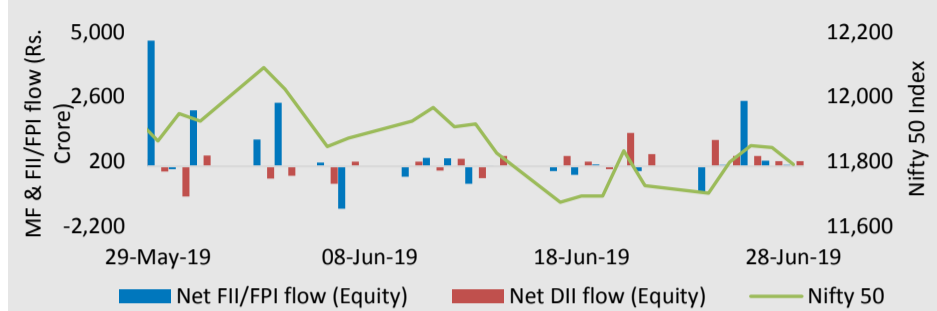


Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (May 2019)	2.45%	3.10%	3.07%
CPI inflation (May 2019)	3.05%	3.01%	2.99%
IIP growth (Apr 2019) (%)	3.40%	0.80%	0.40%
Nikkei India Manufacturing PMI (May 2019)	52.70	51.30	51.80

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	28-Jun-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	39,395	0.51	12.44	9.22
Nifty 50	11,789	0.55	11.33	8.53
S&P BSE 100	11,910	0.68	9.74	6.71
Nifty 500	9,658	0.80	6.87	5.32
Nifty Mid cap 50	4,872	1.22	2.47	-1.20
Nifty Small cap 100	6,200	0.88	-11.57	-3.86

Sector Indices	28-Jun-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	17,904	0.88	-24.39	-14.06
S&P BSE Bankex	34,972	1.49	20.07	15.13
S&P BSE CD	26,128	1.98	33.10	26.25
S&P BSE CG	19,855	1.26	16.71	5.50
S&P BSE FMCG	11,362	0.46	3.31	-3.95
S&P BSE HC	12,889	1.59	-7.42	-7.43
S&P BSE IT	15,654	-1.69	13.52	11.10
S&P BSE METAL	11,107	1.80	-12.59	-6.19
S&P BSE Oil & Gas	14,803	-0.35	11.38	7.67
S&P BSE Power	2,094	3.86	9.55	4.74
S&P BSE PSU	7,832	2.20	9.69	8.23
S&P BSE Realty	2,201	3.80	8.52	22.45
S&P BSE Teck	7,674	-1.56	8.11	8.61

