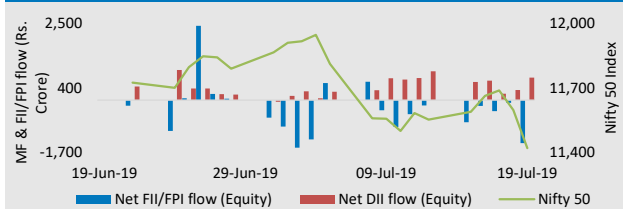


## Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Jun 2019)	2.02%	2.35%	2.45%
CPI inflation (Jun 2019)	3.18%	3.20%	3.05%
IIP growth (May 2019) (%)	3.10%	3.20%	4.30%
Nikkei India Manufacturing PMI (Jun 2019)	52.10	51.70	52.70

Source: Thomson Reuters Eikon

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

## Indian Equity Market Performance

Broad Indices	19-Jul-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	38,337	-1.03	5.46	6.29
Nifty 50	11,419	-1.15	4.22	5.12
S&P BSE 100	11,525	-1.31	3.29	3.26
Nifty 500	9,305	-1.62	0.74	1.47
Nifty Mid cap 50	4,504	-4.95	-5.40	-8.66
Nifty Small cap 100	5,855	-3.65	-16.08	-9.22

Sector Indices	19-Jul-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	16,262	-5.85	-32.55	-21.95
S&P BSE Bankex	33,464	-2.76	13.03	10.16
S&P BSE CD	22,928	-1.13	15.57	10.79
S&P BSE CG	18,027	-3.36	4.01	-4.22
S&P BSE FMCG	11,087	-1.18	-2.05	-6.27
S&P BSE HC	12,772	-1.17	-5.52	-8.27
S&P BSE IT	15,455	2.34	7.66	9.69
S&P BSE METAL	10,240	-2.85	-13.19	-13.51
S&P BSE Oil & Gas	13,906	-1.30	-4.01	1.14
S&P BSE Power	2,004	-0.78	6.28	0.24
S&P BSE PSU	7,333	-2.15	1.50	1.34
S&P BSE Realty	2,141	-1.05	9.27	19.09
S&P BSE Teck	7,592	1.77	4.63	7.44

Source: BSE & NSE

## Macro economic Update

- India's Wholesale Price Index (WPI) - based inflation slowed down to 2.02% in Jun 2019 from 2.45% in May 2019 and 5.68% in Jun 2018. Vegetable inflation came in at 24.7% in Jun 2019, down from 33.15% in May 2019. Inflation for fuel and power fell to -2.20% in Jun from 0.98% in the previous month. Sugar inflation came down to 4.01% in Jun as against 11.61% in May.
- Government data showed that India's trade deficit narrowed to \$15.28 billion in Jun 2019 from \$15.36 billion in May 2019 and \$16.60 billion in the same month of the previous year. This is the first contraction in nine months and worse data since Jan 2016. India's trade deficit narrowed as imports fell 9.1% in Jun 2019 and exports declined 9.7% as well. Oil imports declined 13.33% to \$11.03 billion and non-oil imports dropped 7.34% to \$29.26 billion.
- A survey by IHS Markit India Business Outlook has shown that business sentiment in India fell to its lowest level since June 2016. It said companies were worried over a slowing economy, government policies and water shortage. The net balance of private sector companies foreseeing output growth in the year ahead fell from 18% in Feb 2019 to 15% in Jun, matching the data of Jun 2016, and Oct 2009 when aggregate figures became available. According to the IHS Markit India Business Outlook, predictions of softer activity growth underpin the downward revisions of profit outlook, subdued hiring plans and relatively muted capital expenditure.

## Domestic Equity Market Update

- Indian equity markets closed on weak note in the week ended Jul 19, 2019. Reports that the finance minister adhered to her Union Budget proposal as on July 5, 2019 and refused to remove the applicability of the new surcharge on the superrich as requested by the association of foreign portfolio investors weighed on the market sentiments. This tax would impact foreign portfolio investors and markets fear that it may lead to capital outflows. The finance minister stated that foreign portfolio investors could instead register as companies to prevent a new tax surcharge imposed on individual tax payers as well as trusts.
- Meanwhile, Asian Development Bank lowered India's GDP growth forecast to 7% for 2019-20 as against previous expectation of 7.2% due to fiscal shortfall concerns, thereby denting market sentiments. Losses were extended on weak earnings reports by a slew of major corporates and slow progress of monsoon weighed on investors' risk appetite.
- On the global front, weak global cues following threats from U.S. President on imposition of tariffs on another \$325 billion worth Chinese goods kept the investors wary. Back to home, easing of Wholesale Price Index based inflation for Jun 2019 restricted the losses.
- S&P BSE Auto was the major loser that fell 5.85% followed by S&P BSE Capital Goods that fell 3.36%. S&P BSE Metal and S&P BSE Bankex fell 2.85% and 2.76%, respectively. An Indian scheduled commercial bank expects some challenges on some of their exposures in the near term, though it posted 41% YoY growth in earnings in the quarter ended Jun 30, 2019.
- S&P BSE IT was the major gainer that grew 2.34%. One of the information technology majors beat estimates in its first quarter earnings and increased its revenue growth guidance for 2019-20.

