Goods and S&P BSE Metal fell 2.59% and 2.45%, respectively. Worries regarding weak global growth, caution over U.S. and China trade talks and fear over the recurrence of the government's shutdown in the U.S. remained a concern for metal stocks. However, S&P BSE Power was the only gainer and rose 0.19%.

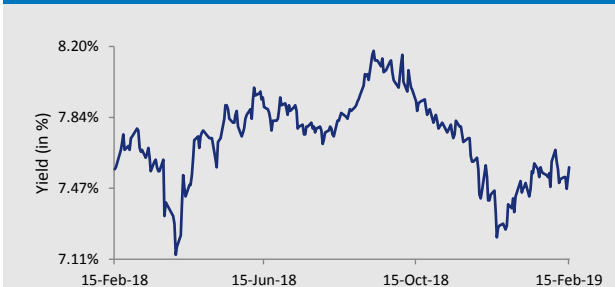
Indian Debt Market Indicators

Broad Indices	15-Feb-19	Week Ago	Month Ago	Year Ago
Call Rate	6.24%	6.35%	6.42%	5.95%
CBLO	6.27%	6.34%	6.44%	6.02%
Repo	6.25%	6.25%	6.50%	6.00%
Reverse Repo	6.00%	6.00%	6.25%	5.75%
3 Month CP	7.55%	7.45%	7.65%	7.90%
1 Year CP	8.45%	8.30%	8.50%	8.14%
3 Month CD	7.33%	6.96%	7.13%	7.23%
1 Year CD	7.80%	7.96%	8.13%	7.49%

Source: CCL, Thomson Reuters Eikon * as on Feb 08, 2019; ** as on Feb 01, 2019; @ as on Jan 18, 2019; @ as on Feb 16, 2018

Broad Indices	15-Feb-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	8.23%	8.22%	8.41%	7.76%
3 Year AAA Corporate Bond	8.38%	8.42%	8.43%	7.88%
5 Year AAA Corporate Bond	8.53%	8.45%	8.46%	8.12%
1 Year G-Sec	6.55%	6.61%	6.82%	6.69%
3 Year G-Sec	6.79%	6.85%	6.99%	7.11%
5 Year G-Sec	7.13%	7.20%	7.28%	7.36%
10 Year G-Sec	7.58%	7.52%	7.47%	7.57%
Forex Reserve (\$ in billion)	398.12 [†]	400.24 ^{**}	396.68 [@]	421.72 ^{@@}

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Domestic Debt Market Update

- Bond yields rose following sharp surge in crude oil prices and concerns over higher than expected borrowing plan set forth by the government. The government plans additional borrowing of Rs. 36,000 crore. However, fall in inflation rate for Jan 2019 restricted the losses.
- Yields on the 10-year benchmark paper (7.17% GS 2028) rose 6 bps to close at 7.58% from the last week's close at 7.52%, after trading in a range of 7.47% to 7.58%.
- RBI conducted auction of state development loans of 11 state governments for notified amount of Rs. 15,200 crore, of which Rs. 14,545 crore was accepted. The cut-off yield was in the range of 7.83% to 8.37%.
- RBI conducted auction of 7.94% GS 2021, 8.83% GS 2023, 8.60% GS 2028, 6.79% GS 2029 and 8.32% GS 2032 for aggregate amount of Rs. 12,500 crore, for which the entire amount was accepted. The cut-off yield was in the range of 6.69% to 7.67%, while cut-off price was in the range of Rs. 102.59 to 106.95.

Global Commodity Update

Commodities	15-Feb-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	55.77	5.97	-9.17	22.09
Brent Crude Oil (\$/barrel)	64.58*	4.16	0.19	19.28
Gold (\$/ounce)	1321.01	0.53	-2.38	2.98
Silver (\$/ounce)	15.775	-0.30	-6.51	1.91

Source: Thomson Reuters Eikon; * Last update as on 14-Feb-19

Currencies Update

Currency	15-Feb-19	Week Ago	Year Ago
U.S. Dollar	71.32	71.16	63.89
GBP	91.92	92.12	90.06
Euro	80.54	80.61	79.89
100 Yen	64.56	64.84	60.19

