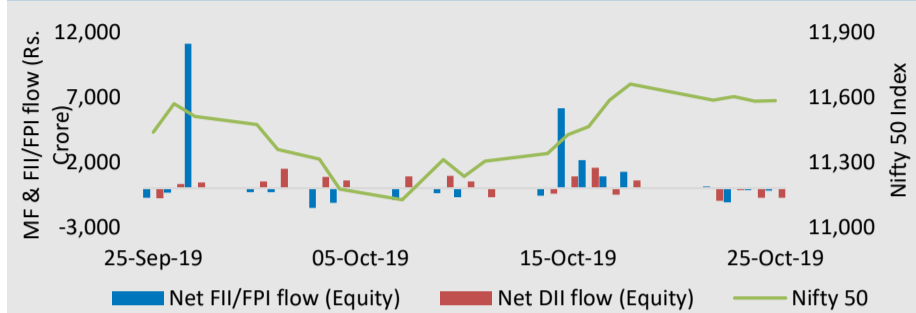


## Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Sep 2019)	0.33%	0.90%	1.08%
CPI inflation (Sep 2019)	3.99%	3.70%	3.28%
IIP growth (Aug 2019) (%)	-1.10%	1.80%	4.60%
Nikkei India Manufacturing PMI (Sep 2019)	51.40	51.80	51.40

Source: Thomson Reuters Eikon

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

## Indian Equity Market Performance

Broad Indices	25-Oct-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	39,058	-0.61	15.93	8.29
Nifty 50	11,584	-0.67	14.41	6.64
S&P BSE 100	11,681	-0.75	12.83	4.66
Nifty 500	9,431	-0.51	11.30	2.85
Nifty Mid cap 50	4,447	-0.40	-0.34	-9.81
Nifty Small cap 100	5,599	0.56	-3.20	-13.18

Sector Indices	25-Oct-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	17,903	0.11	-7.16	-14.07
S&P BSE Bankex	33,272	1.13	20.09	9.53
S&P BSE CD	26,855	1.07	47.50	29.77
S&P BSE CG	18,254	-1.77	11.03	-3.01
S&P BSE FMCG	11,978	0.41	8.44	1.26
S&P BSE HC	12,898	2.08	-7.27	-7.37
S&P BSE IT	14,574	-5.69	5.92	3.44
S&P BSE METAL	8,964	-2.00	-28.97	-24.29
S&P BSE Oil & Gas	15,190	-0.81	16.98	10.49
S&P BSE Power	1,959	-1.20	1.65	-1.99
S&P BSE PSU	6,849	-0.16	0.44	-5.36
S&P BSE Realty	2,040	0.88	26.63	13.45
S&P BSE Teck	7,128	-5.93	3.66	0.88

Source: BSE & NSE

## Indian Debt Market Indicators

Broad Indices	25-Oct-19	Week Ago	Month Ago	Year Ago
Call Rate	5.10%	5.10%	5.33%	6.50%
T-Repo	4.89%	4.90%	5.22%	N.A.
Repo	5.15%	5.15%	5.40%	6.50%
Reverse Repo	4.90%	4.90%	5.15%	6.25%
3 Month CP	5.65%	5.80%	6.05%	8.35%
1 Year CP	6.80%	6.95%	7.10%	9.25%
3 Month CD	5.42%	5.67%	5.83%	8.39%
1 Year CD	5.87%	5.86%	6.63%	8.34%

Source: CCIL, Thomson Reuters Eikon \* as on Oct 18, 2019; \*\* as on Oct 11, 2019; @ as on Sep 20, 2019; @ as on Oct 19, 2018

## 10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

## Macro economic Update

- A major global rating agency has cut India's GDP growth forecast for FY20 to 5.5%. It cited a large credit squeeze arising from shadow banks pushing economic growth to a six-year low. The agency had in Jun 2019 put India's GDP growth at 6.6% for FY20. It added that the recent government measures to boost economy, including a cut in corporate tax rates, will gradually nudge growth. The projection is lower than 6.1% estimated by the Reserve Bank of India in early Oct 2019.
- The World Bank said China and India have made to the top 10 list of governments that have improved the most in the past year in the ease of doing business. Despite a bitter trade war, China has made to the top 10 list for the second year in a row. India has featured on the most-improved list for the third year in a row, easing the process of doing business by abolishing filing fees, lowering the time and cost of seeking construction permits and making trade easier with port improvements and an improved electronic platform for submitting documents.
- A major global rating agency said Indian financial sector is facing rising risk of contagion and failure of any large finance company will adversely impact economic growth. A bank failure could disturb interbank market, payments, upset credit availability and unfavorably affect economic growth, according to the report.

