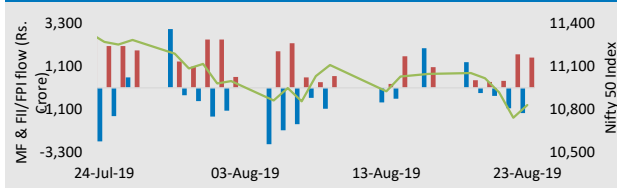


Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Jul 2019)	1.08%	1.93%	2.02%
CPI inflation (Jul 2019)	3.15%	3.20%	3.18%
IIP growth (Jun 2019) (%)	2.00%	1.50%	4.60%
Trade Deficit (Jul 2019) (in \$ Billion)	13.43	15.7	15.28

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	23-Aug-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	36,701	-1.74	-4.27	1.75
Nifty 50	10,829	-1.98	-6.50	-0.31
S&P BSE 100	10,915	-2.01	-8.21	-2.20
Nifty 500	8,791	-2.21	-10.96	-4.14
Nifty Mid cap 50	4,206	-2.40	-19.48	-14.71
Nifty Small cap 100	5,243	-4.07	-30.59	-18.70

Sector Indices	23-Aug-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	15,728	-0.11	-36.02	-24.51
S&P BSE Bankex	30,444	-4.53	-3.96	0.22
S&P BSE CD	22,821	1.01	4.59	10.27
S&P BSE CG	16,447	-2.85	-12.33	-12.61
S&P BSE FMCG	10,706	-2.50	-15.25	-9.49
S&P BSE HC	12,461	-0.12	-19.22	-10.50
S&P BSE IT	15,969	3.14	5.45	13.34
S&P BSE METAL	8,486	-5.02	-34.50	-28.33
S&P BSE Oil & Gas	12,817	-2.68	-14.41	-6.78
S&P BSE Power	1,861	-2.36	-8.54	-6.91
S&P BSE PSU	6,216	-5.01	-19.64	-14.10
S&P BSE Realty	1,887	-7.75	-11.23	4.94
S&P BSE Teck	7,783	2.52	2.04	10.14

Source: BSE & NSE

Macro economic Update

- Data from RBI showed that reserve money increased at an annualised rate of 13.6% in the week to Aug 16, 2019 compared with an increase of 19.4% a year earlier. The currency in circulation rose 13.2% during the week compared with an increase of 23.7% a year earlier.
- The government announced that a dedicated tax cell will be set up at Central Board of Direct Taxes. Start-up entities can approach the cell for quick resolution of their tax problems. The government also added that Depository receipt scheme 2014 will soon be operationalised by Securities and Exchange Board of India which give increased access to Indian companies to foreign funds through American depository receipt and global depository receipts.
- The government announced an additional liquidity support to the tune of Rs. 20,000 crore for housing finance companies in order to improve their lending capacity. The move is expected to help the real estate sector which is facing a slowdown in demand and liquidity crunch.
- The government proposed to set up an entity that will provide credit enhancement for infrastructure and housing projects. The move is expected to increase fund flows towards such projects. It also added that the department of expenditure and the performance will monitor delayed payments from government and/or Central Public Sector Enterprises (CPSEs) which in turn will be reviewed by the Cabinet Secretariat. The move is expected to help clear all due payments of CPSEs which will help boost growth and create employment.

