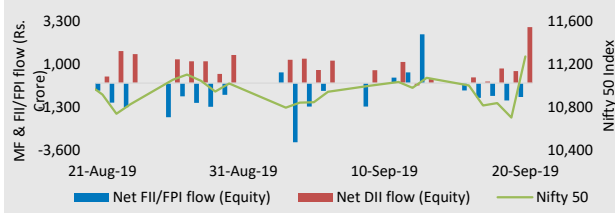


Macro Economic Release

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	20-Sep-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	38,015	1.68	2.41	5.40
Nifty 50	11,274	1.79	0.35	3.79
S&P BSE 100	11,433	2.05	-0.76	2.44
Nifty 500	9,231	1.98	-3.30	0.66
Nifty Mid cap 50	4,453	1.97	-11.70	-9.69
Nifty Small cap 100	5,644	0.44	-21.26	-12.49

Sector Indices	20-Sep-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	17,081	3.26	-27.48	-18.01
S&P BSE Bankex	32,625	2.98	10.12	7.40
S&P BSE CD	25,594	8.51	26.54	23.67
S&P BSE CG	18,071	3.72	-0.54	-3.99
S&P BSE FMCG	11,290	3.73	-5.07	-4.55
S&P BSE HC	13,017	-0.05	-17.89	-6.51
S&P BSE IT	15,579	-2.44	-0.38	10.57
S&P BSE METAL	9,318	2.46	-33.51	-21.30
S&P BSE Oil & Gas	13,893	1.86	-6.29	1.05
S&P BSE Power	1,922	-1.12	-6.64	-3.87
S&P BSE PSU	6,699	0.61	-10.62	-7.43
S&P BSE Realty	2,041	-0.89	1.52	13.51
S&P BSE Teck	7,605	-2.07	-2.28	7.62

Source: BSE & NSE

Macro economic Update

- Government data showed that wholesale price index based inflation (WPI) remained unchanged at 1.08% in Aug 2019 compared to that of the previous month and 4.62% in the same month of the previous year. The build-up inflation rate in FY20 till date stood at 1.25%, much lower than 3.27% in the corresponding period of the previous year. WPI inflation for manufactured products fell to 0.00% which indicated lack of pricing power for producers. Fuel and power inflation also remained in the negative territory for the third consecutive month even though they are concerns that such a trend might be short lived due to disruption in crude oil supply from Saudi Arabia.
- The finance minister reduced the basic corporate tax rate to 22% from 30% for domestic companies that do not avail exemption/incentive. The effective tax rate for such companies would be 25.17% inclusive of surcharge and cess. In order to provide boost to the manufacturing sector and its 'Make-in-India' initiative, the government lowered the corporate tax rate to 15% from 25% for those domestic companies that came into existence on or after Oct 2019. The effective tax rate for such companies would be 17.01% inclusive of surcharge and cess. Such companies shall not be required to pay Minimum Alternate Tax.
- The government in order to provide a fillip to the inflow of funds in the domestic capital markets has decided to roll back the increased surcharge introduced in this year's Budget on capital gains arising on sale of equity share in a company or a unit of an equity oriented fund or a unit of a business trust liable for securities transaction tax.

Domestic Equity Market Update

- Indian equity markets were mostly volatile in the week ended Sep 20, 2019, but at the end managed to gain handsomely. The finance minister on the last day of the week unveiled a Rs. 1.25 lakh crore stimulus package to boost the economy. The markets, which were anxiously waiting for this from the time India's second quarter GDP slowed to 5%, lapped it up and registered one the highest gains in several years.
- The downside continued as investors remained anxious over the impact of rise in crude oil prices on the domestic economy. Also, global growth slowdown worries kept investors on tenterhooks as the U.S. Federal Reserve remained non-committal on any further rate cuts in the year, while cutting rates in its latest policy meet, and Bank of Japan maintained status quo.
- All the losses were made good on the last day of the week as the government came all out to support the economy and instill confidence among investors.
- S&P BSE Consumer Durables was the major gainer that grew 8.51% followed by S&P BSE FMCG and S&P Capital Goods, which grew 3.73% and 3.72%, respectively. The consumer durables and FMCG sectors stand to gain the most from the government's stimulus as companies will not have to take any drastic measures to deal with the general slowdown in the economy. S&P BSE Auto and S&P BSE Bankex grew 3.26% and 2.98%, respectively. S&P BSE IT was the major loser and fell 2.44% followed by S&P BSE Teck that fell 2.07%. The tech sector lost because of the strength in rupee.

