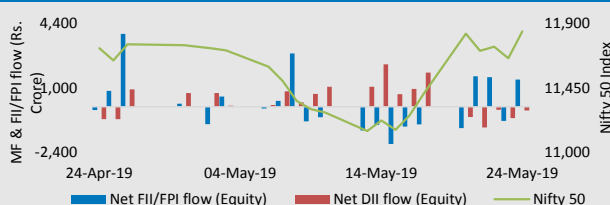


Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Apr 2019)	3.07%	3.07%	3.18%
CPI inflation (Apr 2019)	2.92%	2.97%	2.86%
IIP growth (Mar 2019) (%)	-0.10%	1.30%	0.10%
Trade Deficit (Apr 2019) (bn)	\$15.33	\$13.91	\$10.89

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	24-May-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	39,435	3.96	13.77	9.33
Nifty 50	11,844	3.83	12.65	9.04
S&P BSE 100	11,957	4.01	10.54	7.13
Nifty 500	9,722	4.21	6.65	6.02
Nifty Mid cap 50	4,910	5.04	0.28	-0.43
Nifty Small cap 100	6,549	6.73	-14.93	1.54

Sector Indices	24-May-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	19,060	4.56	-19.87	-8.51
S&P BSE Bankex	35,199	7.06	20.37	15.88
S&P BSE CD	24,263	2.12	14.59	17.24
S&P BSE CG	19,676	10.92	6.44	4.54
S&P BSE FMCG	11,560	-0.35	3.22	-2.27
S&P BSE HC	13,396	1.47	3.77	-3.79
S&P BSE IT	15,122	-1.86	11.77	7.33
S&P BSE METAL	10,790	3.16	-18.30	-8.87
S&P BSE Oil & Gas	15,354	4.72	13.52	11.68
S&P BSE Power	1,961	5.31	-5.72	-1.90
S&P BSE PSU	7,703	6.96	1.32	6.45
S&P BSE Realty	2,166	10.75	-2.04	20.49
S&P BSE Teck	7,499	-0.95	7.17	6.12

Source: BSE & NSE

Macro economic Update

- According to the Organisation for Economic Co-operation and Development (OECD), the gross domestic product (GDP) of the Indian economy is expected to rise to 7.2% in FY19 and approach 7.5% in FY20 on the back of lower domestic inflationary pressures, improved financial conditions and rising rural consumption. In addition, OECD opined that lower global crude oil prices and recent strengthening of the rupee against the greenback will reduce pressure on domestic inflationary pressures and help contain the current account deficit.
- Government data showed that, around 1.37 crore jobs were created in the formal sector during FY19. In addition, around 8.27 lakh Employees' Provident Fund (EPF) subscribers were added in Mar-19. During the last fiscal, Jul-18 witnessed the highest subscription to the pension fund which stood at around 14.21 lakh. Meanwhile 1.14 crore ceased their subscription to Employees' Provident Fund Organization which can be attributed to loss of jobs or retirement.
- A report from a major domestic credit rating agency showed that steel production in the country may be severely impacted if there is a delay in the auction of iron ore mines whose licenses are expected to decline by Mar 2020. Subsequently, the credit profile of the non-integrated steel players and merchant miners may come under pressure.

Domestic Equity Market Update

- The election result hogged the limelight during the week and the Sensex breached all-time highs to close at 39,434.72 points. Initially, market got support after the exit poll results suggested that the ruling party would win the elections comfortably and a stable government would be formed at the Centre.
- Later, the outcome of the election result indicated a clearer picture that the previous government had garnered a comfortable win and investors became optimistic that the government would continue with the previous reform measures and focus more on structural reforms and job creation to support the growth trajectory.
- However, the upside was limited as some of the investors preferred to book profit following a steep rise in the market. In addition, escalating U.S.-China trade feud triggered global growth worries, which weighed on the commodity.
- Meanwhile, a major pharma company posted loss during the quarter ended Mar 2019 and a major auto company posted weak earnings results for the same period which also contributed to the downside.
- On the BSE sectoral front, barring S&P BSE IT (-1.86%), S&P BSE Teck (-0.95%) and S&P BSE FMCG (-0.35%), all the indices closed in the green. S&P BSE Capital Goods (10.92%) and S&P BSE Realty (10.75%) were the major winners followed by S&P BSE Bankex (7.06%) and S&P BSE Power (5.31%). The sectors were boosted on expectations that economic policies and reform measures would continue to reverse economic slowdown.