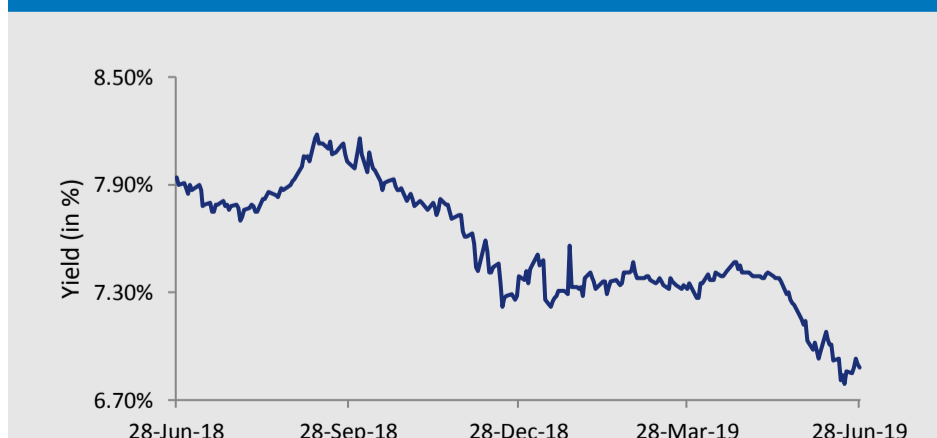
Source: BSE & NSE

Indian Debt Market Indicators

Broad Indices	28-Jun-19	Week Ago	Month Ago	Year Ago
Call Rate	5.94%	5.78%	5.87%	6.13%
T-Repo	5.85%	5.66%	5.96%	6.11%
Repo	5.75%	5.75%	6.00%	6.25%
Reverse Repo	5.50%	5.50%	5.75%	6.00%
3 Month CP	7.00%	6.95%	6.85%	7.55%
1 Year CP	7.90%	7.80%	7.90%	8.50%
3 Month CD	6.41%	6.36%	6.62%	7.01%
1 Year CD	7.16%	7.17%	7.20%	8.08%

Source: CCIL, Thomson Reuters Eikon * as on Jun 21, 2019; **as on Jun 14, 2019; @ as on May 31, 2019; @@ as on Jun 22, 2018

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Macro economic Update

- Data from the Reserve Bank of India (RBI) showed that India's current account deficit (CAD) narrowed to \$4.6 billion (0.7% of GDP) in Q4FY19 narrowed from \$13.0 billion (1.8% of GDP) in Q4FY18 and \$17.7 billion (2.7% of GDP) in the previous quarter. CAD narrowed on a yearly basis as trade deficit narrowed to \$35.2 billion in Q4FY19 from \$41.6 billion in the same period of the previous year. However, for FY19, CAD widened to 2.1% of GDP from 1.8% of GDP in FY18 as India's trade deficit widened to \$180.3 billion in FY19 from \$160.0 billion in FY18.
- Data from RBI showed that non-food bank credit on a yearly basis grew 11.4% in May 2019 from 11.1% in May 2018. Credit to agriculture & allied activities rose 7.8% in May 2019 from 6.4% in May 2018. Credit to industry grew 6.4% in May 2019 from 1.4% in May 2018. However, credit growth to the services sector fell to 14.8% in May 2019 from 21.9% in May 2018. Personal loans rose 16.9% in May 2019, lower than an increase of 18.6% in May 2018.
- Data from RBI showed that India's external debt at the end of Mar 2019 stood at \$543.0 billion. This implied an increase of \$13.7 billion from the same period of the previous year. India's external debt rose primarily due to the appreciation of the greenback against the U.S. dollar. Commercial borrowings was the largest component of external debt, with a share of 38.0% followed by NRI deposits which accounted 24.0% and short-term trade credit which accounted 18.9% of India's external debt.

Domestic Equity Market Update

- Indian equity markets closed on a positive note post a volatile week. Hopes amongst investors that the Union Budget 2019-20 will have measures to thrust the economy forward boosted the indices. The finance minister will present the budget on Jul 5, 2019. Also, the U.S. Secretary of State promising close cooperation with India and pledging renewed focus on improved trade and investment ties supported sentiment.
- Investors remained cautious ahead of the U.S.-China meet at the G20 summit over the weekend. Though positive signs have emerged from U.S. officials' comments on the trade dealings, the U.S. President has given mixed views. While showing optimism that a deal with China was possible, the President added that he is considering imposing "very substantial" tariffs on all Chinese imports if the two countries cannot strike an agreement. Meanwhile, tensions in the Middle East rose with the U.S. saying "significant" sanctions on Iran would be announced by Jul 1, 2019.
- Back home, rising oil prices and resignation by the deputy governor of the Reserve Bank of India dented sentiment. Further, reports showing below-average rainfall during the last four weeks weighed on investors. Volatility was also seen around the expiry of Jun 2019 derivative contracts.
- S&P BSE Power was the major gainer that grew 3.86% followed by S&P BSE Realty that grew 3.80%. S&P BSE Consumer Durables and S&P BSE Metal grew 1.98% and 1.80%, respectively. S&P BSE Healthcare and S&P BSE Bankex grew 1.59% and 1.49%, respectively. However, S&P BSE IT was the major loser that fell 1.69% followed by S&P BSE Teck that fell 1.56%. Gains in rupee kept the IT stocks under pressure. Export-oriented sectors like IT suffer when the rupee rises and vice-versa.

