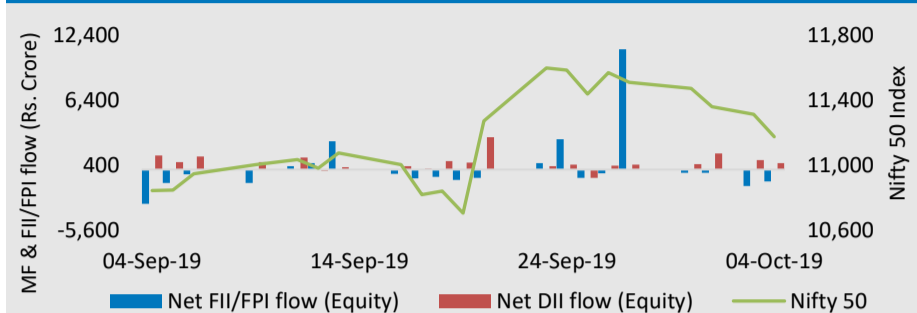


## Macro Economic Release

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 (Sep 2019)	51.40	52.20	51.40

Source: Thomson Reuters Eikon

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

## Indian Equity Market Performance

Broad Indices	04-Oct-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	37,673	-2.96	7.12	4.45
Nifty 50	11,175	-2.93	5.43	2.87
S&P BSE 100	11,272	-3.19	4.19	1.00
Nifty 500	9,092	-3.24	2.67	-0.85
Nifty Mid cap 50	4,237	-5.02	-6.94	-14.07
Nifty Small cap 100	5,417	-4.69	-10.60	-16.01

Sector Indices	04-Oct-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	16,572	-1.94	-19.66	-20.46
S&P BSE Bankex	31,303	-7.34	12.76	3.05
S&P BSE CD	25,450	-2.64	37.23	22.98
S&P BSE CG	18,042	-3.53	6.00	-4.14
S&P BSE FMCG	11,501	-1.98	3.33	-2.77
S&P BSE HC	12,274	-3.30	-15.64	-11.84
S&P BSE IT	15,482	1.11	2.28	9.88
S&P BSE METAL	8,546	-6.44	-37.24	-27.82
S&P BSE Oil & Gas	14,818	1.76	6.55	7.78
S&P BSE Power	1,901	-1.93	-2.11	-4.90
S&P BSE PSU	6,544	-2.56	-8.38	-9.57
S&P BSE Realty	1,901	-5.37	14.55	5.73
S&P BSE Teck	7,489	0.25	0.26	5.99

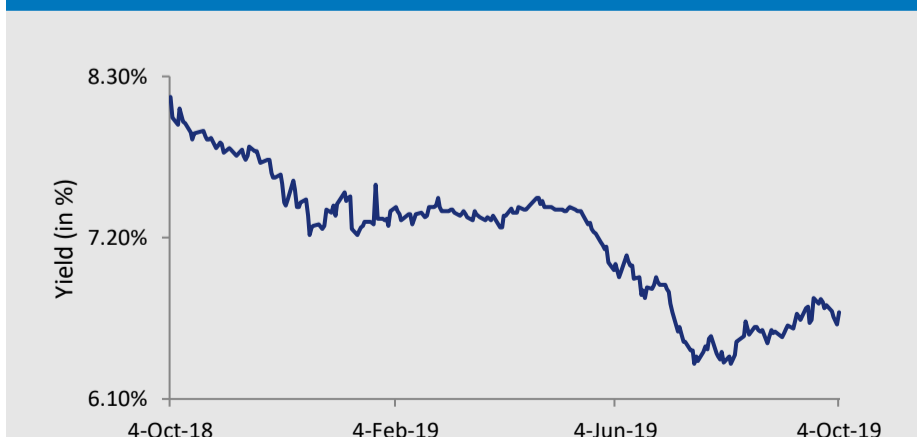
Source: BSE & NSE

## Indian Debt Market Indicators

Broad Indices	04-Oct-19	Week Ago	Month Ago	Year Ago
Call Rate	5.19%	5.24%	5.35%	6.32%
T-Repo	4.81%	5.18%	5.22%	N.A.
Repo	5.15%	5.40%	5.40%	6.50%
Reverse Repo	4.90%	5.15%	5.15%	6.25%
3 Month CP	6.05%	5.95%	5.85%	8.40%
1 Year CP	7.05%	7.10%	6.95%	9.20%
3 Month CD	5.41%	5.79%	5.63%	7.38%
1 Year CD	6.23%	6.45%	6.49%	8.59%

