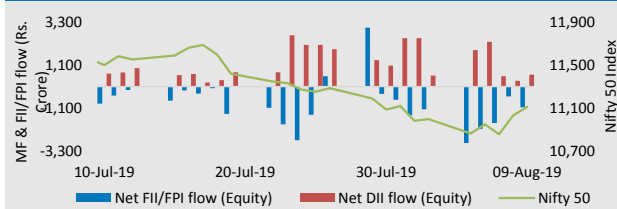


Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Jun 2019)	2.02%	2.35%	2.45%
CPI inflation (Jun 2019)	3.18%	3.20%	3.05%
Nikkei India Manufacturing PMI (Jul 2019)	52.5	52.2	52.1
Nikkei India Service PMI (Jul 2019)	53.8	50.4	49.6

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	09-Aug-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	37,582	1.25	-1.16	4.20
Nifty 50	11,110	1.02	-3.15	2.27
S&P BSE 100	11,220	1.12	-4.50	0.53
Nifty 500	9,047	1.15	-7.40	-1.35
Nifty Mid cap 50	4,336	0.97	-14.41	-12.07
Nifty Small cap 100	5,501	1.17	-27.84	-14.70

Sector Indices	09-Aug-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	16,062	2.73	-33.55	-22.90
S&P BSE Bankex	32,115	0.66	0.35	5.72
S&P BSE CD	22,711	0.64	4.29	9.75
S&P BSE CG	17,301	0.16	-5.49	-8.08
S&P BSE FMCG	11,080	0.89	-9.00	-6.33
S&P BSE HC	12,694	1.10	-11.87	-8.83
S&P BSE IT	15,907	2.42	8.87	12.90
S&P BSE METAL	8,899	-3.03	-33.01	-24.84
S&P BSE Oil & Gas	12,873	-1.44	-14.94	-6.37
S&P BSE Power	1,925	-0.69	-4.15	-3.71
S&P BSE PSU	6,585	-2.20	-16.83	-9.00
S&P BSE Realty	2,049	0.98	-2.79	13.99
S&P BSE Teck	7,776	2.37	4.65	10.05

Source: BSE & NSE

Macro economic Update

- The Monetary Policy Committee (MPC) lowered key policy repo rate by 35 bps from 5.75% to a nine-year low of 5.40% in its third bi-monthly monetary policy review and decided to maintain its accommodative stance on the monetary policy. This is the fourth consecutive rate cut by the MPC in 2019 till date and the third in this fiscal till Aug 2019. All members of the MPC unanimously voted for reducing the key policy repo rate and maintaining the accommodative stance of monetary policy. However, four members of the committee advocated for a 35 bps rate cut while two members advocated for a 25 bps rate cut.
- MPC downgraded the growth projections of the Indian economy to 6.9% for FY20 from its earlier projection of 7.0%. For the first half of FY20, the growth projection of the Indian economy was downgraded to a range of 5.8% to 6.6% from its earlier projection of 6.4% to 6.7%. The downgrade comes as MPC noted that domestic demand and external demand has weakened. However, MPC expects that easing of the monetary policy which it has initiated since Feb 2019 to provide some support to the growth prospects of the Indian economy. For the second half of FY20, the growth of the domestic economy was projected in the range of 7.3% to 7.5% compared to an earlier projection of 7.2% to 7.5% while the same for Q1FY21 was projected at 6.4%.
- The seasonally adjusted Nikkei India Services Business Activity Index rose to 53.8 in Jul 2019 from 49.6 in Jun 2019, thereby marking a 12-months high. The seasonally adjusted Nikkei India Composite PMI Output Index that considers both the manufacturing sector and the services sector came in at 53.9 in Jul against 50.8 in Jun.