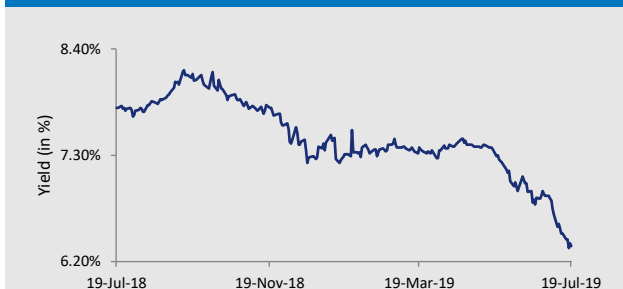
## Indian Debt Market Indicators

Broad Indices	19-Jul-19	Week Ago	Month Ago	Year Ago
Call Rate	5.70%	5.63%	5.80%	6.13%
T-Repo	5.70%	5.56%	5.62%	N.A.
Repo	5.75%	5.75%	5.75%	6.25%
Reverse Repo	5.50%	5.50%	5.50%	6.00%
3 Month CP	6.35%	6.80%	6.85%	7.55%
1 Year CP	7.60%	7.70%	7.80%	8.50%
3 Month CD	6.56%	6.08%	6.30%	7.07%
1 Year CD	6.78%	6.85%	7.18%	7.97%

Source: CCIL, Thomson Reuters Eikon \* as on Jul 12, 2019; \*\* as on Jul 05, 2019; @ as on June 14, 2019; @@ as on Jul 13, 2018

Broad Indices	19-Jul-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	7.51%	7.63%	7.74%	8.27%
3 Year AAA Corporate Bond	7.59%	7.70%	7.91%	8.60%
5 Year AAA Corporate Bond	7.63%	7.77%	7.99%	8.74%
1 Year G-Sec	5.91%	6.07%	6.10%	7.20%
3 Year G-Sec	6.24%	6.35%	6.49%	7.72%
5 Year G-Sec	6.33%	6.45%	6.68%	7.94%
10 Year G-Sec	6.36%	6.49%	6.84%	7.79%
Forex Reserve (\$ in billion)	428.8*	429.91**	422.20@	405.08@@

## 10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

## Domestic Debt Market Update

- Bond yields fell on hopes of deep rate cuts by the Monetary Policy Committee in the next policy meeting. Optimism on rate cuts strengthened particularly after the release of the retail inflation data, which came in before the central bank's target rate. The retail inflation rate stood at 3.18%, below the central bank's target of 4%.
- However, the gains were capped as traders preferred to book profits and take advantage of the recent bond rally.
- Yields on the 10-year benchmark paper (7.26% GS 2029) plunged 13 bps to close at 6.36% compared with the previous close of 6.49% after trading in the range of 6.27% to 6.47%.
- RBI conducted auction of 91-, 182- and 364-Days Treasury Bills for notified amount of Rs. 7,000 crore, Rs. 5,000 crore and Rs. 4,000 crore. The entire amount was accepted at cut-off price of Rs. 98.59 (YTM: 5.74%), Rs. 97.13 (YTM: 5.93%) and Rs. 94.37 (YTM: 5.98%), respectively.
- RBI conducted auction of state development loans of nine state governments for notified amount of Rs. 6,750 crore. The amount accepted was Rs. 7,250 crore as Gujarat accepted additional amount of Rs. 500 crore. The cut-off yield was in the range of 6.90% to 6.97%, while the tenure lied between 6 years to 20 years.