Source: CCL, Thomson Reuters Eikon \* as on Sep 27, 2019; \*\*as on Sep 20, 2019; @as on Aug 30, 2019; @@as on Sep 28, 2018

## 10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

## Macro economic Update

- The Monetary Policy Committee (MPC) lowered key policy repo rate by 25 bps from 5.40% to 5.15% in its fourth bi-monthly monetary policy review. The key policy repo rate thus stands at its lowest level in nine years. This is the fifth consecutive rate cut by the MPC in this calendar year. The MPC retained its accommodative stance on the monetary policy and will continue to do as long as it is necessary to revive growth with retail inflation remaining within its medium-term target.
- Data from the Reserve Bank of India showed that India's current account deficit (CAD) widened to \$14.3 billion (2.0% of GDP) in Q1FY20 from \$ 4.6 billion (0.7% of GDP) in the preceding quarter but narrowed from \$15.8 billion (2.3% of GDP) in the same period of the previous year. CAD contracted on a yearly basis primarily on account of higher invisible receipts which stood at \$31.9 billion in QFY20 as compared with \$ 29.9 billion in the same period of the previous year.
- Growth of India's eight infrastructure sectors fell 0.5% in Aug 2019 compared to a growth of 2.7% in the previous month and 4.7% in the same month of the previous year. The coal sector witnessed the maximum contraction of 8.6% followed by crude oil and cement sector which contracted 5.4% and 4.9% respectively.
- Nikkei India Manufacturing Purchasing Managers' Index (PMI) for Sep 2019 came in unchanged from the 51.4 posted in Aug 2019 as demand remained subdued domestically and externally. The slack in demand has led manufacturers to limit production, lower inventories and reduce input buying. Sep and Aug have thus marked the lowest level since May 2018.

## Domestic Equity Market Update

- Indian equity markets closed on weak note in the week ended Oct 04, 2019. Indian equity markets fell as weak macroeconomic data kept investors under pressure. The country's core sectors contracted in Aug 2019 and current account deficit widened in the first quarter.
- Meanwhile, investors remained cautious ahead of the Reserve Bank of India's (RBI) monetary policy review that was scheduled on Oct 4, 2019. Though RBI cut its key policy rate by 25 basis points, investors got worried over the economy as it slashed its growth forecast for 2019-20 to 6.1% from 6.9%. The central bank stated that domestic demand conditions remained weak amid subdued prospects for exports. Further, new bank frauds and concern around the bad loans situation in banks added to investor woes.
- Also, weak global cues kept the domestic markets under pressure. U.S. extended its trade war to Europe as it proposed to impose tariffs on \$7.5 billion worth of goods from the European Union. Signs of a slowdown in U.S. manufacturing and services kept the investors wary.
- S&P BSE Bankex was the major loser that fell 7.34% followed by S&P BSE Metal that fell 6.44%. RBI has initiated prompt corrective action against a private bank due to high level of bad loans, among other things. This comes after RBI restricted the activities of a cooperative bank as it had Rs. 6,500 crore exposure to a bankrupt company, which is 73% of the bank's total assets.
- S&P BSE Realty and S&P BSE Capital Goods fell 5.37% and 3.53%, respectively. However, S&P BSE Oil & Gas was the major gainer and grew 1.76% followed by S&P BSE IT that grew 1.11% amid weakness in rupee that helped the export-oriented sector to gain.