## Domestic Equity Market Update

- Indian equity markets closed on a weak note in the week ended Oct 25, 2019. Investors remained cautious amid a mixed bag of earnings results by major corporates from various sectors. Uncertainty over results of assembly election in two states also kept the investors on their toes.
- Further, reports that supreme court has upheld the definition of adjusted gross revenue (AGR) provided by the department of telecommunications weighed on the market sentiment. This meant that telcos will have to shell out a hefty Rs. 92,000 crore in past dues to the government. Surge in crude oil price amid fall in crude stockpiles in the week ended Oct 18 also dampened market sentiment.
- However, investor sentiment got a boost after an auto major beat estimates for its second quarter. This helped investors overcome the gloom that has descended over the sector in the face of continuous sales drop. Strength in rupee also acted as a positive catalyst. Further, on the global front, progress in U.S.-China trade talks restricted the losses. The two countries seem to be coming closer to signing a partial deal.
- S&P BSE Teck was the major loser that fell 5.93% followed by S&P BSE Information Technology that fell 5.69%. A whistleblowers group accused an information technology majors' CEO of shoring up profits through irregular accounting which kept the sector under pressure. S&P BSE Metal and S&P BSE Capital Goods fell 2.00% and 1.77%, respectively. However, S&P BSE Healthcare was the major gainer that grew 2.08% followed by S&P BSE Bankex that grew 1.13%. The largest public sector bank gained after its second quarter earnings increased three-fold as provisions for bad loans went down.

Broad Indices	25-Oct-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	6.80%	6.80%	6.91%	8.94%
3 Year AAA Corporate Bond	7.24%	7.25%	7.41%	8.83%
5 Year AAA Corporate Bond	7.52%	7.55%	7.50%	8.82%
1 Year G-Sec	5.56%	5.56%	5.78%	7.59%
3 Year G-Sec	5.92%	5.93%	6.15%	7.67%
5 Year G-Sec	6.33%	6.36%	6.50%	7.84%
10 Year G-Sec	6.67%	6.69%	6.75%	7.87%
Forex Reserve (\$ in billion)	440.75*	439.71**	428.57@	393.52@@

## Domestic Debt Market Update

- Bond yields rose initially amid concerns over fiscal slippage following increase in global crude oil prices. However, the trend reversed after the Reserve Bank of India issued a sharply-lower-than-scheduled quantum of a new 10-year note which eased supply concerns in the domestic debt market to some extent. According to reports, India issued only around Rs. 58 billion of the 6.45% 2029 paper at a debt switch auction, against the planned quantum of up to Rs. 200 billion.
- Yield on the 10-year benchmark paper (7.26% GS 2029) fell 2 bps to 6.68% compared with the previous close of 6.70% after trading in a range of 6.66% to 6.71%.
- RBI conducted auction of state development loan of 12 state governments for notified amount of Rs. 14,657 crore. An amount of Rs. 14894.763 was accepted as Andhra Pradesh accepted partial amount, while Gujarat accepted an additional amount. The cut-off yield was in the range of 6.52% to 7.25%, while the tenure lied in between 4 years to 10 years.
- RBI conducted auction of 91 day, 182 day and 364 day T-Bill for notified amount of Rs. Rs. 9,000 crore, Rs. 4,000 crore and Rs. 3,000 crore. The entire amount was accepted at cut-off price of Rs. 98.75 (YTM: 5.08%), Rs. 97.47 (YTM: 5.21%) and Rs. 94.96 (YTM: 5.32%), respectively.
- According to the Scheduled Bank's Statement of Position in India as of Oct 11, 2019, banks' deposit and credit growth stood at 9.77% and 8.84% YoY, respectively.

## Global Commodity Update

Commodities	25-Oct-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	56.56	6.02	-15.52	23.82
Brent Crude Oil (\$/barrel)	61.98	4.52	-19.22	14.48
Gold (\$/ounce)	1504.33	0.98	22.14	17.28
Silver (\$/ounce)	18.02	2.73	23.34	16.41

Source: Thomson Reuters Eikon

## Currencies Update

Currency	25-Oct-19	Week Ago	Year Ago
U.S. Dollar	70.85	71.08	73.22
GBP	90.77	92.20	93.83
Euro	78.62	79.39	83.28
100 Yen	65.26	65.55	65.13

Source: Thomson Reuters Eikon

## Global Equity Market Performance

Country/Region	Indices	25-Oct-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1669	1.26	11.74	20.60
U.K.	FTSE	7,324	2.43	4.57	8.86
France	CAC 40	5,722	1.52	13.71	20.96
Germany	DAX	12,895	2.07	14.04	22.12
Japan	Nikkei 225	22,800	1.37	7.20	13.91
China	Shanghai Composite	2,955	0.57	13.49	18.49
Hong Kong	Hang Seng	26,667	-0.20	6.69	3.18
Singapore	Straits Times	3,186	2.29	5.73	3.81
Russia	RTS Index	1,421	4.86	26.81	33.30
Brazil	Sao Paulo Se Bovespa	107,364	2.52	27.69	22.16

Source: Thomson Reuters Eikon

## Global Bond Yield Update

Indicators	25-Oct-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	1.80	1.75	1.73	3.14
U.K. 10 Year Bond yield (%)	0.68	0.71	0.54	1.44
German 10 Year Bond yield (%)	-0.38	-0.39	-0.59	0.40
Japan 10 Year Bond yield (%)	-0.14	-0.15	-0.25	0.11