Domestic Equity Market Update

- Indian equity markets gained in the week ended Aug 9, 2019. Investors welcomed media reports showing the government could exempt foreign portfolio investors (FPIs) from an increase in taxes. The proposal to increase tax was announced in the Union Budget 2019-20 and since then equity markets have witnessed huge outflows by FPIs.
- The Reserve Bank of India (RBI) cutting interest rates by a more than expected 35 basis points and promising liquidity support to the financial sector at its policy meet supported sentiment.
- Initially in the week, markets were tensed over trade war after China devalued its currency to combat U.S.' tariff threat and stopped import of U.S. agricultural products. Also, the government revoking the special status of Kashmir led to political instability concerns.
- Later, investor expectations of a rate cut by the Reserve Bank of India at its policy meet on Aug 7, 2019, lifted the sentiment. Also, China took steps to stabilise the yuan after the U.S. labelled the country as a currency manipulator. Markets took positive cues from the finance minister's statement that measures will be taken 'fairly quickly' to improve the economy.
- S&P BSE Auto was the major gainer, up 2.73%, followed by S&P BSE IT and S&P BSE Teck that gained 2.42% and 2.37%. Auto sector gained as industry leaders met the finance minister to voice their concerns about slowing growth and job losses. Investors are hoping that the government will take measures like easing GST rates to help the sector. S&P BSE Healthcare and S&P BSE Realty gained 1.10% and 0.98%, respectively.
- S&P BSE Metal was the major loser, down 3.03%, followed by S&P BSE Oil & Gas and S&P BSE Power, down 1.44% and 0.69%, respectively. The metal sector lost as tensions on the U.S.-China trade front continued to worry investors.

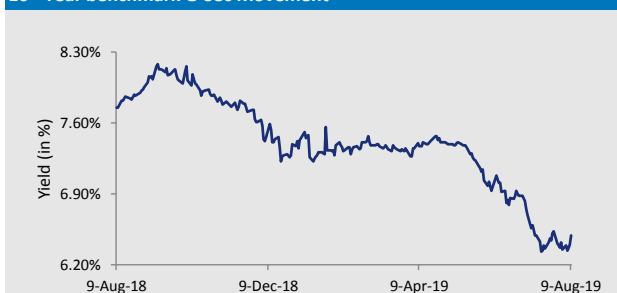
Indian Debt Market Indicators

Broad Indices	09-Aug-19	Week Ago	Month Ago	Year Ago
Call Rate	5.32%	5.60%	5.62%	6.38%
T-Repo	5.37%	5.58%	5.70%	6.52%
Repo	5.40%	5.75%	5.75%	6.50%
Reverse Repo	5.15%	5.50%	5.50%	6.25%
3 Month CP	5.85%	6.10%	6.80%	7.50%
1 Year CP	7.10%	7.20%	7.70%	8.45%
3 Month CD	6.01%	6.09%	6.77%	7.12%
1 Year CD	6.64%	6.79%	6.94%	7.95%

Source: CCIL, Thomson Reuters Eikon * as on Aug 2, 2019; **as on Jul 27, 2019; @ as on July 5, 2019; @@ as on Aug 3, 2018

Broad Indices	09-Aug-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	7.62%	7.46%	7.89%	8.23%
3 Year AAA Corporate Bond	7.68%	7.61%	7.71%	8.46%
5 Year AAA Corporate Bond	7.81%	7.79%	7.88%	8.61%
1 Year G-Sec	5.85%	5.95%	6.09%	7.24%
3 Year G-Sec	6.09%	6.12%	6.38%	7.63%
5 Year G-Sec	6.31%	6.32%	6.52%	7.81%
10 Year G-Sec	6.49%	6.35%	6.59%	7.75%
Forex Reserve (\$ in billion)	428.95*	429.65**	429.91@	402.70@@

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Domestic Debt Market Update

- Bond yields rose on account of ambiguity over future policy rate cuts, both in terms of quantum and timing, after the rate-cutting panel trimmed repo rate by 35 bps in the policy meet. The RBI governor said future rate cuts would be data driven. Besides, profit booking by investors and the rising geopolitical worries over Jammu & Kashmir also weighed on sentiments. However, softness in crude prices gave little support to the domestic debt market.
- Yields on the 10-year benchmark paper (7.26% GS 2029) surged 14 bps to close at 6.49% compared with the previous close of 6.35% after trading in the range of 6.30% to 6.52%.
- RBI conducted third bi-monthly Monetary Policy meeting wherein the Monetary Policy Committee (MPC) lowered the policy repo rate by 35 bps to 5.40%. As such, the reverse repo rate under the LAF has revised to 5.15%, while the marginal standing facility (MSF) rate and the Bank Rate has reduced to 5.65%. The MPC maintained its policy stance of accommodative.
- RBI conducted auction of state development loans of 14 state governments for notified amount of Rs. 14,500 crore. Amount accepted stood at Rs. 12,800 crore. The cut-off yield was in the range of 7.03% to 7.39%, while tenure lied in between 7 years to 20 years.

