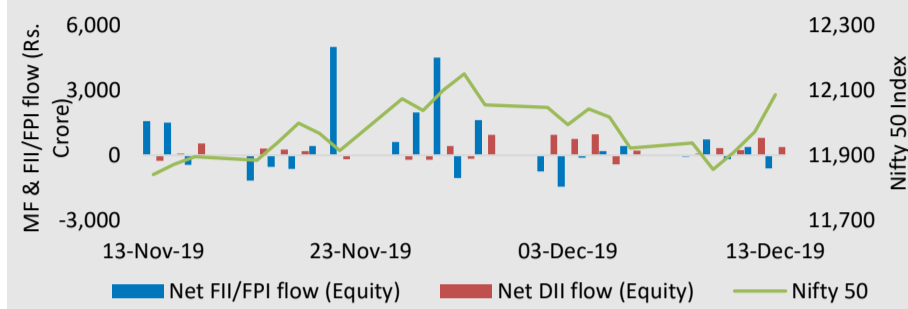


Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Oct 2019)	0.16%	0.00%	0.33%
CPI inflation (Nov 2019)	5.54%	5.26%	4.62%
IIP growth (Oct 2019)	-3.80%	-5.00%	-4.30%
India Exports (Nov 2019)	-0.34%	NA	-1.11%

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	13-Dec-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	41,010	1.40	14.14	13.70
Nifty 50	12,087	1.39	12.00	11.27
S&P BSE 100	12,142	1.40	9.76	8.79
Nifty 500	9,784	1.18	7.78	6.69
Nifty Mid cap 50	4,642	1.87	-2.74	-5.87
Nifty Small cap 100	5,652	-0.79	-9.98	-12.36

Sector Indices	13-Dec-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	18,088	3.40	-13.26	-13.18
S&P BSE Bankex	36,496	2.08	21.89	20.15
S&P BSE CD	25,071	0.38	19.42	21.14
S&P BSE CG	17,006	0.67	-8.71	-9.64
S&P BSE FMCG	11,513	-0.45	-2.00	-2.67
S&P BSE HC	13,376	0.21	-3.46	-3.93
S&P BSE IT	15,006	-1.12	2.76	6.50
S&P BSE METAL	9,789	3.74	-15.92	-17.32
S&P BSE Oil & Gas	14,879	1.56	12.86	8.22
S&P BSE Power	1,889	1.29	-1.52	-5.52
S&P BSE PSU	6,878	2.19	-0.18	-4.95
S&P BSE Realty	2,204	1.58	20.41	22.57
S&P BSE Teck	7,464	-1.51	2.71	5.63

Source: BSE & NSE

Macro economic Update

- Consumer price index-based inflation rate increased to 5.54% in Nov 2019 from 4.62% in Oct 2019 and 2.33% in Nov 2018. The increase came on account of rising food prices and the figure is well above the Reserve Bank of India's medium target of 4%. Consumer Food Price Index increased to 10.01% in Nov 2019 from 7.89% in Oct 2019 and a decline of 2.61% in the same period of the previous year.
- Government data released showed Index of Industrial Production (IIP) shrunk 3.8% in Oct 2019 compared to a contraction of 4.3% in Sep 2019. Manufacturing and electricity declined 2.1% and 12.2% in Oct 2019, respectively, while the mining sector contracted 8.0% in the same month. From Apr to Oct 2019, IIP growth eased to 0.5% YoY from 5.7% recorded in the corresponding period last year.
- Government data showed that India's trade deficit narrowed to \$12.12 billion in Nov 2019 from \$17.58 billion in the same period of the previous year. India's trade deficit narrowed as imports fell 12.71% YoY to \$38.11 billion in Nov 2019 while exports came down at a comparatively slower rate of 0.34% YoY to \$25.98 billion in the same month. Oil imports fell 18.17% to \$11.06 billion in Nov 2019 from \$13.52 billion in the year-ago period.
- A major global rating agency has said it will downgrade India's sovereign rating if the country's economic growth does not recover, media reports showed. The agency has maintained its lowest investment grade rating (BBB) for India. Anything below this could impact India's benchmark 10-year bond yields, the reports said.

