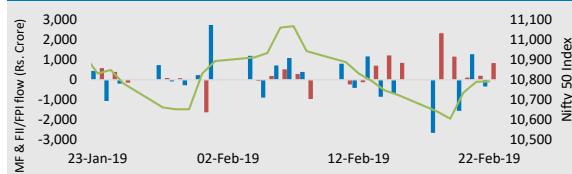


## Macro Economic Release

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	22-Feb-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	35,871	0.17	6.07	-0.55
Nifty 50	10,792	0.63	3.94	-0.65
S&P BSE 100	10,959	0.82	2.05	-1.81
Nifty 500	8,920	1.05	-2.39	-2.73
Nifty Mid cap 50	4,541	2.15	-10.13	-7.91
Nifty Small cap 100	5,879	2.65	-28.19	-8.84

Sector Indices	22-Feb-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	18,608	1.89	-22.99	-10.68
S&P BSE Bankex	30,092	0.40	6.79	-0.94
S&P BSE CD	21,282	0.90	1.73	2.84
S&P BSE CG	16,815	2.46	-10.03	-10.66
S&P BSE FMCG	11,344	-0.13	8.27	-4.10
S&P BSE HC	13,586	1.14	-2.67	-2.42
S&P BSE IT	15,111	-1.74	21.75	7.25
S&P BSE METAL	10,670	6.55	-28.19	-9.88
S&P BSE Oil & Gas	13,635	4.29	-10.48	-0.83
S&P BSE Power	1,814	1.63	-16.87	-9.26
S&P BSE PSU	6,670	3.62	-19.65	-7.83
S&P BSE Realty	1,818	4.46	-24.88	1.11
S&P BSE Teck	7,529	-0.95	12.85	6.55

Source: BSE & NSE

## Macro economic Update

- Foreign direct investment (FDI) into India shrank 7% to \$33.49 billion during Apr-Dec in FY19, according to commerce and industry ministry data. Foreign fund inflows during Apr-Dec FY18 stood at \$35.94 billion. The sectors that received the maximum foreign investment during in the nine months of the fiscal are services (\$5.91 billion), computer software and hardware (\$4.75 billion), telecommunications (\$2.29 billion), trading (\$2.33 billion), chemicals (\$6.05 billion), and the automobile industry (\$1.81 billion). Singapore was the largest source of FDI during Apr-Dec FY19 with \$12.97 billion inflow, followed by Mauritius (\$6 billion), the Netherlands (\$2.95 billion), Japan (\$2.21 billion), U.S. (\$2.34 billion), and the U.K. (\$1.05 billion). A decline in foreign inflows could put pressure on India's balance of payments and may affect the value of rupee.
- The Reserve Bank of India will pay an interim dividend of Rs. 28,000 crore to the government. There is a perception that the move that will help the central government to keep fiscal deficit in check. It needs to be noted that this is the second successive year that the Reserve Bank of India will be transferring an interim surplus.
- According to media reports, the Ministry of Finance will infuse Rs. 48,239 crore in 12 state-run banks in this fiscal. The objective of the move is to help the banks maintain regulatory capital requirements and finance growth plans. The total amount of capital infusion with this funding will thus increase to Rs. 1,00,958 crore of the planned recapitalisation of Rs 1.06 lakh crore for the state run banks in this fiscal.

## Domestic Equity Market Update

- Indian equity markets initiated the week on a weak note on escalating geo-political tensions, rising crude oil prices and concerns over slower global growth. Uncertainty ahead of the general elections further kept investors cautious. Meanwhile, investors remained watchful on U.S.-China trade talks as initially China blamed U.S. of spreading cyber security fears and maligning its leading technology company. Although, later positive developments were witnessed as the U.S. President hinted that the truce between them could be extended and U.S. might postpone the increase in tariffs if the trade talks continue to progress.
- Further, investors became worried over the Reserve Bank of India's (RBI) meeting minutes showing Monetary Policy Committee (MPC) members are concerned about growth in the country.
- Investors were relieved to some extent as the Central Bank has decided to transfer an interim surplus of Rs. 28,000 crore to the Government for the half-year ended Dec 31, 2018, and this is the second successive year that RBI will be transferring an interim surplus.
- The Federal Reserve also indicated to be more "patient" on interest rate hike in its Jan 2019 policy meeting minutes.
- On the BSE sectoral front, most of the indices closed in the green barring S&P BSE IT (-1.74%) and S&P BSE Teck (-0.95%) and S&P BSE FMCG (-0.13%). S&P BSE Metal (6.55%) stood as the major gainer followed by S&P BSE Realty (4.46%) and S&P BSE Oil & Gas (4.29%).
- Banking sector got some support as media reports suggested that the Ministry of Finance will infuse Rs. 48,239 crore in 12 state-run banks in the fiscal. The objective of the move is to help banks maintain regulatory capital requirements and finance growth plans. The total amount of capital infusion with this funding will thus increase to Rs. 1,00,958 crore of the planned recapitalisation of Rs 1.06 lakh crore for state-run banks in the fiscal.

