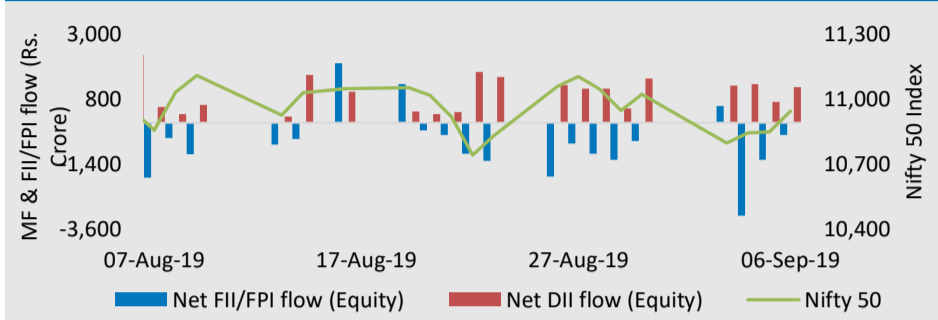


## Macro Economic Release

Indicators	Actual	Consensus	Previous
Gross Domestic Product (Q1'FY20)	5.00%	5.70%	5.80%
Index of Eight Core Industries (Jul 2019)	2.10%	NA	0.70%
Nikkei India Services PMI (Aug 2019)	52.4	51.9	53.8
Nikkei India Manufacturing PMI (Aug 2019)	51.4	52.2	52.5

Source: Thomson Reuters Eikon

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

## Indian Equity Market Performance

Broad Indices	06-Sep-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	36,982	-0.94	-3.30	2.53
Nifty 50	10,946	-0.70	-5.12	0.77
S&P BSE 100	11,054	-0.77	-6.50	-0.96
Nifty 500	8,920	-0.64	-9.12	-2.72
Nifty Mid cap 50	4,255	-0.15	-17.46	-13.71
Nifty Small cap 100	5,445	-0.03	-27.23	-15.58

Sector Indices	06-Sep-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	15,959	1.21	-34.06	-23.40
S&P BSE Bankex	30,638	-1.01	-1.24	0.86
S&P BSE CD	22,921	-2.13	10.19	10.76
S&P BSE CG	16,963	0.12	-8.47	-9.87
S&P BSE FMCG	10,894	-1.66	-10.02	-7.91
S&P BSE HC	12,953	0.60	-19.88	-6.97
S&P BSE IT	16,254	0.65	3.42	15.36
S&P BSE METAL	8,758	2.75	-36.42	-26.02
S&P BSE Oil & Gas	13,370	1.57	-9.99	-2.75
S&P BSE Power	1,924	1.92	-8.38	-3.75
S&P BSE PSU	6,480	2.07	-15.82	-10.45
S&P BSE Realty	1,949	-4.81	-5.54	8.42
S&P BSE Teck	7,897	0.56	0.81	11.76

Source: BSE & NSE

## Macro economic Update

- Government data showed that the growth in the index of eight core industries grew 2.1% in Jul 2019 against a revised growth of 0.7% in Jun 2019 (0.2% growth originally reported), and 7.3% in the same period of the previous year. Crude oil growth fell the most by 4.4%, followed by coal, refinery products and natural gas, down 1.4%, 0.9% and 0.5%, respectively. The cement sector witnessed the maximum growth of 7.9% followed by steel and electricity, which grew 6.6% and 4.2%, respectively.
- Nikkei India Manufacturing Purchasing Managers' Index (PMI) fell to 51.4 in Aug 2019 from 52.5 in Jul 2019 as sales expanded at the slowest rate in 15 months and output growth and job creation were subdued. Also, factories decreased input buying for the first time since May 2018. Manufactured goods inventories decreased further in Aug, which is the 25th month of continuous depletion.
- The seasonally adjusted Nikkei India Services Business Activity Index fell to 52.4 in Aug 2019 from 53.8 in Jul 2019. Job creation and output expansion was curtailed by weaker sales gains and rates of inflation came in at historically weak levels. Business sentiment, however, strengthened to one-year high because of supportive public policies and estimates of better demand. The seasonally adjusted Nikkei India Composite PMI Output Index that considers both the manufacturing sector and the services sector came in at 52.6 in Aug from 53.9 in Jul.