## Domestic Debt Market Update

Broad Indices	04-Oct-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	6.83%	6.97%	7.37%	9.11%
3 Year AAA Corporate Bond	7.31%	7.40%	7.29%	8.99%
5 Year AAA Corporate Bond	7.45%	7.52%	7.37%	9.07%
1 Year G-Sec	5.62%	5.82%	5.73%	7.90%
3 Year G-Sec	6.02%	6.15%	6.04%	8.01%
5 Year G-Sec	6.32%	6.50%	6.26%	8.15%
10 Year G-Sec	6.68%	6.73%	6.55%	8.16%
Forex Reserve (\$ in billion)	433.59*	428.57**	428.60@	400.53@@

- Bond yields lowered following the announcement of 10-year note auction, which lifted investor sentiments. Fall in crude oil prices also aided market sentiments. The debt market also turned optimistic after the country's borrowing plan for the Oct-Mar period came in line with expectations.
- Bond yields fell initially after the Monetary Policy Committee announced 25 basis points rate cut in the meeting but soon gains were capped as investors booked profits.
- Yield on the 10-year benchmark paper (7.26% GS 2029) fell 5 bps to 6.69% compared with the previous close of 6.74% after trading in a range of 6.58% to 6.71%.
- RBI conducted underwriting auction of 6.17% GS 2021, 7.27% GS 2026, New GS 2029, 7.62% GS 2039 and 7.63% GS 2059 for notified amount of Rs. 16,000 crore. The entire amount was underwritten at ACU commission cut-off rate of Re. 0.08, Re. 0.24, Re. 0.09, Rs. 1.67 and Rs. 2.32 per Rs. 100, respectively.
- RBI conducted auction of 91-, 182- and 364-Days Treasury Bills for notified amount of Rs. 9,000 crore, Rs. 4,000 crore and Rs. 3,000 crore, respectively. The entire amount was accepted at cut-off price of Rs. 98.69 (YTM: 5.3241%), Rs. 97.36 (YTM: 5.4381%) and Rs. 94.77 (YTM: 5.5338%), respectively.

## Global Commodity Update

Commodities	04-Oct-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	52.60	-5.90	-29.29	16.63
Brent Crude Oil (\$/barrel)	58.43	-7.80	-32.38	15.68
Gold (\$/ounce)	1504.35	0.52	25.44	17.28
Silver (\$/ounce)	17.55	0.03	20.54	13.37

Source: Thomson Reuters Eikon

## Currencies Update

Currency	04-Oct-19	Week Ago	Year Ago
U.S. Dollar	70.82	70.49	73.62
GBP	87.33	86.62	95.85
Euro	77.73	77.11	84.77
100 Yen	66.21	65.30	64.62

Source: Thomson Reuters Eikon

## Global Equity Market Performance

Country/Region	Indices	04-Oct-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1630.92	-0.29	1.61	17.82
U.K.	FTSE	7,155	-3.65	-3.54	6.35
France	CAC 40	5,488	-2.70	1.43	16.02
Germany	DAX	12,013	-2.97	-1.89	13.77
Japan	Nikkei 225	21,410	-2.14	-10.70	6.97
China#	Shanghai Composite	Closed	NA	NA	NA
Hong Kong	Hang Seng	25,821	-0.52	-3.02	-0.10
Singapore	Straits Times	3,078	-1.51	-4.74	0.31
Russia	RTS Index	1,312	-2.68	13.00	23.03
Brazil	Sao Paulo Se Bovespa	102,551	-2.40	23.63	16.69

Source: Thomson Reuters Eikon

## Global Bond Yield Update

Indicators	04-Oct-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	1.51	1.67	1.46	3.20
U.K. 10 Year Bond yield (%)	0.44	0.50	0.49	1.67
German 10 Year Bond yield (%)	-0.59	-0.58	-0.68	0.54
Japan 10 Year Bond yield (%)	-0.22	-0.24	-0.28	0.16