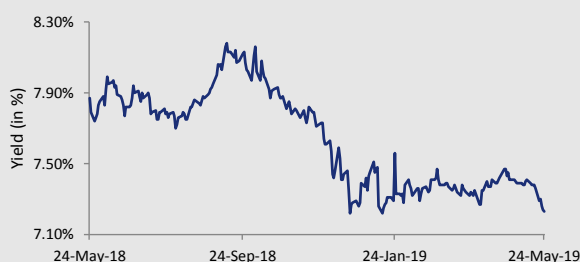
Indian Debt Market Indicators

Broad Indices	24-May-19	Week Ago	Month Ago	Year Ago
Call Rate	5.88%	5.99%	6.19%	5.92%
T-Repo	5.92%	5.95%	6.01%	N.A.
Repo	6.00%	6.00%	6.00%	6.00%
Reverse Repo	5.75%	5.75%	5.75%	5.75%
3 Month CP	6.90%	7.25%	7.50%	8.40%
1 Year CP	7.90%	8.00%	8.10%	8.75%
3 Month CD	6.65%	7.07%	7.13%	7.83%
1 Year CD	7.44%	7.29%	7.50%	8.19%

Source: CCIL, Thomson Reuters Eikon * as on May 10, 2019; ** as on May 03, 2019; @ as on Apr 19, 2019; @@ as on May 18, 2018

Broad Indices	24-May-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	8.24%	8.24%	8.14%	8.51%
3 Year AAA Corporate Bond	8.08%	8.28%	8.17%	8.58%
5 Year AAA Corporate Bond	8.31%	8.38%	8.52%	8.72%
1 Year G-Sec	6.36%	6.46%	6.56%	7.14%
3 Year G-Sec	6.77%	6.93%	7.05%	7.70%
5 Year G-Sec	6.96%	7.12%	7.35%	7.88%
10 Year G-Sec	7.23%	7.36%	7.42%	7.87%
Forex Reserve (\$ in billion)	418.00*	420.06**	414.15@	415.05@@

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Domestic Debt Market Update

- Bond yields fell earlier during the week after exit polls projected that the current government will continue to serve for the second term. Gains were extended after the outcome of the general elections came in line with the exit polls raising expectations that the current government will continue with its reform agenda.
- Market participants also remained hopeful that the Reserve Bank of India will increase liquidity infusion into the banking system by stepping up open market purchase of government bonds. However, profit booking by market participants capped the gains. This was the biggest weekly fall since Dec 21, 2018.
- Yields on the 10-year benchmark paper (7.26% GS 2029) fell 13 bps to close at 7.23% compared with the previous close of 7.36% after trading in the range of 7.19% to 7.31%.
- RBI notified the revised Voluntary Retention Route (VRR) for investments by Foreign Portfolio Investors (FPIs), which would be opened for allotment from May 29, 2019. The investment limit shall be Rs. 54,606.55 crores, under the VRR-Combined category, which allows investment in both government securities and corporate debt. The minimum retention period shall be three years. During this period, FPIs shall maintain a minimum of 75% of the allocated amount in India. Investment limits shall be available 'on tap' and allotted on 'first come, first served' basis.

