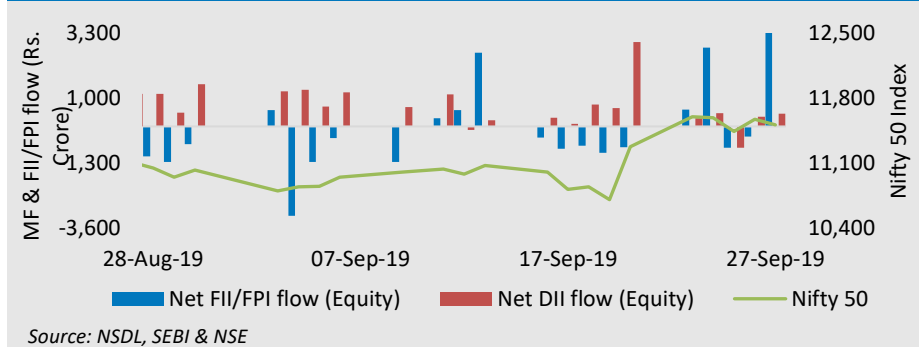


Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Aug 2019)	1.08%	1.04%	1.08%
CPI inflation (Aug 2019)	3.21%	3.30%	3.15%
IIP growth (Jul 2019) (%)	4.30%	2.30%	1.20%
Nikkei India Manufacturing PMI (Aug 2019)	51.40	52.20	52.50

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	27-Sep-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	38,823	2.13	6.88	7.64
Nifty 50	11,512	2.11	4.87	5.98
S&P BSE 100	11,644	1.84	3.89	4.33
Nifty 500	9,396	1.79	2.10	2.46
Nifty Mid cap 50	4,461	0.19	-5.67	-9.53
Nifty Small cap 100	5,684	0.71	-12.30	-11.87

Sector Indices	27-Sep-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	16,900	-1.05	-23.14	-18.88
S&P BSE Bankex	33,782	3.54	20.72	11.21
S&P BSE CD	26,140	2.13	33.57	26.32
S&P BSE CG	18,702	3.50	6.39	-0.63
S&P BSE FMCG	11,734	3.93	2.01	-0.81
S&P BSE HC	12,693	-2.49	-16.69	-8.84
S&P BSE IT	15,312	-1.71	-2.54	8.68
S&P BSE METAL	9,134	-1.97	-34.66	-22.85
S&P BSE Oil & Gas	14,562	4.82	-1.85	5.92
S&P BSE Power	1,939	0.89	-1.89	-3.02
S&P BSE PSU	6,716	0.26	-7.63	-7.19
S&P BSE Realty	2,009	-1.57	12.24	11.73
S&P BSE Teck	7,471	-1.76	-4.18	5.73

Source: BSE & NSE

Macro economic Update

- In its recent circular, Securities and Exchange Board of India (SEBI) has asked mutual fund houses to adopt waterfall approach for valuation for debt funds. The market regulator wants Association of Mutual Funds in India to confirm that valuation agencies document waterfall approach for valuation of debt and money market securities. SEBI has introduced broad principles to calculate securities prices. Trade securities should be valued basis the trade yield. Government securities, including T-bills, would be valued based on Volume Weighted Average Yield (VWAY) for trades in the final one hour of trading. For other debt securities, valuation would be done based on VWAY for all trades in the day.
- According to media reports, SEBI's chairperson reaffirmed that standstill agreements are not permitted between mutual funds and borrowers. This came in a day after a prominent conglomerate expressed that certain funds have acceded to further push back the deadline for the repayment of its debt obligation. The SEBI chairperson asserted that such fresh extensions does not have regulatory approval.
- The Asian Development Bank (ADB) has sharply lowered India's growth forecast from 7.2% to 6.5% for 2019-20, according to media news. ADB indicated that the country will grow faster than China. In its Asian Development Outlook (ADO) Update for 2019, ADB cut the growth projection for India, which recorded an over six-year low growth of 5% in the Apr-Jun quarter 2019.

Domestic Equity Market Update

- Indian equity markets gained on the back of the lingering good sentiment generated by the government's stimulus package and hopes of U.S.-China trade deal. The U.S. President said a deal could become reality soon. Also, the Prime Minister assuring of more reforms boosted sentiment.
- The week opened on a high as government's Rs 1.25 lakh crore stimulus made prominent brokerages raise their earnings estimates for Indian businesses. The sentiment was hurt when the U.S. President faced impeachment and U.S.-China trade tensions kept brewing. The U.S. House speaker initiated an impeachment inquiry as she said the President betrayed his oath of office by seeking help from a foreign power to hurt a Democratic rival. Sentiment was also cautious ahead of the expiry of near-month derivative contracts on Sep 26, 2019.
- Hopes of a China-U.S. trade deal arose when the U.S. President said a deal could fructify soon. Gains were limited by the political scene in the U.S. getting even more complicated. Fresh on the heels of an impeachment against the U.S. President, a whistle blower report showed the President tried to hold back evidence.
- S&P BSE Oil & Gas was the major gainer that grew 4.82% followed by S&P BSE FMCG and S&P Bankex, which grew 3.93% and 3.54%, respectively. S&P BSE Capital Goods and S&P BSE Consumer Durables grew 3.50% and 2.13%, respectively. S&P BSE Healthcare was the major loser and fell 2.49% followed by S&P BSE Metal that fell 1.97%.
- The sectors were buoyed by the government's stimulus package wherein corporate tax rate was cut, which would eventually boost earnings. It helped that prominent brokerages upgraded their major companies' earnings estimates. The metal sector lost as official data showed China's industrial profits declined in Aug 2019 amid the trade dispute with the U.S.