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	15-Feb-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	25,883.25	3.09	2.71	10.96
	S&P 500	2,775.60	2.50	1.63	10.72
U.K.	FTSE	7,236.68	2.34	0.03	7.56
France	CAC 40	5,153.19	3.86	-1.33	8.93
Germany	DAX	11,299.80	3.60	-8.48	7.02
Japan	Nikkei 225	20,901	2.79	-2.63	4.43
China	Shanghai Composite	2,682	NA*	-16.15	7.56
Hong Kong	Hang Seng	27,901	-0.16	-10.33	7.95
Singapore	Straits Times	3,240	1.18	-5.92	5.57
Russia	RTS Index	1177.5	-1.85	-6.72	10.45
Brazil	Sao Paulo Se Bovespa	97525.91	2.29	15.70	10.97

Source: Thomson Reuters Eikon; * Shanghai Composite remained closed in the week ended Feb 8.

Global Bond Yield Update

Indicators	15-Feb-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.67	2.63	2.71	2.89
U.K. 10 Year Bond yield (%)	1.16	1.15	1.26	1.65
German 10 Year Bond yield (%)	0.10	0.09	0.21	0.76
Japan 10 Year Bond yield (%)	-0.02	-0.03	0.01	0.06

Source: Thomson Reuters Eikon

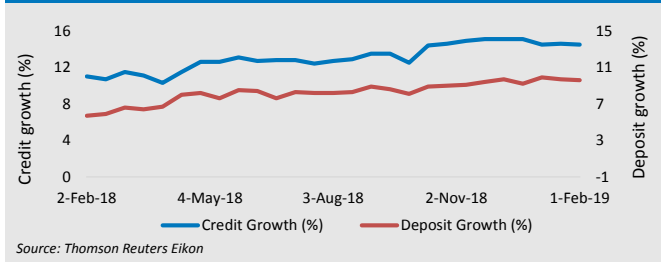
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.K. GDP (YoY) (4Q P)	11-Feb	1.30%	1.40%	1.60%
Japan GDP Annualized (QoQ) (4Q P)	13-Feb	1.40%	1.40%	-2.50%
Eurozone GDP (YoY) (4Q P)Ⓜ	14-Feb	1.20%	1.20%	1.20%
China Consumer Price Index (YoY) (Jan)	15-Feb	1.70%	1.90%	1.90%

Source: FX Street; Thomson Reuters Eikon

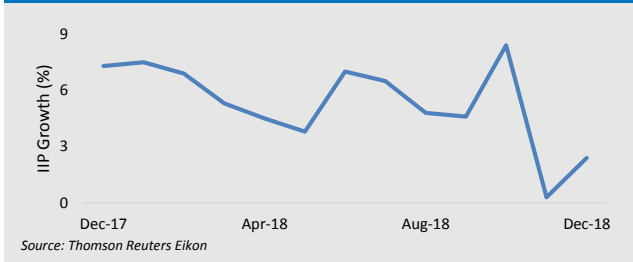
Macro Economic Performance of India

Credit growth vs Deposit growth



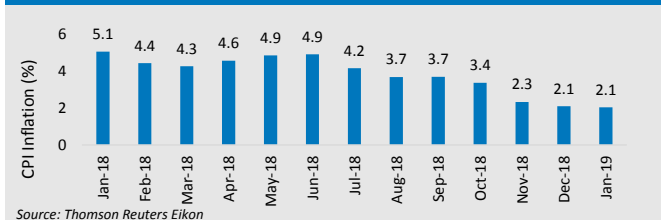
Source: Thomson Reuters Eikon

IIP Growth (%)



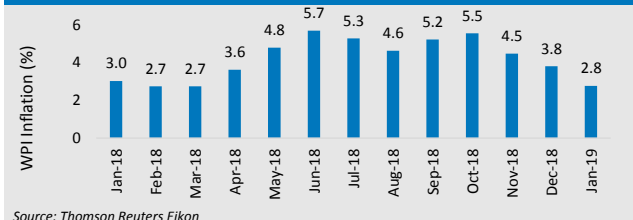
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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