Domestic Equity Market Update

- Indian equity markets declined mainly because investor expectations of a stimulus package were not met by the government. Slowdown in certain sectors, especially auto, persisting foreign fund outflows due to government's decision to put surcharge on the super-rich increased hopes of announcement of measures to tackle the situation. However, the government did not show any signs of taking such decision.
- Initially in the week, markets were flat as investors looking forward to a probable revival package by the government. However, rise in oil prices and concerns over foreign funds outflows made investors book profits at higher levels. Later, markets fell when investors could not get any cues regarding government's possible stimulus measures. Economic growth uncertainties and rise in crude oil prices also hit sentiment.
- Losses were added after hopes of a stimulus were almost crushed. Even as the government showed no signs of rolling out relief measures, the chief economic advisor was quoted by media saying, "have to be careful on the issue of a fiscal stimulus". He said the private sector needs to change its mindset and stop "personalizing profit and socializing losses".
- At the end of the week, markets gained but could not make up for the past losses. Sentiment got better ahead of finance minister's media address, which was scheduled after market hours on the last day of the week. Investors expected the minister to announce measures to revive the economy, roll back the super-rich tax on foreign portfolio investors, and implement direct tax code.
- Meanwhile, government announced a slew of measures to boost investment in capital markets, post market hours on Aug 23. This includes doing away with additional surcharge on long/short term capital gains, levied by Finance (No 2) Act, 2019, arising from transfer of equity shares/units referred in Section 111A and 112A respectively.
- S&P BSE Realty was the major loser, down 7.75%, followed by S&P BSE Metal and S&P BSE Bankex that lost 5.02% and 4.53%. The metal sector suffered as U.S.-China trade relations continued on their uncertain path and kept investors anxious. S&P BSE Capital Goods and S&P BSE Oil & Gas lost 2.85% and 2.68%, respectively.

Indian Debt Market Indicators

Broad Indices	23-Aug-19	Week Ago	Month Ago	Year Ago
Call Rate	5.34%	5.31%	5.58%	6.41%
T-Repo	5.19%	5.25%	5.55%	6.51%
Repo	5.40%	5.40%	5.75%	6.50%
Reverse Repo	5.15%	5.15%	5.50%	6.25%
3 Month CP	5.90%	6.00%	6.45%	7.75%
1 Year CP	7.20%	7.30%	7.60%	8.50%
3 Month CD	5.50%	5.67%	6.28%	7.19%
1 Year CD	6.64%	6.70%	7.02%	8.03%

Broad Indices	23-Aug-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	7.41%	7.33%	7.50%	8.34%
3 Year AAA Corporate Bond	7.63%	7.75%	7.64%	8.53%
5 Year AAA Corporate Bond	7.68%	7.83%	7.74%	8.64%
1 Year G-Sec	5.78%	5.82%	5.93%	7.34%
3 Year G-Sec	6.11%	6.13%	6.30%	7.73%
5 Year G-Sec	6.37%	6.42%	6.43%	7.94%
10 Year G-Sec	6.56%	6.54%	6.46%	7.88%
Forex Reserve (\$ in billion)	430.5 [*]	430.57 ^{**}	430.38 [®]	400.85 ^{®®}

Source: CCLL, Thomson Reuters Eikon * as on Aug 16, 2019; ** as on Aug 9, 2019; ® as on July 19, 2019; ®® as on Aug 17, 2018

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Domestic Debt Market Update

- Bond yields rose as investors resorted to note selling amid rising concerns over the fiscal package, which is expected to further widen the fiscal deficit and breach the target. Besides, depreciation in the local currency and losses in domestic equity market also weighed on investors' sentiment.
- However, losses were restricted on expectations that Monetary Policy Committee might cut interest rates again to boost the slowing economy.
- Yields on the 10-year benchmark paper (7.26% GS 2029) rose 3 bps to close at 6.57% compared with the previous close of 6.54% after trading in the range of 6.53% to 6.63%.
- Data from RBI showed that reserve money increased at an annualised rate of 13.6% in the week to Aug 16, 2019 compared with an increase of 19.4% a year earlier. The currency in circulation rose 13.2% during the week compared with an increase of 23.7% a year earlier.
- RBI conducted auction of state development loans of seven state governments for notified amount of Rs. 5,950 crore. The entire amount was accepted. The cut-off price lied in the range of 7.17% to 7.25%, while tenure was either 10 years or 12 years.