Domestic Equity Market Update

- Indian equity markets gained in the week ended Dec 13, 2019. Sentiment was boosted on trade optimism as reports showed U.S. and China have signed an in-principle phase one deal. Expectations of a clear victory in U.K. elections also boosted sentiment. The strong global cues overshadowed weak retail inflation data for Nov 2019 and industrial output data for Oct 2019.
- Initially, markets were under pressure as investors looked forward to key economic data, scheduled to be released in the week. Weakening domestic growth and rising inflationary risks have been keeping investors on their toes. The fresh set of data was seen to give the markets some direction.
- A continuously falling auto sales in Nov 2019 were a dampener. Markets rebounded after the U.S. Federal Reserve maintained status quo in its monetary policy review as expected and hinted there may not be any rate change throughout 2020.
- S&P BSE Metal was the major gainer, up 3.74% followed by S&P BSE Auto, up 3.40% and S&P BSE Bankex, up 2.08%. S&P BSE Realty and S&P BSE Oil & Gas gained 1.58% and 1.56%, respectively. The metal sector was buoyed by trade optimism as the bickering of the world's two largest economies has been badly impacting global trade for quite some time now and the metals sector suffers under such circumstances.
- With the U.S. and China almost there with a phase one trade deal, the sector got a much-awaited boost. S&P BSE Teck was the major loser, down 1.51%, followed by S&P BSE IT, down 1.12%. The only other sector to lose was S&P BSE FMCG, down 0.45%.

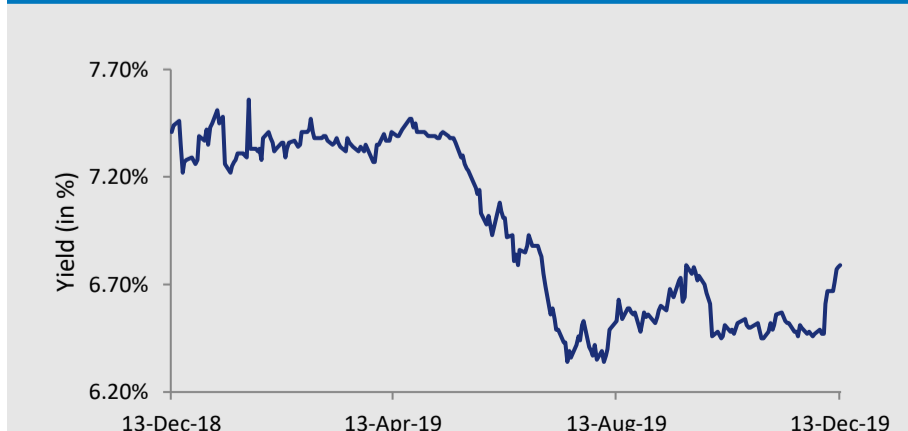
Indian Debt Market Indicators

Broad Indices	13-Dec-19	Week Ago	Month Ago	Year Ago
Call Rate	4.97%	5.05%	5.09%	6.41%
T-Repo	4.78%	4.89%	4.91%	6.44%
Repo	5.15%	5.15%	5.15%	6.50%
Reverse Repo	4.90%	4.90%	4.90%	6.25%
3 Month CP	5.37%	5.55%	5.50%	7.20%
1 Year CP	6.65%	6.70%	6.70%	9.00%
3 Month CD	5.06%	5.14%	5.32%	7.17%
1 Year CD	5.82%	5.93%	5.79%	8.21%

Broad Indices	13-Dec-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	6.86%	6.80%	6.90%	8.49%
3 Year AAA Corporate Bond	7.51%	7.34%	7.16%	8.41%
5 Year AAA Corporate Bond	7.92%	7.62%	7.41%	8.32%
1 Year G-Sec	5.57%	5.57%	5.51%	6.98%
3 Year G-Sec	6.39%	6.25%	6.05%	7.16%
5 Year G-Sec	6.63%	6.37%	6.32%	7.34%
10 Year G-Sec	6.78%	6.66%	6.53%	7.41%
Forex Reserve (\$ in billion)	453.42*	451.08**	447.81®	393.73®®

Source: CCLL, Thomson Reuters Eikon * as on Dec 6, 2019; ** as on Nov 29, 2019; ® as on Nov 08, 2019; ®® as on Dec 7, 2018