Indian Debt Market Indicators

Broad Indices	27-Sep-19	Week Ago	Month Ago	Year Ago
Call Rate	5.24%	5.37%	5.35%	6.46%
T-Repo	5.18%	5.36%	5.21%	5.98%
Repo	5.40%	5.40%	5.40%	6.50%
Reverse Repo	5.15%	5.15%	5.15%	6.25%
3 Month CP	5.95%	5.70%	5.90%	8.35%
1 Year CP	7.10%	7.00%	7.05%	9.30%
3 Month CD	5.79%	5.43%	5.70%	7.75%
1 Year CD	6.45%	6.35%	6.45%	8.40%

Source: CCL, Thomson Reuters Eikon * as on Sep 20, 2019; ** as on Sep 13, 2019; @ as on Aug 23, 2019; @@ as on Sep 21, 2018

Broad Indices	27-Sep-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	6.97%	6.90%	7.30%	8.86%
3 Year AAA Corporate Bond	7.40%	7.41%	7.58%	8.83%
5 Year AAA Corporate Bond	7.52%	7.68%	7.69%	8.90%
1 Year G-Sec	5.82%	5.79%	5.75%	7.78%
3 Year G-Sec	6.15%	6.12%	6.04%	7.98%
5 Year G-Sec	6.50%	6.50%	6.31%	8.08%
10 Year G-Sec	6.74%	6.79%	6.52%	8.03%
Forex Reserve (\$ in billion)	428.57*	428.96**	429.05@	401.79@@

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Domestic Debt Market Update

- Bond yields fell as market participants resorted to value buying. Decline in crude oil prices following aggravating U.S.-China trade tension also supported domestic bond market. Besides, the finance minister's announcement that the government does not plan to change the fiscal deficit target currently, also helped ease the yield.
- However, the gains were restricted as market participants remain anxious regarding the country's borrowing plan for the Oct-Mar period, which is expected to be detailed on Sep 30.
- Yield on the 10-year benchmark paper (7.26% GS 2029) fell 5 bps to 6.74% compared with the previous close of 6.79% after trading in a range of 6.70% to 6.80%.
- RBI on Sep 24, 2019 conducted auction of state development loan of 15 state governments for notified amount of Rs. 20,350 crore. The entire amount was accepted. The cut-off yield was in the range of 6.64% to 7.38%, while the tenure lied in between 3 years and 11 years.
- RBI on Sep 25 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. 97.33 (YTM: 5.50%) and Rs. 94.71 (YTM: 5.60%), respectively.

Global Commodity Update

Commodities	27-Sep-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	56.02	-2.74	-22.38	22.64
Brent Crude Oil (\$/barrel)	61.69	-4.46	-24.36	13.95
Gold (\$/ounce)	1,496.56	-1.33	26.57	16.67
Silver (\$/ounce)	17.54	-2.42	23.55	13.34

Source: Thomson Reuters Eikon

Currencies Update

Currency	27-Sep-19	Week Ago	Year Ago
U.S. Dollar	70.49	71.06	72.56
GBP	86.62	88.66	94.90
Euro	77.11	78.29	84.46
100 Yen	65.30	66.05	63.99

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	27-Sep-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1,635.62	-1.12	1.32	18.16
U.K.	FTSE	7,426.21	1.11	-1.58	10.38
France	CAC 40	5,640.58	-0.88	1.81	19.23
Germany	DAX	12,380.94	-0.70	-0.44	17.26
Japan	Nikkei 225	21,878.90	-0.91	-8.06	9.31
China	Shanghai Composite	2,932.17	-2.47	5.03	17.57
Hong Kong	Hang Seng	25,954.81	-1.82	-6.35	0.42
Singapore	Straits Times	3,125.63	-1.08	-3.42	1.85
Russia	RTS Index	1,347.72	-2.15	13.46	26.41
Brazil	Sao Paulo Se Bovespa	105,077.63	0.25	31.35	19.56

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	27-Sep-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	1.67	1.75	1.49	3.06
U.K. 10 Year Bond yield (%)	0.50	0.63	0.50	1.60
German 10 Year Bond yield (%)	-0.58	-0.52	-0.70	0.53
Japan 10 Year Bond yield (%)	-0.24	-0.21	-0.27	0.11

