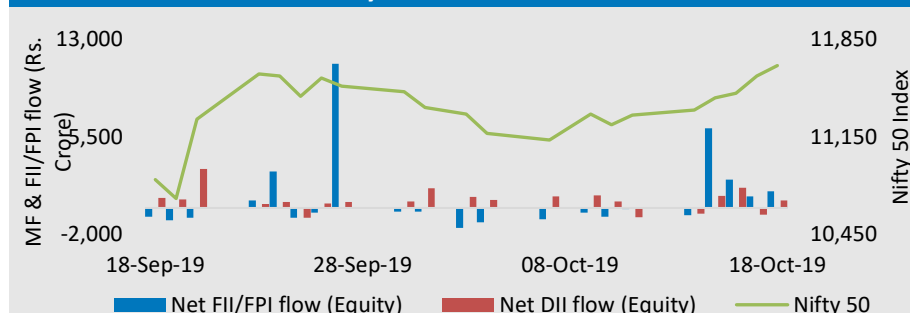


## Macro Economic Release

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	18-Oct-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	39,298	3.07	12.99	8.96
Nifty 50	11,662	3.16	11.56	7.36
S&P BSE 100	11,769	3.45	10.25	5.45
Nifty 500	9,479	3.47	8.23	3.37
Nifty Mid cap 50	4,465	4.95	-1.62	-9.45
Nifty Small cap 100	5,568	3.13	-8.27	-13.67

Sector Indices	18-Oct-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	17,882	7.88	-9.93	-14.17
S&P BSE Bankex	32,901	3.68	16.83	8.31
S&P BSE CD	26,570	3.35	44.64	28.39
S&P BSE CG	18,583	3.02	10.93	-1.26
S&P BSE FMCG	11,929	3.55	7.10	0.85
S&P BSE HC	12,635	3.97	-13.70	-9.25
S&P BSE IT	15,454	-0.08	5.29	9.68
S&P BSE METAL	9,147	5.09	-28.56	-22.74
S&P BSE Oil & Gas	15,314	4.75	15.59	11.39
S&P BSE Power	1,983	3.30	1.58	-0.80
S&P BSE PSU	6,860	6.11	-0.70	-5.20
S&P BSE Realty	2,022	6.40	27.05	12.46
S&P BSE Teck	7,578	-0.01	4.12	7.24

Source: BSE & NSE

## Macro economic Update

- Consumer price index-based inflation rate increased to 3.99% in Sep 2019 from an upwardly revised 3.28% in Aug 2019 (3.21% originally reported) and 3.70% in Sep 2018. Consumer Food Price Index increased to 5.11% in Sep from 2.99% in Aug and 0.51% in the same period of the previous year.
- Government data showed that wholesale price index-based inflation (WPI) eased to 0.33% in Sep 2019 compared with 1.08% in Aug 2019 and 5.22% in the same month of the previous year. The rate of inflation for primary articles eased from 6.43% in Aug to 5.54% in Sep. The rate of inflation for non-food articles eased from 4.76% in Aug to 2.18% in Sep.
- Government data showed that India's trade deficit narrowed to \$10.86 billion in Sep 2019 from \$14.95 billion in the same period of the previous year. India's trade deficit narrowed as imports fell 13.85% to \$36.89 billion in Sep 2019 while exports came down at a comparatively slower rate of 6.57% to \$26.03 billion in Sep 2019. Oil imports fell 18.33% to \$8.98 billion in Sep from \$10.99 billion in the year-ago period.
- The International Monetary Fund (IMF) said India should go for further monetary policy easing and broad-based structural reforms to reverse a cyclical demand slowdown. IMF cut its growth projection for the country to 6.1% in FY20 from its Jul 2019 forecast of 7%. For FY21, IMF downgraded the growth of the Indian economy to 7.0% from its Jul 2019 forecast of 7.2%.