## Domestic Equity Market Update

- Indian equity markets fell in the holiday-truncated week ended Sep 6, 2019, mainly as dismal economic data soured investor sentiment. Global cues also impacted buying interest. The week started with steep losses which the markets weren't quite able to fully overcome by the end of the period.
- On the first trading session, investors reacted to a series of dismal economic data released over the holiday-extended weekend. Monday (Sep 2, 2019) was a public holiday on the occasion of Ganesh Chaturthi. Official figures released on Aug 30, 2019, after market hours, showed India's Jun 2019 quarter gross domestic product (GDP) came in at more than six-year low. GDP fell for the fifth consecutive quarter.
- On top of this, core sector output for Jul 2019 and manufacturing PMI for Aug 2019, released on Sep 2, dropped as well. Manufacturing PMI touched a 15-month low in Aug 2019. Adding to the woes was continued outflows by foreign portfolio investors.
- Further losses were restricted on upbeat global cues and a strengthening rupee against the greenback. Investors welcomed positive political developments in Italy, Britain and Hong Kong. Encouraging economic data from China eased global growth concerns to some extent.
- Towards the end of the week, investors remained worried over the weak economy and awaited additional steps from the government to improve the situation. However, sentiment improved as investors welcomed U.S.-China plans for more trade talks and strong U.S. economic data. The upbeat data eased fears of an economic slowdown. Also, expectations of further stimulus by the Indian government supported sentiment.
- S&P BSE Realty was the major loser, down 4.81%, followed by S&P BSE Consumer Durables and S&P BSE FMCG that lost 2.13% and 1.66%, respectively. S&P BSE Metal was the major gainer, up 2.75%, followed by S&P BSE Power and S&P BSE Oil & Gas, up 1.92% and 1.57%, respectively. The metal sector gained as trade relations between U.S. and China seemed to improve. The consumer sector was burdened by signs of slowing demand in the economy.

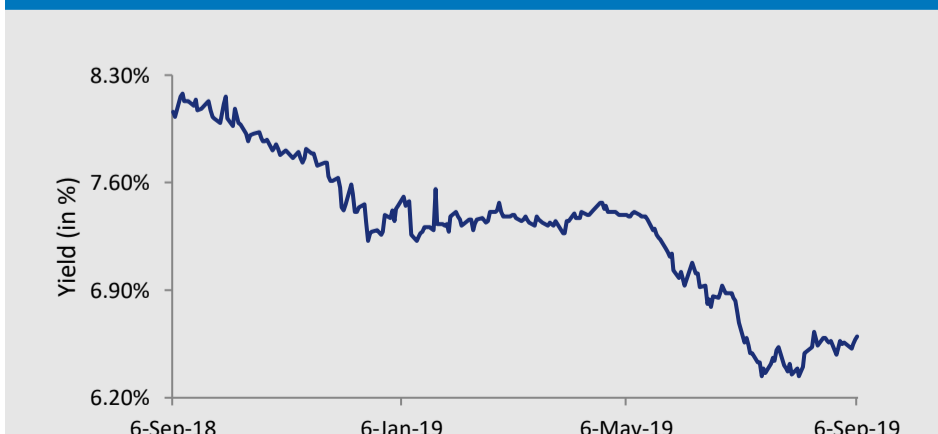
## Indian Debt Market Indicators

Broad Indices	06-Sep-19	Week Ago	Month Ago	Year Ago
Call Rate	5.37%	5.38%	5.64%	6.31%
T-Repo	5.22%	5.30%	5.61%	6.21%
Repo	5.40%	5.40%	5.75%	6.50%
Reverse Repo	5.15%	5.15%	5.50%	6.25%
3 Month CP	5.85%	5.90%	6.10%	7.65%
1 Year CP	6.95%	7.00%	7.40%	8.55%
3 Month CD	5.73%	5.49%	5.95%	7.17%
1 Year CD	6.47%	6.50%	6.75%	8.20%

