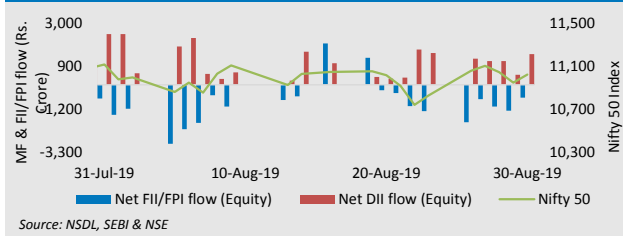


Macro Economic Release

Indicators	Actual	Consensus	Previous
Gross Domestic Product (Q1'FY20)	5.00%	5.70%	5.80%
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%

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Indian Equity Market Performance

Broad Indices	30-Aug-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	37,333	1.72	-3.51	3.51
Nifty 50	11,023	1.79	-5.60	1.48
S&P BSE 100	11,140	2.06	-7.20	-0.19
Nifty 500	8,978	2.13	-10.00	-2.10
Nifty Mid cap 50	4,262	1.33	-20.05	-13.58
Nifty Small cap 100	5,446	3.86	-28.74	-15.56

Sector Indices	30-Aug-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	15,768	0.26	-36.31	-24.31
S&P BSE Bankex	30,950	1.66	-2.66	1.89
S&P BSE CD	23,420	2.63	8.41	13.17
S&P BSE CG	16,942	3.01	-9.89	-9.98
S&P BSE FMCG	11,077	3.46	-12.90	-6.36
S&P BSE HC	12,875	3.33	-17.50	-7.53
S&P BSE IT	16,149	1.13	5.30	14.62
S&P BSE METAL	8,524	0.45	-38.71	-28.00
S&P BSE Oil & Gas	13,164	2.70	-12.95	-4.25
S&P BSE Power	1,888	1.45	-10.68	-5.56
S&P BSE PSU	6,349	2.14	-19.25	-12.27
S&P BSE Realty	2,048	8.53	-4.39	13.90
S&P BSE Teck	7,853	0.91	1.58	11.14

Source: BSE & NSE

Macro economic Update

- Government data showed that the growth of the Indian economy slowed for the fifth consecutive quarter to a more than 6-year low of 5.00% on a year basis in the first quarter of FY20 compared to a growth of 5.80% in the previous quarter and 8.00% in the same period of the previous year. This was the weakest rate of growth since the first quarter of 2013 when the domestic economy grew 4.30% on a yearly basis.
- The Reserve Bank of India said after its board meeting that it will transfer Rs. 1.76 lakh crore to the government this fiscal. The transfer includes Rs. 1.23 lakh crore of surplus for 2018-19 and Rs. 52,637 crore of excess provisions identified as per the revised Economic Capital Framework (ECF) adopted at the meeting.
- Government data showed that India's fiscal deficit for the period from Apr to Jul of 2019 stood at Rs. 5.48 lakh crore or 77.8% of the budget estimate compared to 86.5% of the budget estimate in the corresponding period of the previous year. Total expenditure stood at Rs. 9.47 lakh crore or 34.0% of the budget estimate compared to 36.4% of the budget estimate in the corresponding period of the previous year.
- The finance minister announced the merger of ten state run banks into four distinct entities. According to the government, Oriental Bank of Commerce and United Bank of India will get merged with Punjab National Bank. Syndicate Bank and Canara Bank will get merged into one entity, while Andhra Bank, Union Bank of India and Corporation Bank will get merged into a single entity. Similarly, merger will also take place between Indian Bank and Allahabad Bank.

Domestic Equity Market Update

- Indian equity markets closed on positive note in the week ended Aug 30, 2019. Initially, the indices gained on announcement of slew of measures by the finance minister to boost the economy after the close of markets on Aug 23, 2019. The government had rolled back the increase in surcharge on foreign portfolio investors and announced relief packages for the auto and finance sectors.
- Meanwhile, bourses got a boost after the Reserve Bank of India (RBI) decided to transfer Rs. 1.76 lakh crore to the government. With the recommendations of an expert committee, RBI increased its budgeted Rs. 90,000 crore transfer to the government by another Rs. 86,000 crore for the year. Investors cheered the central banks' move as the amount could be used by the government to meet the expected shortfall in revenue collections.
- Additionally, expectations that the finance minister could announce steps on recapitalization of state-run banks and their consolidation further boosted market sentiment. In fact, post market hours on Aug 30, the finance minister announced amalgamation of 10 public sector banks (PSB) into four big banks and also announced upfront capital infusion worth Rs. 55,250 crore in the PSBs.
- Positive global cues towards the end of the week with Italy getting a new government and signs of recommencing of U.S.-China trade talks added to the gains. However, back home, concerns over foreign fund outflows and surge in crude oil prices limited the upside.
- S&P BSE Realty was the major gainer that grew 8.53% followed by S&P BSE FMCG that grew 3.46%. Last week, 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. S&P BSE Healthcare and S&P BSE Capital Goods grew 3.33% and 3.01%, respectively. S&P BSE Oil & Gas and S&P BSE Consumer Durables grew 2.70% and 2.63%, respectively.