Source: Thomson Reuters Eikon

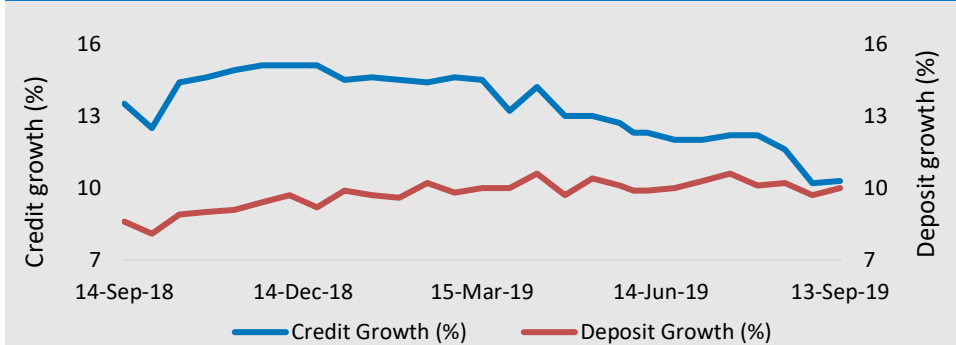
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Eurozone Markit PMI Composite (Sep) (P)	23-Sep	50.40	51.90	51.90
Eurozone IFO - Current Assessment (Sep)	24-Sep	98.50	97.00	97.30
U.S. New Home Sales (MoM) (Aug)	25-Sep	0.713M	0.660M	0.666M
U.S. Durable Goods Orders (Aug)	27-Sep	0.20%	-1.00%	2.00%

Source: FX Street; Thomson Reuters Eikon

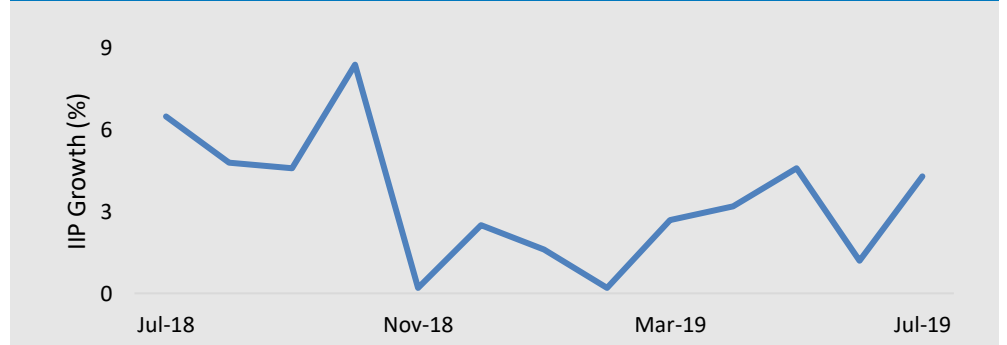
Macro Economic Performance of India

Credit growth vs Deposit growth



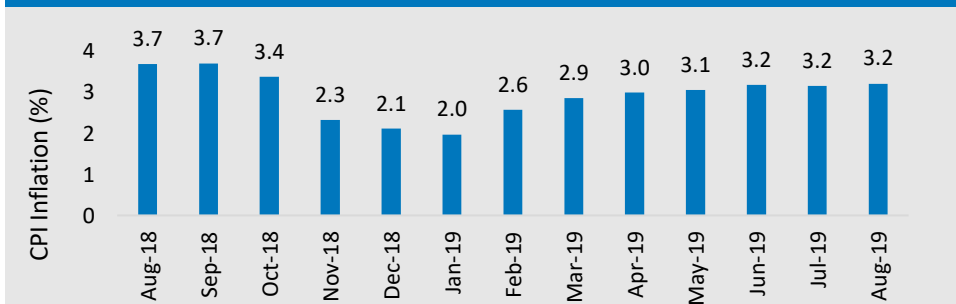
Source: Thomson Reuters Eikon

IIP Growth (%)



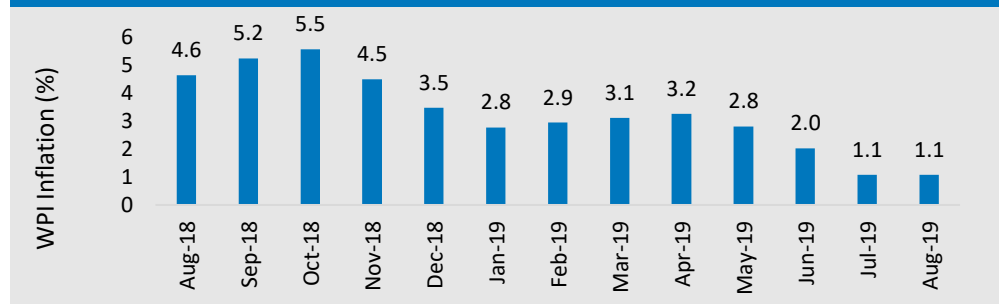
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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