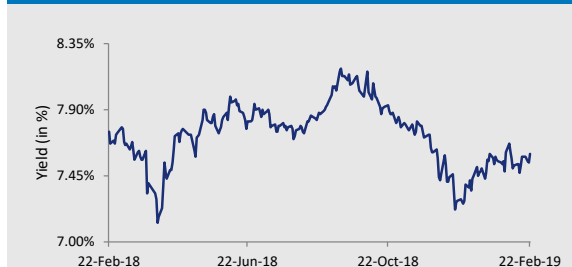
## Indian Debt Market Indicators

Broad Indices	22-Feb-19	Week Ago	Month Ago	Year Ago
Call Rate	6.34%	6.24%	6.43%	5.94%
T-Repo	6.32%	6.27%	6.52%	--
Repo	6.25%	6.25%	6.50%	6.00%
Reverse Repo	6.00%	6.00%	6.25%	5.75%
3 Month CP	7.75%	7.55%	7.60%	7.89%
1 Year CP	8.60%	8.45%	8.50%	8.14%
3 Month CD	7.37%	7.33%	7.09%	7.26%
1 Year CD	7.73%	7.80%	7.95%	7.52%

Broad Indices	22-Feb-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	8.28%	8.19%	8.36%	7.82%
3 Year AAA Corporate Bond	8.36%	8.30%	8.52%	7.99%
5 Year AAA Corporate Bond	8.51%	8.46%	8.48%	8.21%
1 Year G-Sec	6.57%	6.55%	6.82%	6.69%
3 Year G-Sec	6.77%	6.79%	6.98%	7.18%
5 Year G-Sec	7.19%	7.13%	7.34%	7.52%
10 Year G-Sec	7.61%	7.58%	7.53%	7.75%
Forex Reserve (\$ in billion)	398.27*	370.98**	398.18@	420.59@

Source: CCL, Thomson Reuters Eikon \* as on Feb 15, 2019; \*\* as on Feb 08, 2019; @ as on Jan 25, 2019; @ as on Feb 23, 2018

## 10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

## Domestic Debt Market Update

- Bond yields fell initially after the central bank announced to transfer an amount of Rs. 280 billion as an interim surplus to bridge the fiscal deficit. This was a positive surprise for the market, which helped in bringing down the yield. However, the trend reversed due to feeble demand at the auction. Concerns over widening fiscal deficit and heavy borrowing plan of Rs. 7.10 trillion by the government for the next financial year continued to weigh on market sentiment.
- Yields on the 10-year benchmark paper (7.17% GS 2028) rose 2 bps to close at 7.60% from the last week's close at 7.58%, after trading in a range of 7.54% to 7.61%. Yield on the 10-year benchmark paper (7.26% GS 2029) rose 5 bps to close at 7.41% as compared with the previous session's close of 7.36% after trading in the range of 7.34% to 7.42%.
- The Reserve Bank of India (RBI) conducted auction of state development loans of nine state governments for notified amount of Rs. 7,484 crore. Of this, Rs. 7,784 crore was accepted since Gujarat had accepted an additional amount of Rs. 300 crore. The cut-off yield was in the range of 8.28% to 8.37%.
- RBI conducted auction of 91-, 182- and 364-Day Treasury Bills for notified amount of Rs. 4,000 crore, Rs. 3,000 crore and Rs. 3,000 crore, respectively. The cut-off price stood at Rs. 98.43 (6.40%), Rs. 96.88 (6.46%) and Rs. 93.89 (6.53%), respectively.