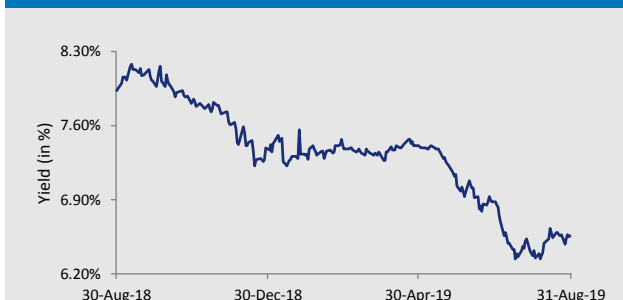
Indian Debt Market Indicators

Broad Indices	30-Aug-19	Week Ago	Month Ago	Year Ago
Call Rate	5.38%	5.34%	5.53%	6.34%
T-Repo	5.30%	5.19%	5.56%	6.28%
Repo	5.40%	5.40%	5.75%	6.50%
Reverse Repo	5.15%	5.15%	5.50%	6.25%
3 Month CP	5.90%	5.90%	6.30%	7.70%
1 Year CP	7.00%	7.20%	7.60%	8.50%
3 Month CD	5.49%	5.50%	6.28%	7.25%
1 Year CD	6.50%	6.64%	6.87%	8.03%

Broad Indices	30-Aug-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	7.43%	7.38%	7.58%	8.50%
3 Year AAA Corporate Bond	7.48%	7.68%	7.65%	8.58%
5 Year AAA Corporate Bond	7.56%	7.70%	7.71%	8.75%
1 Year G-Sec	5.77%	5.78%	5.93%	7.33%
3 Year G-Sec	6.06%	6.11%	6.23%	7.78%
5 Year G-Sec	6.37%	6.37%	6.33%	7.98%
10 Year G-Sec	6.56%	6.56%	6.39%	7.93%
Forex Reserve (\$ in billion)	429.05 ⁺	430.5 ^{**}	429.65 [@]	400.10 ^{@@}

Source: CCIL, Thomson Reuters Eikon * as on Aug 23, 2019; ** as on Aug 16, 2019; @ as on July 26, 2019; @@ as on Aug 31, 2018

10 - Year benchmark G-Sec Movement



Domestic Debt Market Update

- Bond yields inched down as market participants resorted to short covering ahead of the release of the gross domestic product data of the Indian economy for the first quarter of FY20. However, most of the gains were neutralized on concerns that the government may spend more to boost the growth of the Indian economy and ultimately breach its fiscal deficit target. Meanwhile data released post market hours showed that the growth of the Indian economy slowed for the fifth consecutive quarter to a more than 6-year low of 5.00% on a year basis in the first quarter of FY20.
- Yield on the 10-year benchmark paper (7.26% GS 2029) inched down 1 bps to 6.56% compared with the previous close of 6.57% after trading in a range of 6.39% to 6.62%.
- RBI on Aug 30, 2019 conducted auction of 7.32% GS 2024, 7.57% GS 2033, 7.69% GS 2043 and 7.72% GS 2049 for notified amount of Rs. 17,000 crore. The entire amount was accepted at cut of price of Rs. 103.93 (6.28%), Rs. 105.62 (6.93%), Rs. 107.07 (7.07%) and Rs. 108.28 (7.05%) respectively.
- RBI on Aug 28, 2019 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, respectively. The entire amount was accepted at cut-off price of Rs. 98.67 (YTM: 5.41%), Rs. 97.27 (YTM: 5.63%) and Rs. 94.60 (YTM: 5.72%), respectively.