Domestic Debt Market Update

- Bond yields grew with surge in crude oil prices owing to the U.S.-Iran geopolitical tension. Further, market participants turned cautious on expectations of wider fiscal deficit target compared with the target that was set out at Feb 2019's interim budget. In addition, fresh supply through state debt of Rs. 13.5 billion also pushed the yields higher.
- However, resignation of deputy governor of the Reserve Bank of India ahead of the completion of his tenure led to gains. This fuelled hope of more interest rate cuts in the near term as he was perceived as one of the most hawkish members of the Monetary Policy Committee. Meanwhile, reports that the submission of the much-awaited economic capital framework report will be delayed neutralised most of the gains. Besides, foreign banks' bond purchase and value buying by investors also pulled the yields lower.
- Market participants are now awaiting the outcome of the meeting of the U.S. and Chinese Presidents at the G20 summit and the upcoming meeting of the Organization of the Petroleum Exporting Countries on production cut.
- Yields on the 10-year benchmark paper (7.26% GS 2029) grew 2 bps to close at 6.88% compared with the previous close of 6.86% after trading in the range of 6.81% to 6.96%.

Global Commodity Update

Commodities	28-Jun-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	58.01	0.78	-20.74	26.99
Brent Crude Oil (\$/barrel)	66.50	1.90	-14.39	22.83
Gold (\$/ounce)	1,409.10	0.75	12.92	9.85
Silver (\$/ounce)	15.3075	-0.28	-4.06	-1.11

Source: Thomson Reuters Eikon

Currencies Update

Currency	28-Jun-19	Week Ago	Year Ago
U.S. Dollar	68.99	69.61	68.83
GBP	87.66	88.68	90.00
Euro	78.53	79.12	79.62
100 Yen	64.03	64.86	62.28

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	28-Jun-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1,629.02	-0.24	7.97	17.68
U.K.	FTSE	7,425.63	0.24	-2.49	10.37
France	CAC 40	5,538.97	0.19	4.99	17.09
Germany	DAX	12,398.80	0.48	1.82	17.42
Japan	Nikkei 225	21,276	0.08	-4.47	6.30
China	Shanghai Composite	2,979	-0.77	6.89	19.45
Hong Kong	Hang Seng	28,543	0.24	0.16	10.43
Singapore	Straits Times	3,322	0.01	1.97	8.24
Russia	RTS Index	1,380.52	0.40	22.70	29.49
Brazil	Sao Paulo Se Bovespa	100,967.20	-1.02	40.69	14.88

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	28-Jun-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	2.00	2.07	2.27	2.85
U.K. 10 Year Bond yield (%)	0.83	0.84	0.92	1.26
German 10 Year Bond yield (%)	-0.33	-0.28	-0.15	0.32
Japan 10 Year Bond yield (%)	-0.17	-0.17	-0.07	0.02

Source: Thomson Reuters Eikon

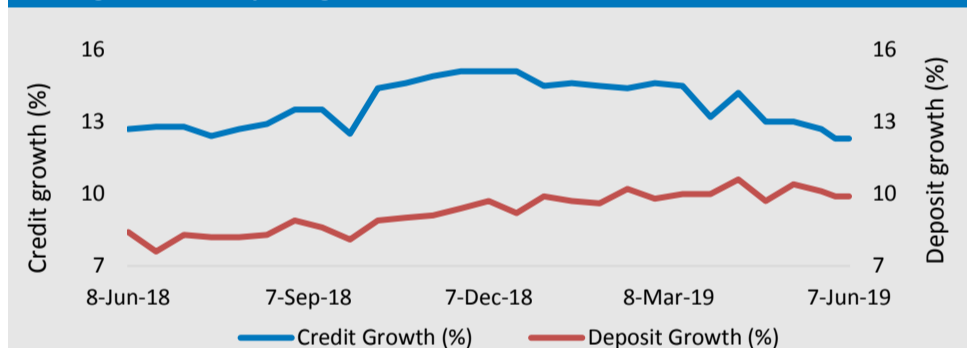
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. House Price Index (MoM) (April)	25-Jun	0.4%	0.2%	0.1%
U.S. Durable Goods Orders (May P)	26-Jun	-1.3%	-0.1%	-2.8%
U.S. GDP Annualized (QoQ) (1Q T)	27-Jun	3.10%	3.2%	3.1%
U.K. GDP (YoY) (1Q F)	28-Jun	1.8%	1.8%	1.8%