Source: Thomson Reuters Eikon

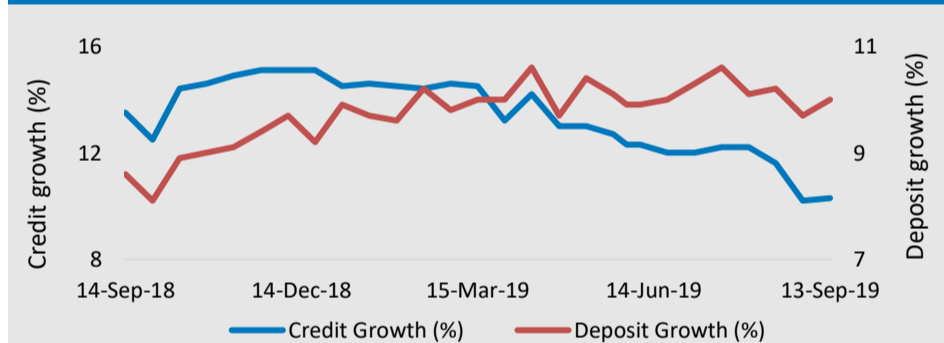
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
China Caixin Manufacturing PMI (Sep)	30-Sep	51.4	50.2	50.4
Eurozone Consumer Price (YoY) (Sep)	1-Oct	0.9%	1.0%	1.0%
U.S. ISM Manufacturing PMI (Sep)	1-Oct	47.8	50.1	49.1
U.S. Nonfarm Payrolls (Sep)	4-Oct	136K	145K	168K

Source: FX Street

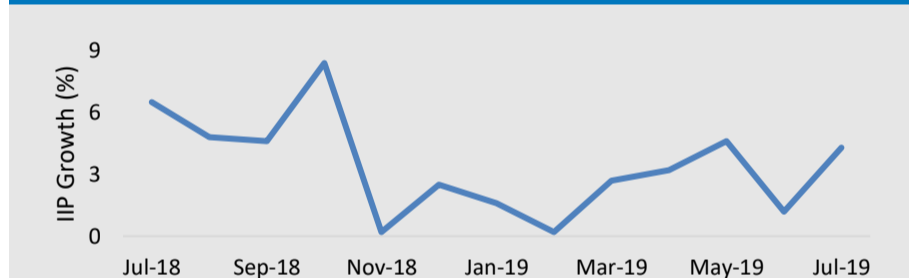
## Macro Economic Performance of India

### Credit growth vs Deposit growth



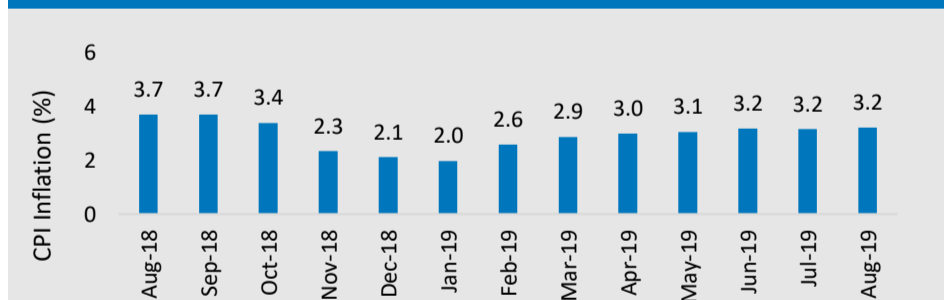
Source: Thomson Reuters Eikon

### IIP Growth (%)



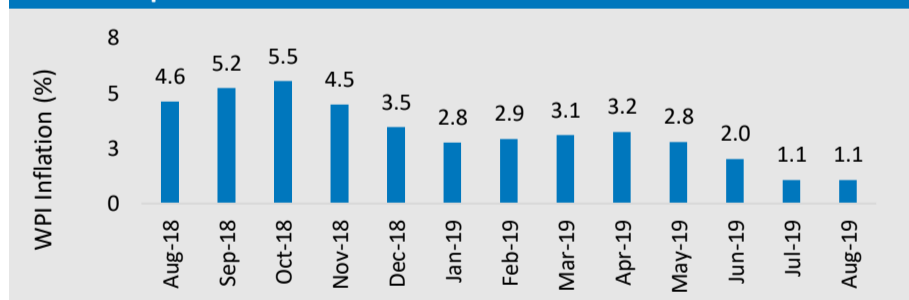
Source: Thomson Reuters Eikon

### Retail inflation movement



Source: Thomson Reuters Eikon

### Wholesale price inflation movement



Source: Thomson Reuters Eikon

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