Weekly Market Update

09 August 2019

Global Commodity Update

Commodities	09-Aug-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	54.21	-1.70	-18.69	18.67
Brent Crude Oil (\$/barrel)	58.38	-4.53	-18.94	7.83
Gold (\$/ounce)	1496.84	3.91	23.50	16.69
Silver (\$/ounce)	16.94	4.50	9.91	9.43

Source: Thomson Reuters Eikon

Currencies Update

Currency	09-Aug-19	Week Ago	Year Ago
U.S. Dollar	70.91	69.69	68.75
GBP	85.29	84.70	88.15
Euro	79.40	77.41	79.24
100 Yen	67.09	65.37	61.88

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	09-Aug-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1,616.97	-0.42	2.17	16.81
U.K.	FTSE	7,254	-2.07	-6.30	7.81
France	CAC 40	5,328	-0.58	-3.17	12.62
Germany	DAX	11,694	-1.50	-7.75	10.75
Japan	Nikkei 225	20,685	-1.91	-8.47	3.35
China	Shanghai Composite	2,775	-3.25	-0.70	11.26
Hong Kong	Hang Seng	25,939	-3.64	-9.33	0.36
Singapore	Straits Times	3,169	-2.83	-4.74	3.26
Russia	RTS Index	1,289	-0.29	17.51	20.95
Brazil	Sao Paulo Se Bovespa	103,996	1.29	32.03	18.33

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	09-Aug-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	1.73	1.86	2.06	2.94
U.K. 10 Year Bond yield (%)	0.48	0.55	0.72	1.30
German 10 Year Bond yield (%)	-0.58	-0.49	-0.36	0.38
Japan 10 Year Bond yield (%)	-0.22	-0.17	-0.13	0.11

Source: Thomson Reuters Eikon

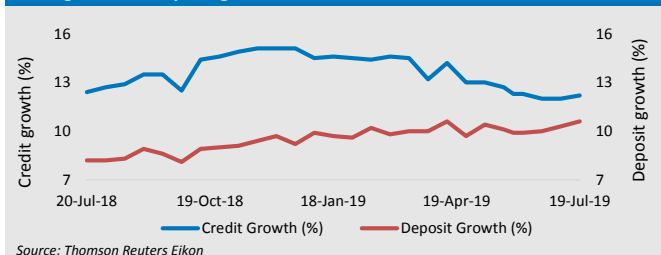
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
German Factory Orders (YoY) (Jun)	6-Aug	-3.60%	-5.20%	-8.40%
Germany Industrial Prod.(YoY)	7-Aug	-5.20%	-3.10%	-3.70%
Japan GDP Ann.(QoQ) (2Q P)	8-Aug	1.80%	0.50%	2.80%
U.K. GDP (YoY) (2Q P)	9-Aug	1.20%	1.40%	1.80%

Source: FX Street; Thomson Reuters Eikon

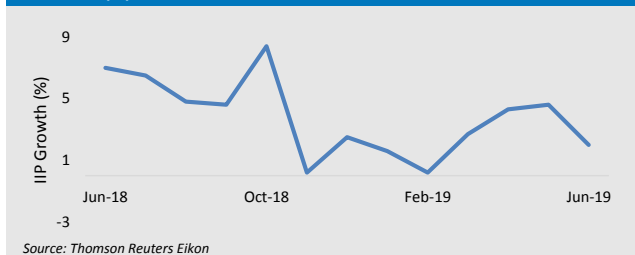
Macro Economic Performance of India

Credit growth vs Deposit growth



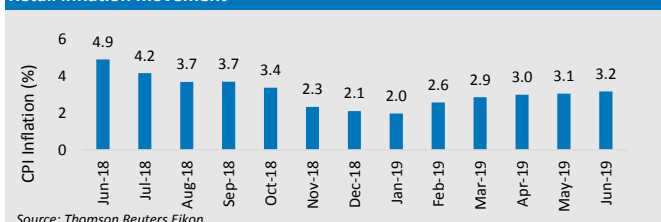
Source: Thomson Reuters Eikon

IIP Growth (%)



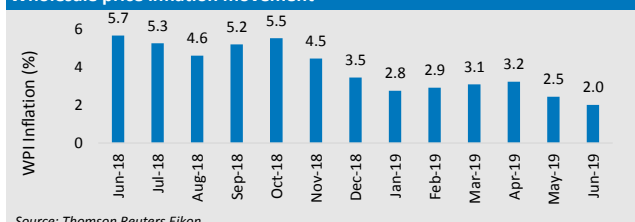
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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