Global Commodity Update

Commodities	30-Aug-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	55.02	2.34	-21.43	20.45
Brent Crude Oil (\$/barrel)	60.42	2.79	-22.02	11.60
Gold (\$/ounce)	1519.85	-0.41	26.71	18.49
Silver (\$/ounce)	18.35	5.52	26.26	18.54

Source: Thomson Reuters Eikon

Currencies Update

Currency	30-Aug-19	Week Ago	Year Ago
U.S. Dollar	71.45	71.49	70.74
GBP	86.86	87.77	92.03
Euro	78.52	79.67	82.55
100 Yen	67.20	67.82	63.73

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	30-Aug-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1619	2.68	0.53	16.93
U.K.	FTSE	7,207	1.58	-4.11	7.12
France	CAC 40	5,480	2.88	0.04	15.85
Germany	DAX	11,939	2.82	-4.44	13.07
Japan	Nikkei 225	20,704	-0.03	-9.47	3.45
China	Shanghai Composite	2,886	-0.39	5.42	15.73
Hong Kong	Hang Seng	25,725	-1.74	-8.66	-0.47
Singapore	Straits Times	3,107	-0.12	-3.70	1.23
Russia	RTS Index	1,293	1.96	20.25	21.31
Brazil	Sao Paulo Se Bovespa	101,135	3.55	32.37	15.07

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	30-Aug-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	1.51	1.53	2.06	2.86
U.K. 10 Year Bond yield (%)	0.48	0.48	0.64	1.46
German 10 Year Bond yield (%)	-0.71	-0.67	-0.40	0.35
Japan 10 Year Bond yield (%)	-0.28	-0.24	-0.16	0.10

Source: Thomson Reuters Eikon

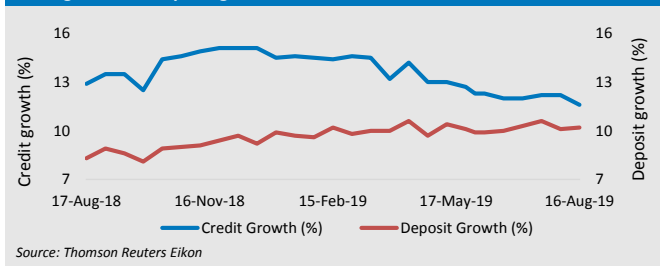
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. Durable Goods Orders (Jul P)	26-Aug	2.10%	1.20%	1.80%
Germany GDP (YoY) (2Q F)	27-Aug	0.00%	0.00%	0.00%
Germany GfK Consumer Confidence (Sep)	28-Aug	9.70	9.60	9.70
U.S. Gross Domestic Product Annualized (QoQ) (2Q S)	29-Aug	2.00%	2.00%	2.10%

Source: FX Street, Thomson Reuters Eikon

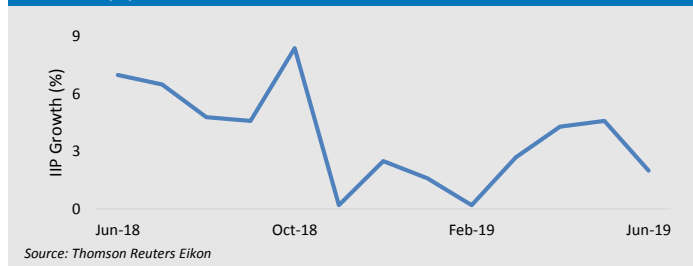
Macro Economic Performance of India

Credit growth vs Deposit growth



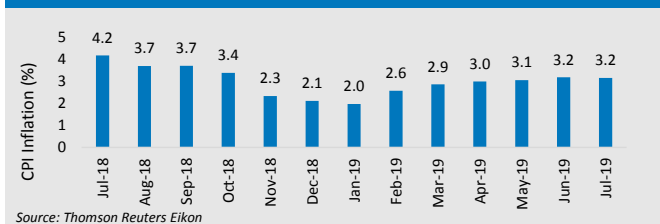
Source: Thomson Reuters Eikon

IIP Growth (%)



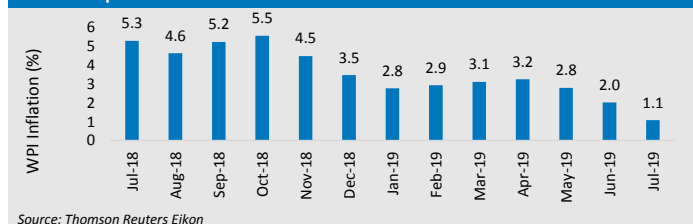
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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