Broad Indices	06-Sep-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	7.35%	7.42%	7.66%	8.59%
3 Year AAA Corporate Bond	7.28%	7.54%	7.61%	8.68%
5 Year AAA Corporate Bond	7.49%	7.54%	7.72%	8.81%
1 Year G-Sec	5.69%	5.77%	5.94%	7.72%
3 Year G-Sec	6.02%	6.06%	6.10%	7.98%
5 Year G-Sec	6.29%	6.37%	6.31%	8.12%
10 Year G-Sec	6.60%	6.56%	6.34%	8.06%
Forex Reserve (\$ in billion)	428.60*	429.05**	430.57@@	399.28@@

Source: CCIL, Thomson Reuters Eikon \* as on Aug 30, 2019; \*\* as on Aug 23, 2019; @ as on Aug 9, 2019; @@ as on Sep 7, 2018

## 10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

## Domestic Debt Market Update

- Bond yields fell earlier during the week on expectations that the Monetary Policy Committee may further ease its monetary policy after the country's economic growth rate tumbled to more than a six-year low in the quarter ended Jun 2019. However, the trend reversed on concerns that the government may spend more to boost the growth prospects of a slowing economy and end up missing the fiscal deficit target. Increase in global crude oil prices also weighed on the market sentiment.
- Yield on the 10-year benchmark paper (7.26% GS 2029) rose 4 bps to 6.60% compared with the previous close of 6.56% after trading in a range of 6.49% to 6.60%.
- Data from the Reserve Bank of India showed that India's foreign exchange reserves fell for the third consecutive week to \$428.60 billion as of the week ended Aug 30 2019, down from \$429.05 billion at the end of the previous week.
- RBI on Sep 4, 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. 98.68 (YTM: 5.37%), Rs. 97.28 (YTM: 5.61%) and Rs. 94.63 (YTM: 5.69%), respectively.

## Global Commodity Update

Commodities	06-Sep-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	56.61	2.89	-16.59	23.93
Brent Crude Oil (\$/barrel)	61.77	2.23	-19.40	14.09
Gold (\$/ounce)	1506.7	-0.87	25.58	17.46
Silver (\$/ounce)	18.16	-1.04	28.61	17.31

Source: Thomson Reuters Eikon

## Currencies Update

Currency	06-Sep-19	Week Ago	Year Ago
U.S. Dollar	71.63	71.45	71.94
GBP	87.97	86.86	93.02
Euro	78.99	78.52	83.60
100 Yen	66.99	67.20	64.95

Source: Thomson Reuters Eikon

## Global Equity Market Performance

Country/Region	Indices	06-Sep-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1,646	1.72	3.09	18.94
U.K.	FTSE	7,282	1.04	-0.50	8.24
France	CAC 40	5,604	2.25	6.87	18.46
Germany	DAX	12,192	2.11	1.98	15.46
Japan	Nikkei 225	21,200	2.39	-5.73	5.92
China	Shanghai Composite	3,000	3.93	11.44	20.28
Hong Kong	Hang Seng	26,691	3.76	-1.05	3.27
Singapore	Straits Times	3,144	1.22	-0.10	2.47
Russia	RTS Index	1,341	3.65	27.14	25.74
Brazil	Sao Paulo Se Bovespa	1,02,935	1.78	34.70	17.12

Source: Thomson Reuters Eikon

## Global Bond Yield Update

Indicators	06-Sep-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	1.55	1.51	1.74	2.88
U.K. 10 Year Bond yield (%)	0.51	0.48	0.52	1.42
German 10 Year Bond yield (%)	-0.63	-0.71	-0.54	0.35
Japan 10 Year Bond yield (%)	-0.24	-0.28	-0.18	0.10