Indian Debt Market Indicators

Broad Indices	20-Sep-19	Week Ago	Month Ago	Year Ago
Call Rate	5.37%	5.29%	5.28%	6.60%
T-Repo	5.36%	5.28%	5.22%	6.46%
Repo	5.40%	5.40%	5.40%	6.50%
Reverse Repo	5.15%	5.15%	5.15%	6.25%
3 Month CP	5.70%	5.65%	5.98%	8.05%
1 Year CP	7.00%	6.95%	7.30%	8.85%
3 Month CD	5.43%	5.38%	5.66%	7.51%
1 Year CD	6.35%	6.23%	6.71%	8.39%

Broad Indices	20-Sep-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	6.96%	7.30%	7.18%	8.82%
3 Year AAA Corporate Bond	7.45%	7.47%	7.67%	8.86%
5 Year AAA Corporate Bond	7.64%	7.51%	7.77%	8.94%
1 Year G-Sec	5.79%	5.71%	5.83%	7.80%
3 Year G-Sec	6.12%	6.04%	6.11%	8.02%
5 Year G-Sec	6.50%	6.36%	6.39%	8.09%
10 Year G-Sec	6.78%	6.63%	6.58%	8.07%
Forex Reserve (\$ in billion)	428.96*	429.61**	430.50 [®]	400.49 [®]

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Domestic Debt Market Update

- Bond yields surged tracking sharp rise in crude oil prices amid heightened geopolitical worries following multiple drone attacks on Saudi Arabian crude oil facilities. This is expected to have a bearing on domestic inflation, which further weighed on sentiment.
- Yield on the 10-year benchmark paper (7.26% GS 2029) rose 15 bps to 6.79% compared with the previous close of 6.64% after trading in a range of 6.55% to 6.87%.
- RBI conducted auction of state development loans of eight state governments for notified amount of Rs. 7,500 crore. The entire amount was accepted. The cut-off yield lied in the range of 6.82% to 7.30%, while the tenure was in between 5 years to 18 years.
- RBI 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. 98.70 (5.2830%), Rs. 97.35 (5.4592%) and Rs. 94.71 (5.6008%), respectively.
- RBI conducted auction of 6.17% GS 2021, 7.27% GS 2026, Gol FRB, 2031, 7.62% GS 2039 and 7.63% GS 2059 for Rs. 17,000 crore. The entire amount was accepted at cut-off price Rs. 100.47/5.8864%, Rs. 102.78/6.7366%, Rs. 102.85/6.1999%, Rs. 103.97/7.2408% and Rs. 103.58/7.3497%, respectively.

Weekly Market Update

Global Commodity Update

Commodities	20-Sep-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	57.60	5.09	-19.37	26.09
Brent Crude Oil (\$/barrel)	64.57	7.38	-17.90	19.26
Gold (\$/ounce)	1516.75	1.90	25.69	18.24
Silver (\$/ounce)	17.98	3.19	26.00	16.15

Source: Thomson Reuters Eikon

Currencies Update

Currency	20-Sep-19	Week Ago	Year Ago
U.S. Dollar	70.97	70.97	72.35
GBP	88.55	88.71	95.09
Euro	78.21	78.59	84.45
100 Yen	65.75	65.65	64.43