Source: Thomson Reuters Eikon

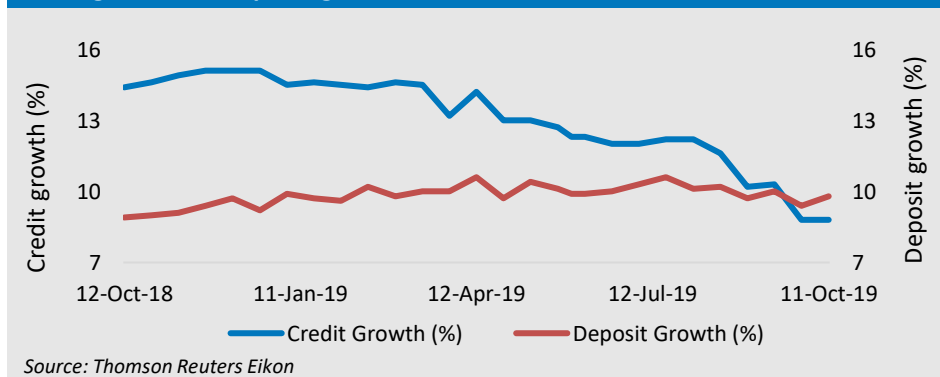
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Germany PPI (MoM) (Sep)	21-Oct	0.10%	-0.10%	-0.50%
U.S. Markit Services PMI (Oct) (P)	24-Oct	51.00	51.00	50.90
Japan Leading Economic Index (Aug)	24-Oct	91.9	91.7	93.7
U.S. Michigan Consumer Sentiment Index (Oct)	25-Oct	95.5	96	96

Source: FX Street; Thomson Reuters Eikon

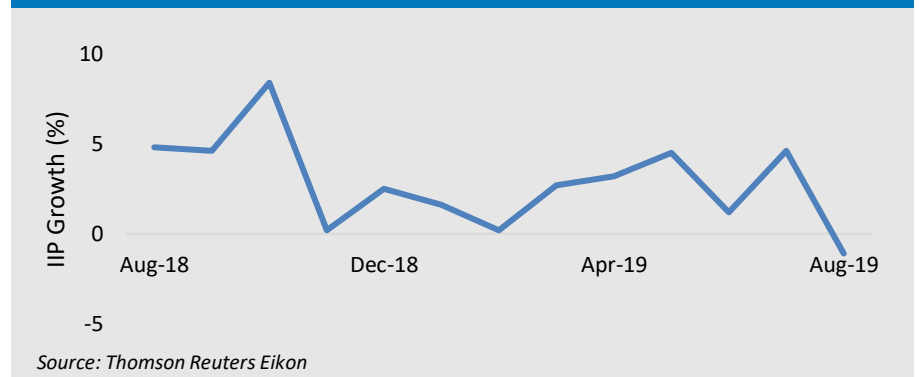
## Macro Economic Performance of India

### Credit growth vs Deposit growth



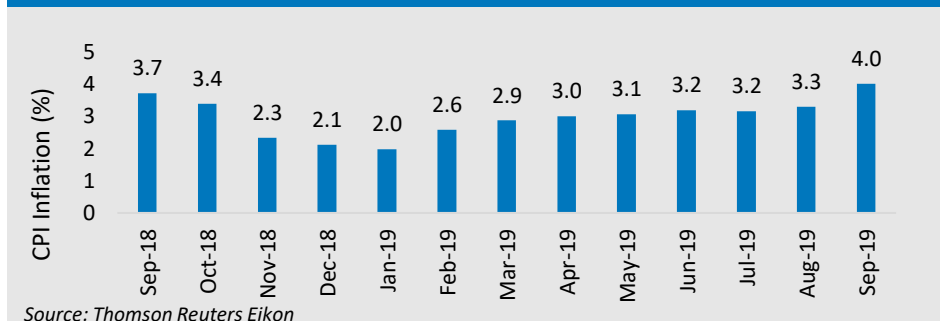
Source: Thomson Reuters Eikon

### IIP Growth (%)



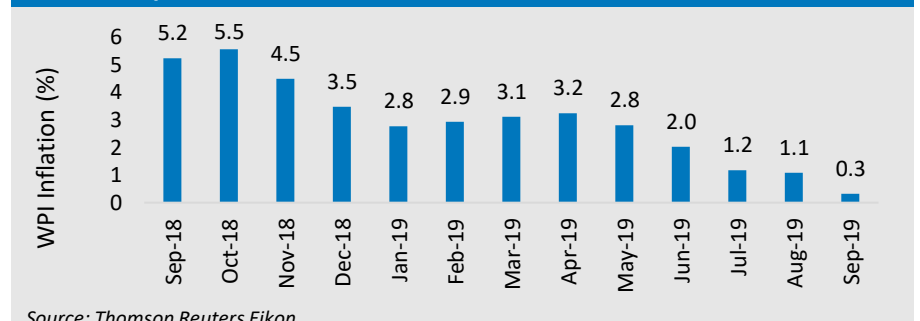
Source: Thomson Reuters Eikon

### Retail inflation movement



Source: Thomson Reuters Eikon

### Wholesale price inflation movement



Source: Thomson Reuters Eikon

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