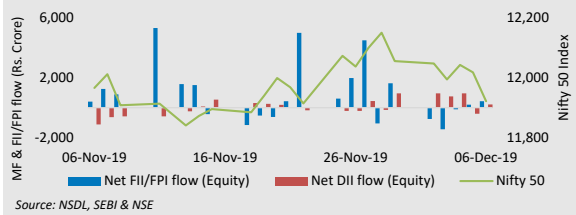


Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Oct 2019)	0.16%	0.00%	0.33%
CPI inflation (Oct 2019)	4.62%	4.25%	3.99%
IIP growth (Sep 2019)	-4.30%	-2.00%	-1.40%
Nikkei India Manufacturing PMI (Nov 2019)	51.20	49.80	50.60

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	06-Dec-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	40,445	-0.85	14.54	12.13
Nifty 50	11,922	-1.12	12.45	9.75
S&P BSE 100	11,974	-1.39	10.51	7.28
Nifty 500	9,669	-1.47	8.85	5.45
Nifty Mid cap 50	4,556	-3.52	-1.40	-7.60
Nifty Small cap 100	5,697	-2.03	-5.89	-11.66

Sector Indices	06-Dec-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	17,493	-3.35	-11.76	-16.03
S&P BSE Bankex	35,751	-1.21	22.54	17.69
S&P BSE CD	24,976	0.42	23.96	20.69
S&P BSE CG	16,893	-2.83	-6.62	-10.24
S&P BSE FMCG	11,566	-1.35	1.74	-2.23
S&P BSE HC	13,349	-1.87	-2.40	-4.13
S&P BSE IT	15,176	2.02	5.67	7.71
S&P BSE METAL	9,436	-3.51	-18.23	-20.30
S&P BSE Oil & Gas	14,651	-3.33	12.24	6.56
S&P BSE Power	1,865	-3.11	-1.90	-6.72
S&P BSE PSU	6,731	-4.84	-0.26	-6.99
S&P BSE Realty	2,169	0.13	22.15	20.67
S&P BSE Teck	7,579	1.58	5.77	7.25

Source: BSE & NSE

Macro economic Update

- The Monetary Policy Committee (MPC) kept key policy repo rate unchanged in its fifth bi-monthly monetary policy review. The policy repo rate thus presently stands at 5.15%. The reverse repo rate remains unchanged at 4.90% while the marginal standing facility rate and the bank rate remains at 5.40%. However, the MPC decided to continue with its accommodative stance on the monetary policy as long as it is necessary to revive growth, while ensuring that inflation remains within its medium-term target. All members of the MPC voted in favour of the decision.
- MPC raised its retail inflation projection to a range of 4.7% to 5.1% for H2FY20 from its earlier projection of 3.5% to 3.7%. It downgraded the real GDP growth projections of the Indian economy to 5.0% for FY20 from its earlier projection of 6.1%.
- Nikkei India Manufacturing Purchasing Managers' Index (PMI) rose to 51.2 in Nov 2019 from 50.6 in Oct 2019. Growth was supported by new products launch and better demand. Though new orders and output rose at a modest pace, companies cut jobs for the first time in 20 months and reduced input buying. It remained above the 50-mark threshold that separates contraction from expansion.
- The IHS Markit Services Purchasing Managers' (PMI) rose to 52.7 in Nov 2019 against from 49.2 in Oct 2019. The Composite PMI Output Index rose to 52.7 from 49.6 in Oct 2019. The services PMI increased on the back of renewed rise in new business intakes, faster job creation and strengthening business confidence.