## Weekly Market Update

19 July 2019

## Global Commodity Update

Commodities	19-Jul-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	54.95	-8.95	-20.72	20.29
Brent Crude Oil (\$/barrel)	62.54	-6.53	-13.76	15.52
Gold (\$/ounce)	1424.91	0.67	16.57	11.08
Silver (\$/ounce)	16.205	6.54	6.18	4.68

Source: Thomson Reuters Eikon

## Currencies Update

Currency	19-Jul-19	Week Ago	Year Ago
U.S. Dollar	68.78	68.55	69.01
GBP	86.18	86.19	89.80
Euro	77.26	77.25	80.34
100 Yen	63.88	63.52	61.35

Source: Thomson Reuters Eikon

## Global Equity Market Performance

Country/Region	Indices	19-Jul-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1649.2	-1.19	5.87	19.14
U.K.	FTSE	7,509	0.04	-2.28	11.60
France	CAC 40	5,552	-0.37	2.50	17.37
Germany	DAX	12,260	-0.51	-3.36	16.11
Japan	Nikkei 225	21,467	-1.01	-5.70	7.26
China	Shanghai Composite	2,924	-0.22	5.47	17.25
Hong Kong	Hang Seng	28,765	1.03	2.69	11.30
Singapore	Straits Times	3,378	0.61	3.06	10.08
Russia	RTS Index	1,351	-2.68	20.12	26.69
Brazil	Sao Paulo Se Bovespa	103,452	-0.44	33.51	17.71

Source: Thomson Reuters Eikon

## Global Bond Yield Update

Indicators	19-Jul-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.05	2.11	2.03	2.85
U.K. 10 Year Bond yield (%)	0.74	0.84	0.87	1.19
German 10 Year Bond yield (%)	-0.32	-0.25	-0.29	0.33
Japan 10 Year Bond yield (%)	-0.14	-0.12	-0.13	0.04

Source: Thomson Reuters Eikon

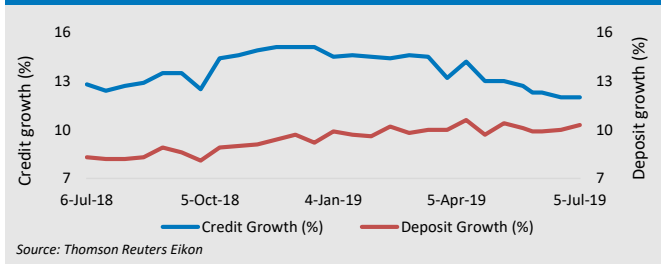
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
China GDP YTD (YoY) (2Q)	15-Jul	6.20%	6.20%	6.40%
U.K. CPI (YoY) (Jun)	17-Jul	2.00%	2.00%	2.00%
Japan National CPI (YoY) (Jun)	18-Jul	0.70%	0.70%	0.70%
U.S. University of Michigan Sentiment (Jul P)	19-Jul	0.30%	0.30%	0.80%

Source: FX Street; Thomson Reuters Eikon

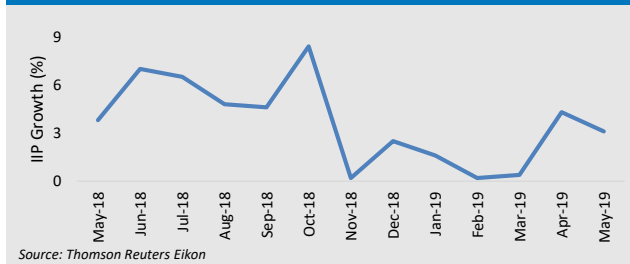
## Macro Economic Performance of India

## Credit growth vs Deposit growth



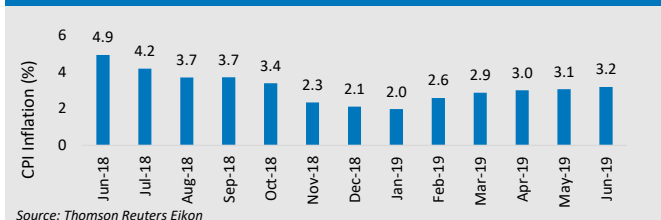
Source: Thomson Reuters Eikon

## IIP Growth (%)



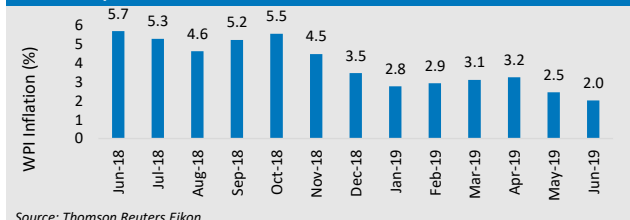
Source: Thomson Reuters Eikon

## Retail inflation movement



Source: Thomson Reuters Eikon

## Wholesale price inflation movement



Source: Thomson Reuters Eikon

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