## Domestic Equity Market Update

- Indian equity markets closed on strong note in the week ended Oct 18, 2019. Finance minister hinting that more stimulus measures could be on their way to propel the economy, supported sentiment. Further, investors' expectation that the Reserve Bank of India (RBI) might further cut rates boosted market sentiments.
- Also, an extremely successful debut by a subsidiary of the Indian Railways at the stock exchange and good earnings show by some of the major corporates boosted market sentiment. Fall in trade deficit and to a seven-month low in Sep and foreign fund inflows added to the gains.
- On the global front, strong global cues after the U.K. and European Union reached a new Brexit deal acted as a positive catalyst. This to some extent eased concerns over global economic growth as uncertainty over Brexit deal had been for a long time upsetting the fabric of markets. However, back home, weak Index of Industrial Production data for Aug 2019 kept investors on their toes.
- S&P BSE Auto was the major gainer that surged 7.88% followed by S&P BSE Realty that grew 6.40%. Brexit deal bores well for the Britain-based luxury car subsidiary of an Indian auto major. S&P BSE Metal and S&P BSE Oil & Gas grew 5.09% and 4.75%, respectively.
- According to media reports, a Saudi energy behemoth could evince interest in an Indian oil major's strategic sale which boosted the oil sector. S&P BSE Healthcare and S&P BSE Bankex grew 3.97% and 3.68%, respectively. However, S&P BSE IT was the major loser that fell 0.08% followed by S&P BSE Teck that fell 0.01%.

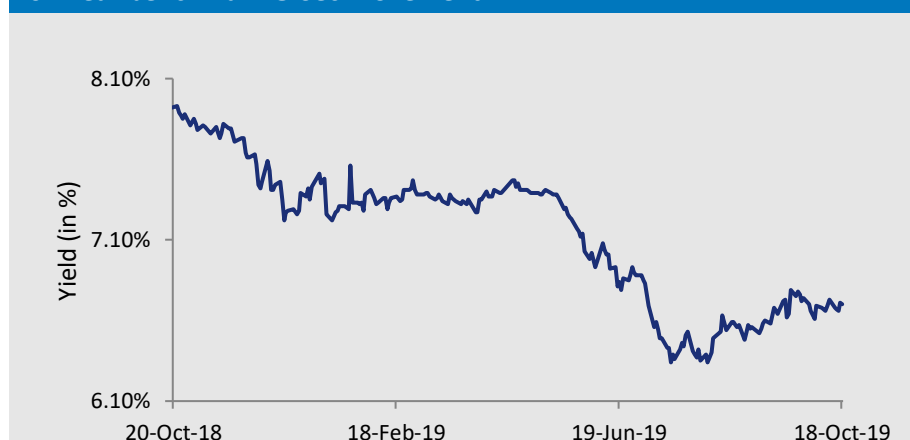
## Indian Debt Market Indicators

Broad Indices	18-Oct-19	Week Ago	Month Ago	Year Ago
Call Rate	5.10%	5.04%	5.36%	6.58%
T-Repo	4.90%	4.58%	5.30%	N.A.
Repo	5.15%	5.15%	5.40%	6.50%
Reverse Repo	4.90%	4.90%	5.15%	6.25%
3 Month CP	5.80%	6.00%	5.70%	7.90%
1 Year CP	6.95%	7.05%	6.95%	9.22%
3 Month CD	5.67%	5.31%	5.63%	8.23%
1 Year CD	5.86%	6.21%	6.41%	8.38%

Source: CCL, Thomson Reuters Eikon \* as on Oct 11, 2019; \*\* as on Oct 4, 2019; @ as on Sep 6, 2019; @@ as on Oct 12, 2018

Broad Indices	18-Oct-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	6.80%	6.67%	6.82%	8.97%
3 Year AAA Corporate Bond	7.25%	7.32%	7.37%	8.92%
5 Year AAA Corporate Bond	7.55%	7.59%	7.54%	8.84%
1 Year G-Sec	5.56%	5.65%	5.73%	7.67%
3 Year G-Sec	5.93%	5.98%	6.04%	7.73%
5 Year G-Sec	6.36%	6.38%	6.35%	7.90%
10 Year G-Sec	6.70%	6.73%	6.62%	7.91%
Forex Reserve (\$ in billion)	439.71*	437.83**	429.61@	394.47@@