Domestic Equity Market Update

- Indian equity markets closed on a weak note in the week ended Dec 06, 2019. GDP data numbers released after market hours on Nov 29, 2019, showed the Indian economy's growth slowed to 4.5% in the second quarter that weighed on the market sentiment.
- Losses were extended on concerns over weakening domestic growth and rising inflationary risks. On Dec 5, 2019, the Reserve Bank of India (RBI) kept interest rates unchanged, defying expectations of 25 basis points cut. The central bank lowered its GDP growth forecast for FY20 to 5% from 6.1% and increased inflation projection from 4.7% to 5.1%. Surge in crude oil prices added to the woes.
- Weak global cues added to the losses. The U.S. President imposing tariffs on foreign steel and threatening tariffs on allies like the European Union spooked markets across the globe. However, the losses got restricted after media reports showed that U.S. and China could agree on the amount of tariffs to be rolled back in a phase-one trade deal. The deal could come through despite tensions over Hong Kong, the report said.
- S&P BSE Metal was the major loser that fell 3.51% followed by S&P BSE Auto and S&P BSE Oil & Gas that fell 3.35% and 3.33%, respectively. Weak auto sales numbers for Nov 2019 weighed on the auto sector.
- S&P BSE Power and S&P BSE Capital Goods fell 3.11% and 2.83%, respectively. S&P BSE Healthcare and S&P BSE FMCG fell 1.87% and 1.35%, respectively. The country's economic growth concerns with GDP at more than six-year low and rising inflation is keeping sectors under pressure.

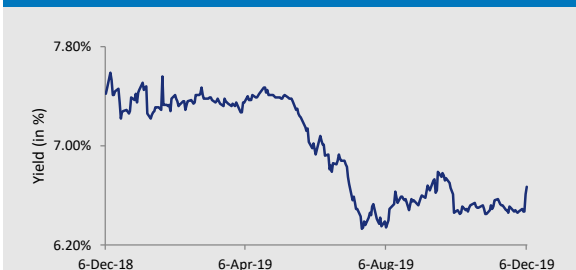
Indian Debt Market Indicators

Broad Indices	06-Dec-19	Week Ago	Month Ago	Year Ago
Call Rate	5.05%	5.06%	5.07%	6.34%
T-Repo	4.89%	4.90%	4.93%	6.36%
Repo	5.15%	5.15%	5.15%	6.50%
Reverse Repo	4.90%	4.90%	4.90%	6.25%
3 Month CP	5.55%	5.30%	5.60%	7.35%
1 Year CP	6.70%	6.65%	6.70%	8.95%
3 Month CD	5.14%	5.08%	5.14%	7.21%
1 Year CD	5.93%	5.79%	5.92%	8.19%

Source: CIL, Thomson Reuters Eikon * as on Nov 29, 2019; ** as on Nov 22, 2019; @ as on Nov 01, 2019; @ as on Nov 30, 2018

Broad Indices	06-Dec-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	6.80%	6.64%	6.85%	8.46%
3 Year AAA Corporate Bond	7.35%	7.12%	7.15%	8.45%
5 Year AAA Corporate Bond	7.62%	7.47%	7.42%	8.34%
1 Year G-Sec	5.57%	5.32%	5.49%	7.08%
3 Year G-Sec	6.25%	6.00%	6.07%	7.19%
5 Year G-Sec	6.37%	6.25%	6.28%	7.37%
10 Year G-Sec	6.66%	6.46%	6.49%	7.42%
Forex Reserve (\$ in billion)	451.08*	448.60**	446.10@	393.72@@

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Domestic Debt Market Update

- Bond yields surged following the Monetary Policy Committee's decision of no change in the key policy rate amid higher inflation. This weighed on the market sentiment as investors were expecting a rate cut of 25 bps and raised ambiguity over future rate cuts.
- Yields also rose as market participants resorted to profit booking following lower than expected economic growth numbers. The country's GDP came in at 4.5% for the Jul-Sep quarter against median forecast of 4.7%, thus dampening market sentiments.
- Yield on the new 10-year benchmark paper (6.45% GS 2029) rose 20 bps to close at 6.67% compared with the previous week's close of 6.47% after trading in a range of 6.45% to 6.67%.
- RBI conducted auction of state development loan of 14 state governments for notified amount of Rs. 13909.47 crore. The entire amount was accepted. The cut-off yield was in the range of 7.14% to 7.33%, while tenure was in between 9 years to 35 years.
- RBI conducted auction of 6.17% GS 2021, 7.27% GS 2026, 6.45% GS 2029, 7.62% GS 2039 and 7.63% GS 2059 for notified amount of Rs. 16,000 crore. The cut-off price was in the range of Rs. 100.56/5.79%, Rs. 102.92/6.69%, Rs. 98.37/6.68%, Rs. 103.75/7.26% and Rs. 104.82/7.26%, respectively.