Source: Thomson Reuters Eikon

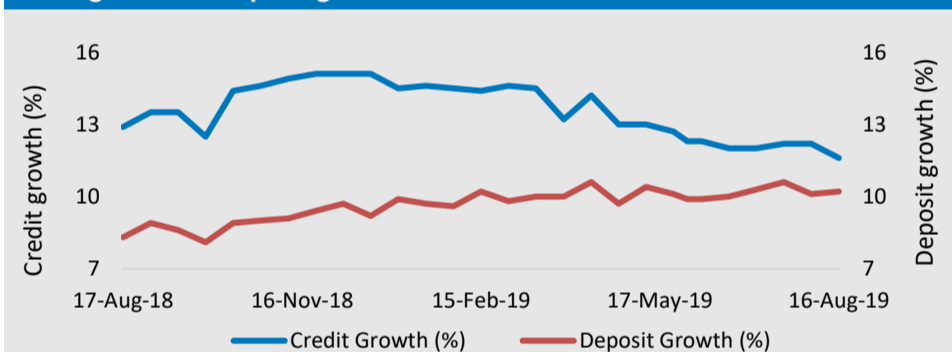
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
China Caixin Manufacturing PMI (Aug)	3-Sep	50.40	49.80	49.90
U.S. ISM Manufacturing (Aug)	3-Sep	49.10	51.30	51.20
U.S Change in Non-farm Payrolls (Aug)	6-Sep	130k	160k	159k
U.S Unemployment Rate (Aug)	6-Sep	3.70%	3.70%	3.70%

Source: FX Street; Thomson Reuters Eikon

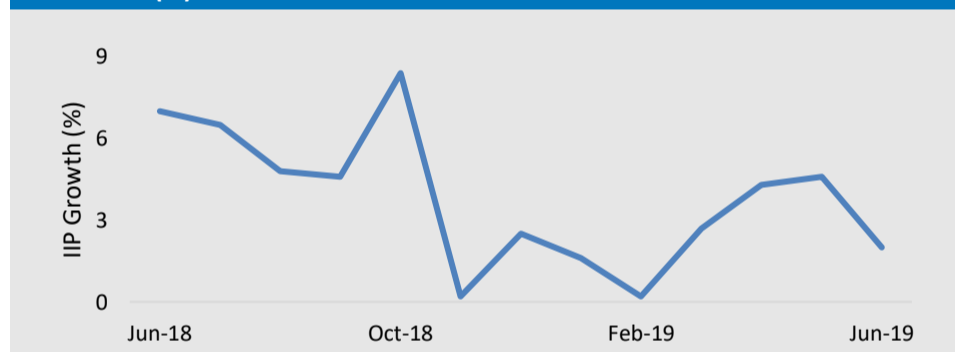
## Macro Economic Performance of India

### Credit growth vs Deposit growth



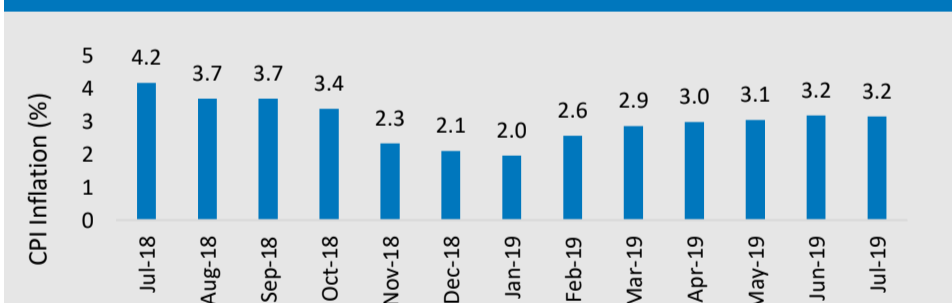
Source: Thomson Reuters Eikon

### IIP Growth (%)



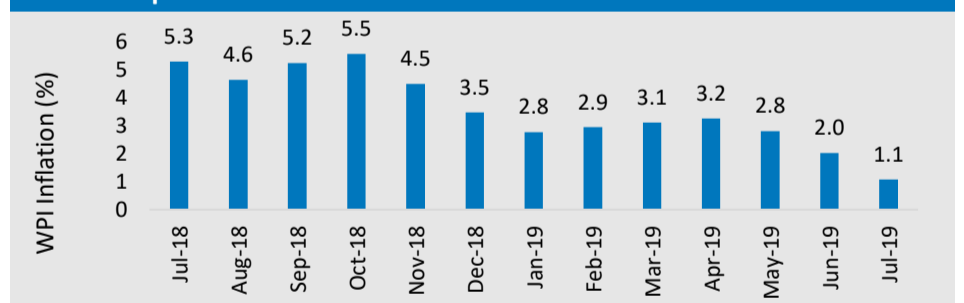
Source: Thomson Reuters Eikon

### Retail inflation movement



Source: Thomson Reuters Eikon

### Wholesale price inflation movement



Source: Thomson Reuters Eikon

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