## 10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

## Domestic Debt Market Update

- Bond yields fell as market participants resorted to value buying. Further, purchases of bonds by an insurance firm encouraged market participants to resort to short covering. Besides, speculations of further policy rate cuts also supported the domestic debt market sentiment.
- However, the gains were restricted following the release of the country's retail inflation data of 3.99% for Sep, which is the highest since last year Jul. Fiscal slippage concerns renewed following a government official's comment which also contributed to the downside. Market participants are wary on how the government will manage covering the revenue shortfall in a scenario where tax is consistently declining. This led to selloff in the bond market, dampening sentiments.
- Yield on the 10-year benchmark paper (7.26% GS 2029) fell 3 bps to 6.70% compared with the previous close of 6.73% after trading in a range of 6.64% to 6.74%.
- RBI on Oct 16 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. 98.74 (YTM: 5.12%), Rs. 97.45 (YTM: 5.25%) and Rs. 94.92 (YTM: 5.37%), respectively.

# Weekly Market Update

18 October 2019

## Global Commodity Update

Commodities	18-Oct-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	53.35	-2.77	-22.06	16.79
Brent Crude Oil (\$/barrel)	59.3	-2.15	-25.24	9.53
Gold (\$/ounce)	1489.7	0.02	21.61	16.14
Silver (\$/ounce)	17.5411	0.01	20.56	13.31

Source: Thomson Reuters Eikon

## Currencies Update

Currency	18-Oct-19	Week Ago	Year Ago
U.S. Dollar	71.08	70.91	73.52
GBP	92.20	89.68	95.70
Euro	79.39	78.29	84.20
100 Yen	65.55	65.40	65.52

Source: Thomson Reuters Eikon

## Global Equity Market Performance

Country/Region	Indices	18-Oct-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1648.69	0.47	7.70	19.10
U.K.	FTSE	7,151	-1.33	1.76	6.28
France	CAC 40	5,636	-0.52	10.15	19.14
Germany	DAX	12,634	0.97	9.01	19.65
Japan	Nikkei 225	22,493	3.18	-0.73	12.38
China	Shanghai Composite	2,938	-1.19	18.17	17.81
Hong Kong	Hang Seng	26,720	1.56	4.97	3.38
Singapore	Straits Times	3,114	0.01	1.45	1.48
Russia	RTS Index	1,355	1.93	18.87	27.12
Brazil	Sao Paulo Se Bovespa	104,729	0.86	24.90	19.16

Source: Thomson Reuters Eikon

## Global Bond Yield Update

Indicators	18-Oct-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	1.75	1.75	1.78	3.18
U.K. 10 Year Bond yield (%)	0.71	0.71	0.64	1.54
German 10 Year Bond yield (%)	-0.39	-0.44	-0.51	0.42
Japan 10 Year Bond yield (%)	-0.15	-0.18	-0.19	0.15

Source: Thomson Reuters Eikon

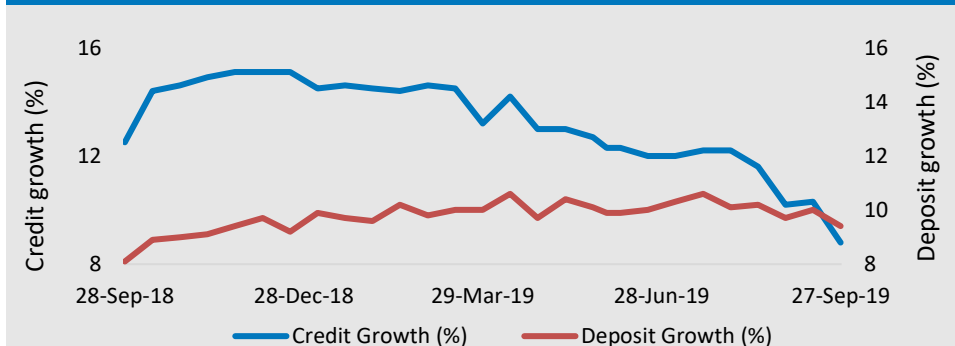
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
China Exports (YoY) (Sep)	14-Oct	-3.20%	-3.00%	-1.00%
China CPI (YoY) (Sep)	15-Oct	3.00%	2.90%	2.80%
U.S. Retail Sales (MoM) (Sep)	16-Oct	-0.30%	0.30%	0.60%
China Gross Domestic Product (YoY) (Q3)	18-Oct	6.00%	6.10%	6.20%