## Global Commodity Update

Commodities	22-Feb-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	57.01	2.22	5.83	24.80
Brent Crude Oil (\$/barrel)	66.91	3.61	19.12	0.44
Gold (\$/ounce)	1327.71	0.51	-0.28	3.51
Silver (\$/ounce)	15.916	0.89	-4.20	2.82

Source: Thomson Reuters Eikon

## Currencies Update

Currency	22-Feb-19	Week Ago	Year Ago
U.S. Dollar	71.02	71.32	64.97
GBP	92.70	91.92	90.69
Euro	80.54	80.54	80.10
100 Yen	64.15	64.56	60.85

Source: Thomson Reuters Eikon

## Global Equity Market Performance

Country/Region	Indices	22-Feb-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	26,032	0.57	4.28	11.59
	S&P 500	2,793	0.62	3.28	11.40
U.K.	FTSE	7,179	-0.80	-1.02	6.70
France	CAC 40	5,216	1.22	-1.76	10.26
Germany	DAX	11,458	1.40	-8.06	8.51
Japan	Nikkei 225	21,426	2.51	-1.43	7.05
China	Shanghai Composite	2,804	4.54	-14.21	12.44
Hong Kong	Hang Seng	28,816	3.28	-6.94	11.49
Singapore	Straits Times	3,270	0.93	-6.27	6.55
Russia	RTS Index	1,198	1.77	-7.89	12.41
Brazil	Sao Paulo Se Bovespa	97,886	0.37	12.92	11.38

Source: Thomson Reuters Eikon

## Global Bond Yield Update

Indicators	22-Feb-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.66	2.67	2.73	2.92
U.K. 10 Year Bond yield (%)	1.16	1.16	1.33	1.55
German 10 Year Bond yield (%)	0.10	0.10	0.24	0.71
Japan 10 Year Bond yield (%)	-0.04	-0.02	0.00	0.05

Source: Thomson Reuters Eikon

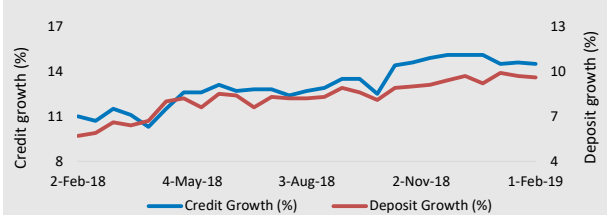
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Eurozone ZEW Survey Eco (Feb)	19-Feb	-13.00	-14.00	-15.00
Japan Consumer Inflation YoY (Jan)	21-Feb	0.20%	0.20%	0.30%
U.S. Durable Goods Orders (Dec P)	21-Feb	-0.40%	-0.20%	-0.50%
Germany Gross Domestic Product (YoY) (4Q F)	22-Feb	0.90%	0.60%	0.60%

Source: dailyfx; Eco-Economic Sentiment

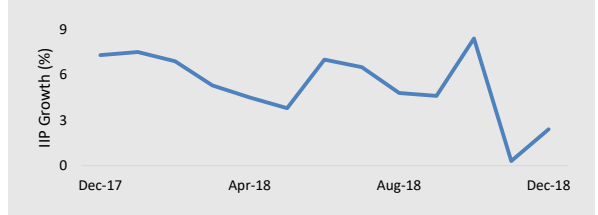
## Macro Economic Performance of India

### Credit growth vs Deposit growth



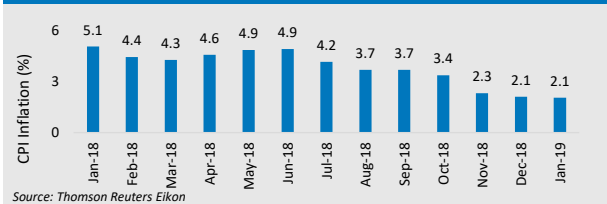
Source: Thomson Reuters Eikon

### IIP Growth (%)



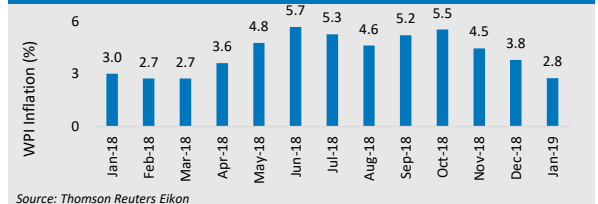
Source: Thomson Reuters Eikon

### Retail inflation movement



Source: Thomson Reuters Eikon

### Wholesale price inflation movement



Source: Thomson Reuters Eikon

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