Global Commodity Update

Commodities	06-Dec-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	59.04	6.57	14.40	29.25
Brent Crude Oil (\$/barrel)	64.27	3.00	6.71	18.71
Gold (\$/ounce)	1459.51	-0.30	17.93	13.78
Silver (\$/ounce)	16.56	-2.70	14.43	6.98

Source: Thomson Reuters Eikon

Currencies Update

Currency	06-Dec-19	Week Ago	Year Ago
U.S. Dollar	71.27	71.75	70.84
GBP	93.58	92.79	90.55
Euro	79.06	79.03	80.57
100 Yen	65.63	65.51	62.86

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	06-Dec-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1739	0.10	16.63	25.59
U.K.	FTSE	7,240	-1.45	7.99	7.60
France	CAC 40	5,872	-0.56	22.83	24.12
Germany	DAX	13,167	-0.53	21.79	24.70
Japan	Nikkei 225	23,354	0.26	8.62	16.69
China	Shanghai Composite	2,912	1.39	11.78	16.77
Hong Kong	Hang Seng	26,498	0.58	1.31	2.53
Singapore	Straits Times	3,195	0.02	2.54	4.10
Russia	RTS Index	1,448	0.69	27.71	35.85
Brazil	Sao Paulo Se Bovespa	111,126	2.67	25.08	26.44

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	06-Dec-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	1.84	1.78	1.81	2.88
U.K. 10 Year Bond yield (%)	0.77	0.70	0.72	1.24
German 10 Year Bond yield (%)	-0.29	-0.35	-0.32	0.23
Japan 10 Year Bond yield (%)	-0.01	-0.08	-0.08	0.05

Source: Thomson Reuters Eikon

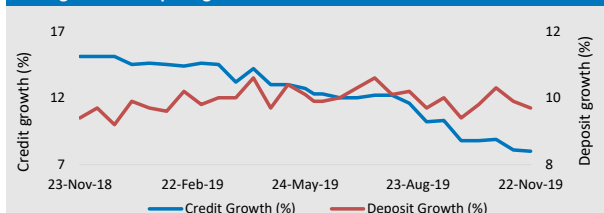
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. ISM Manufacturing PMI (Nov)	2-Dec	48.10	49.20	48.30
China Caixin Mfg PMI (Nov)	2-Dec	51.80	51.40	51.70
Eurozone GDP (YoY) (Q3)	5-Dec	1.20%	1.20%	1.20%
U.S. Nonfarm Payrolls (Nov)	6-Dec	266K	180K	156K

Source: FX Street

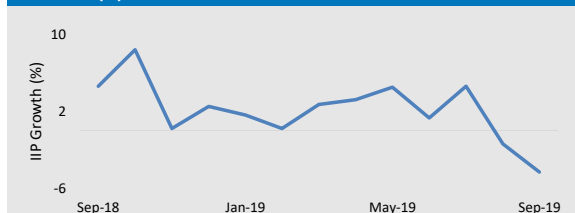
Macro Economic Performance of India

Credit growth vs Deposit growth



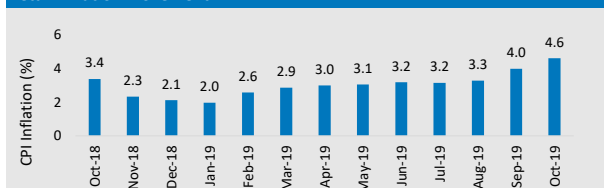
Source: Thomson Reuters Eikon

IIP Growth (%)



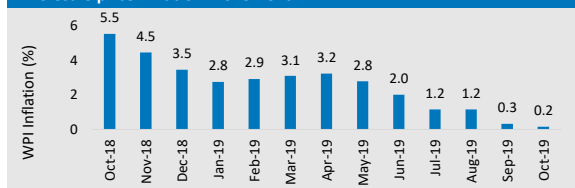
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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