Source: FX Street; Thomson Reuters Eikon

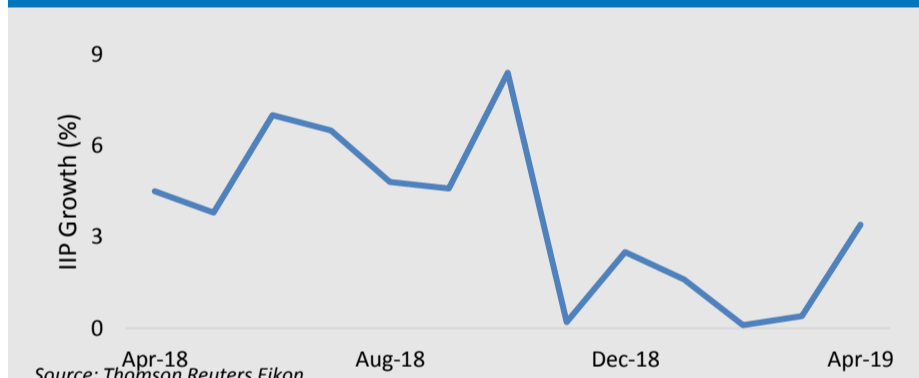
Macro Economic Performance of India

Credit growth vs Deposit growth



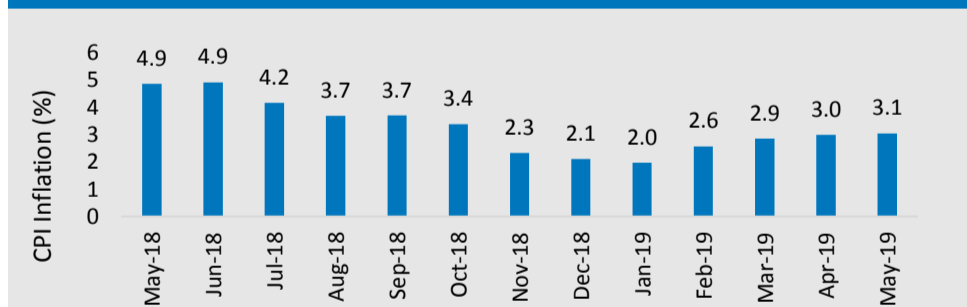
Source: Thomson Reuters Eikon

IIP Growth (%)



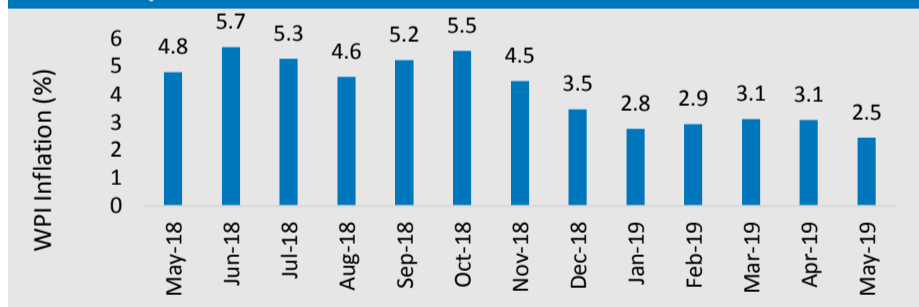
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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