Global Commodity Update

Commodities	23-Aug-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	53.76	-1.66	-20.75	17.69
Brent Crude Oil (\$/barrel)	58.78	0.22	-21.32	8.57
Gold (\$/ounce)	1526.1	0.82	28.79	18.97
Silver (\$/ounce)	17.39	1.81	20.20	12.34

Source: Thomson Reuters Eikon

Currencies Update

Currency	23-Aug-19	Week Ago	Year Ago
U.S. Dollar	71.74	71.15	70.10
GBP	87.78	86.44	89.83
Euro	79.49	78.90	80.89
100 Yen	67.47	66.88	62.98

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	23-Aug-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1576	-1.43	-0.59	13.88
U.K.	FTSE	7,095	-0.31	-6.19	5.45
France	CAC 40	5,327	0.49	-1.71	12.60
Germany	DAX	11,612	0.42	-6.10	9.97
Japan	Nikkei 225	20,711	1.43	-7.59	3.48
China	Shanghai Composite	2,897	2.61	6.34	16.18
Hong Kong	Hang Seng	26,179	1.73	-5.80	1.29
Singapore	Straits Times	3,110	-0.15	-4.29	1.36
Russia	RTS Index	1,268	2.31	21.50	18.98
Brazil	Sao Paulo Se Bovespa	97,667	-2.14	29.13	11.13

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	23-Aug-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	1.53	1.54	2.07	2.82
U.K. 10 Year Bond yield (%)	0.48	0.47	0.69	1.27
German 10 Year Bond yield (%)	-0.67	-0.68	-0.36	0.34
Japan 10 Year Bond yield (%)	-0.24	-0.24	-0.14	0.09

Source: Thomson Reuters Eikon

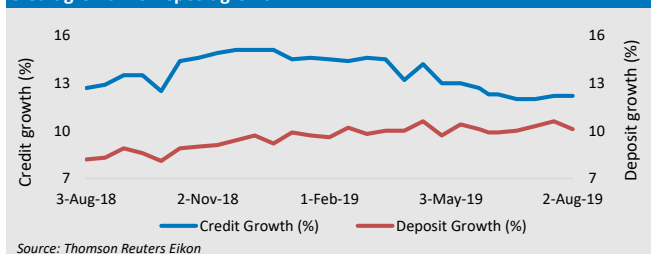
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Eurozone CPI (MoM) (Jul)	19-Aug	-0.5%	-0.4%	0.2%
U.S. Existing Home Sales Change (MoM) (Jul)	21-Aug	2.5%	2.5%	-1.3%
Japan National CPI (YoY) (Jul)	22-Aug	0.5%	0.6%	0.7%
U.S. New Home Sales Change (MoM) (Jul)	23-Aug	-12.8%	0.2%	20.9%

Source: FX Street; Thomson Reuters Eikon

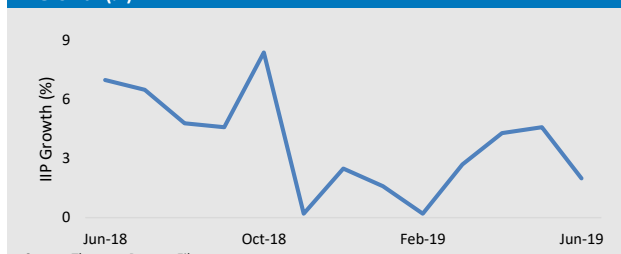
Macro Economic Performance of India

Credit growth vs Deposit growth



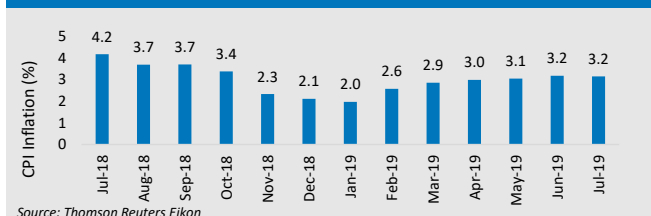
Source: Thomson Reuters Eikon

IIP Growth (%)



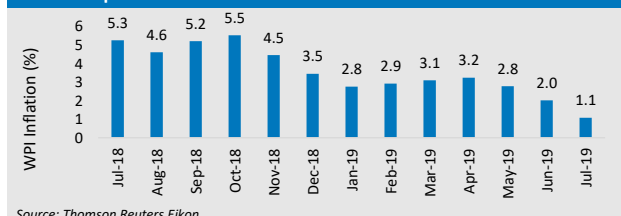
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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