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	20-Sep-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1654	-0.44	1.84	19.50
U.K.	FTSE	7,345	-0.31	-0.30	9.17
France	CAC 40	5,691	0.62	4.39	20.29
Germany	DAX	12,468	0.00	1.15	18.08
Japan	Nikkei 225	22,079	0.41	-6.74	10.31
China	Shanghai Composite	3,006	-0.82	10.16	20.55
Hong Kong	Hang Seng	26,436	-3.35	-3.79	2.28
Singapore	Straits Times	3,160	-1.61	-0.65	2.96
Russia	RTS Index	1,377	0.62	20.75	29.19
Brazil	Sao Paulo Se Bovespa	104,817	1.27	34.18	19.26

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	20-Sep-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	1.75	1.90	1.56	3.08
U.K. 10 Year Bond yield (%)	0.63	0.76	0.45	1.59
German 10 Year Bond yield (%)	-0.52	-0.45	-0.69	0.48
Japan 10 Year Bond yield (%)	-0.21	-0.16	-0.25	0.11

Source: Thomson Reuters Eikon

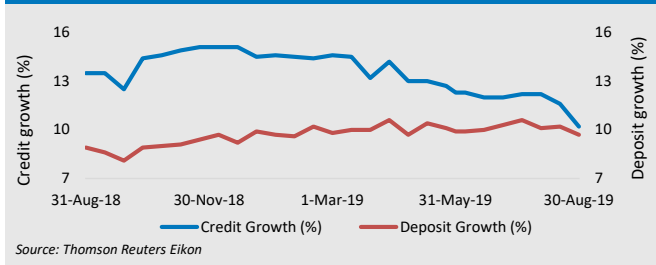
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. Industrial Production (MoM) (Aug)	17-Sep	0.6%	0.2%	-0.1%
U.S. FOMC Rate Decision	18-Sep	2.0%	2.0%	2.3%
Eurozone CPI (YoY) (Aug F)	18-Sep	1.0%	1.0%	1.0%
U.S. Initial Jobless Claims (Sep 14)	17-Sep	208K	213K	206K

Source: FX Street; Thomson Reuters Eikon

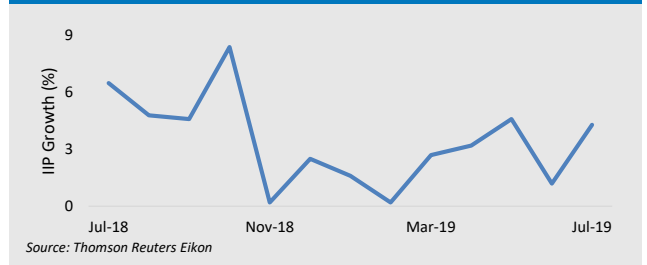
Macro Economic Performance of India

Credit growth vs Deposit growth



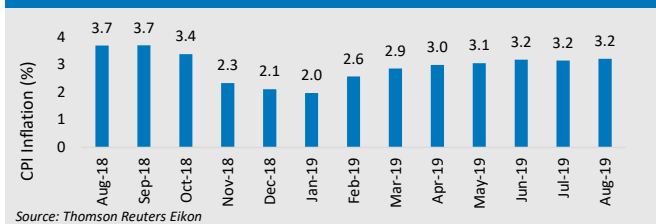
Source: Thomson Reuters Eikon

IIP Growth (%)



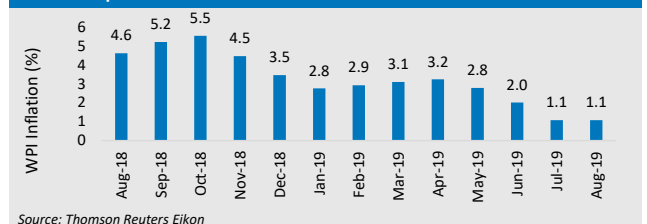
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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