Source: FX Street; Thomson Reuters Eikon

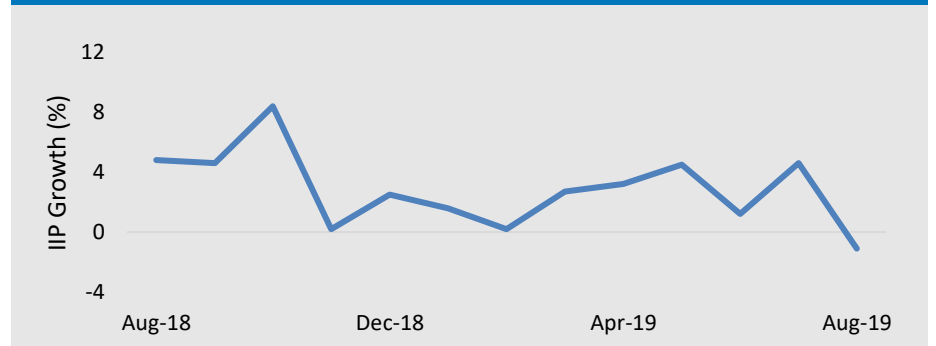
## Macro Economic Performance of India

### Credit growth vs Deposit growth



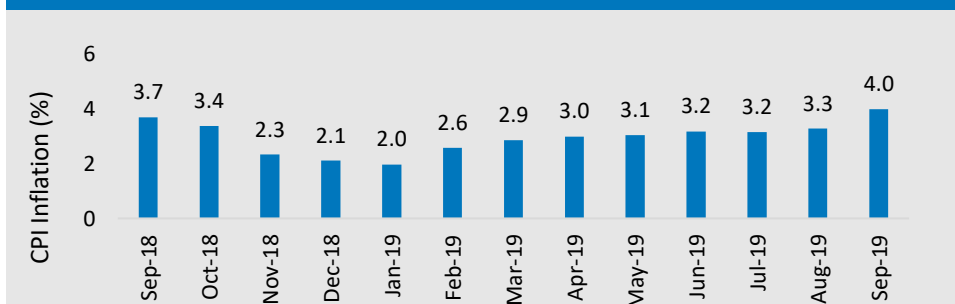
Source: Thomson Reuters Eikon

### IIP Growth (%)



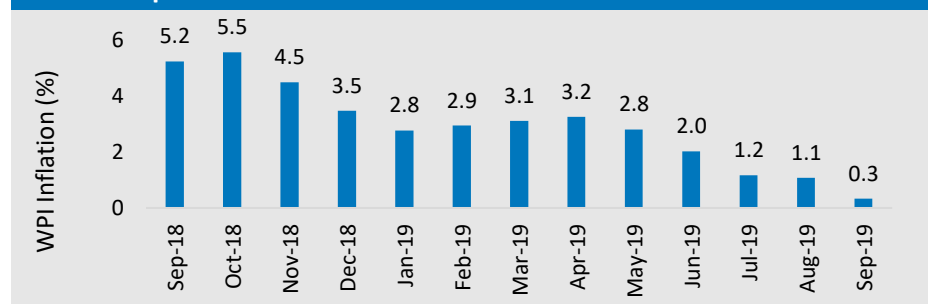
Source: Thomson Reuters Eikon

### Retail inflation movement



Source: Thomson Reuters Eikon

### Wholesale price inflation movement



Source: Thomson Reuters Eikon

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