Global Commodity Update

Commodities	24-May-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	58.95	-5.80	-16.53	29.05
Brent Crude Oil (\$/barrel)	69.18	-4.13	-12.22	27.78
Gold (\$/ounce)	1284.645	0.59	-1.52	0.15
Silver (\$/ounce)	14.56	1.18	-12.43	-5.94

Source: Thomson Reuters Eikon

Currencies Update

Currency	24-May-19	Week Ago	Year Ago
U.S. Dollar	69.37	70.28	68.33
GBP	88.18	89.39	91.42
Euro	77.71	78.42	80.08
100 Yen	63.46	63.84	62.53

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	24-May-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Dow Jones	25,586	-0.69	3.12	9.68
	S&P 500	2,826	-1.17	3.60	12.73
U.K.	FTSE	7,278	-0.96	-5.69	8.17
France	CAC 40	5,317	-2.24	-4.18	12.38
Germany	DAX	12,011	-1.86	-6.57	13.75
Japan	Nikkei 225	21,117	-0.63	-5.88	5.51
China	Shanghai Composite	2,853	-1.02	-9.56	14.40
Hong Kong	Hang Seng	27,354	-2.12	-11.07	5.84
Singapore	Straits Times	3,170	-1.11	-10.17	3.30
Russia	RTS Index	1,279	1.95	8.99	19.98
Brazil	Sao Paulo Se Bovespa	93,628	4.04	16.86	6.53

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	24-May-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.33	2.39	2.52	2.98
U.K. 10 Year Bond yield (%)	0.96	1.04	1.18	1.40
German 10 Year Bond yield (%)	-0.12	-0.11	-0.01	0.47
Japan 10 Year Bond yield (%)	-0.07	-0.06	-0.04	0.04

Source: Thomson Reuters Eikon

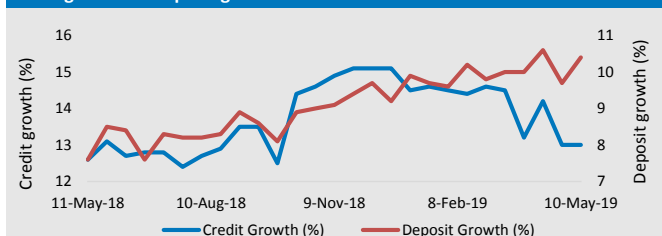
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Japan Machine Orders (YoY) (Mar)	21-May	-0.70%	-3.50%	-5.50%
U.K. Consumer Price Index (YoY) (Apr)	22-May	2.10%	2.20%	1.90%
U.S. Markit Services PMI (May P)	23-May	50.90	53.50	53.00
U.S. Durable Goods Orders (Apr P)	24-May	-2.10%	-2.00%	1.70%

Source: FX Street; Thomson Reuters Eikon

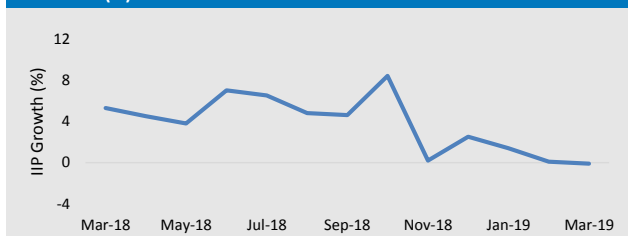
Macro Economic Performance of India

Credit growth vs Deposit growth



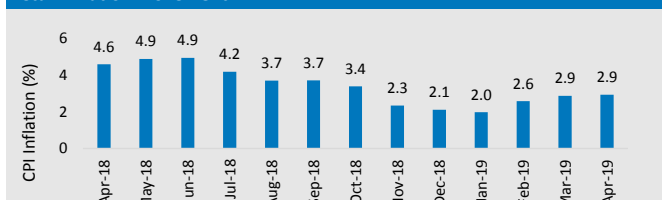
Source: Thomson Reuters Eikon

IIP Growth (%)



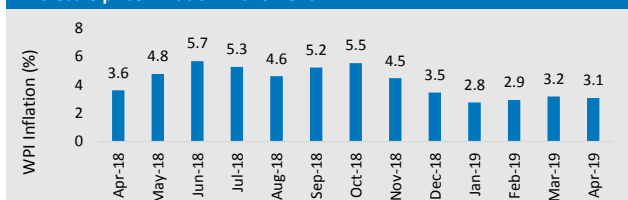
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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