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Domestic Debt Market Update

- Bond yields surged amid worries over a fiscal slippage and the government's plan for additional borrowing. Market sentiments were further dampened following comments from a major global rating agency that it may lower India's rating if the growth of the Indian economy does not come along expected lines. Losses were extended after retail inflation for Nov 2019 rose higher than expected, which lowered the possibility of further easing of monetary policy.
- Yield on the 10-year benchmark paper (6.45% GS 2029) rose 12 bps to close at 6.78% compared with the previous week's close of 6.66% after trading in a range of 6.64% to 6.84%.
- RBI on Dec 10 conducted auction of state development loans of 11 state governments for notified amount of Rs. 13,559. The entire amount was accepted. The yield lied in the range of 6.10% to 7.39%, while tenure was in between 2 years to 40 years.
- RBI on Dec 11 conducted auction of 91-day, 182-day and 364-day T-Bill for notified amount of Rs. 10,000 crore, Rs. 4,000 crore and Rs. 3,000 crore, respectively. The entire amount was accepted at cut-off price of Rs. 98.77 (YTM: 5.00%), Rs. 97.48 (YTM: 5.19%) and Rs. 95.03 (YTM: 5.25%), respectively.

Global Commodity Update

Commodities	13-Dec-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	59.75	1.20	13.25	30.80
Brent Crude Oil (\$/barrel)	64.91	1.00	5.27	19.89
Gold (\$/ounce)	1,475.56	1.10	18.80	15.03
Silver (\$/ounce)	16.93	2.23	14.71	9.37

Source: Thomson Reuters Eikon

Currencies Update

Currency	13-Dec-19	Week Ago	Year Ago
U.S. Dollar	70.80	71.27	71.52
GBP	94.33	93.61	90.51
Euro	78.72	78.80	81.25
100 Yen	64.72	65.61	62.93

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	13-Dec-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1,749.66	0.64	19.57	26.40
U.K.	FTSE	7,353	1.57	6.92	9.29
France	CAC 40	5,919	0.80	20.87	25.12
Germany	DAX	13,283	0.88	21.58	25.80
Japan	Nikkei 225	24,023	2.86	10.12	20.03
China	Shanghai Composite	2,968	1.91	12.67	19.00
Hong Kong	Hang Seng	27,688	4.49	4.39	7.13
Singapore	Straits Times	3,214	0.61	3.31	4.73
Russia	RTS Index	1,501	3.66	32.95	40.83
Brazil	Sao Paulo Se Bovespa	112,565	1.30	28.15	28.08

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	13-Dec-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	1.82	1.84	1.87	2.91
U.K. 10 Year Bond yield (%)	0.79	0.77	0.76	1.29
German 10 Year Bond yield (%)	-0.29	-0.29	-0.30	0.28
Japan 10 Year Bond yield (%)	-0.03	-0.03	-0.06	0.06

Source: Thomson Reuters Eikon

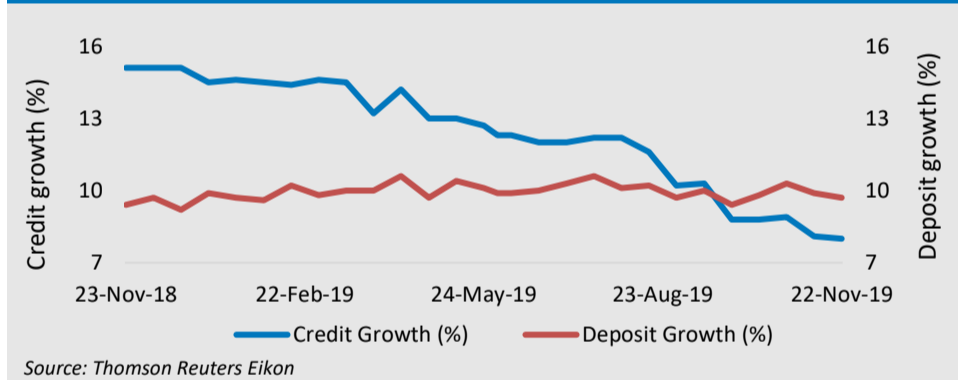
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Japan GDP Annualized s.a. (QoQ) (3Q F)	9-Dec	1.8%	0.60%	0.2%
U.K. Industrial Production (YoY) (Oct)	10-Dec	-1.3%	-1.20%	-1.4%
U.S. Fed Interest Rate Decision	12-Dec	1.75%	1.75%	1.75%
European Central Bank Interest Rate Decision	12-Dec	0.00%	0.00%	0.00%

Source: FX Street; Thomson Reuters Eikon

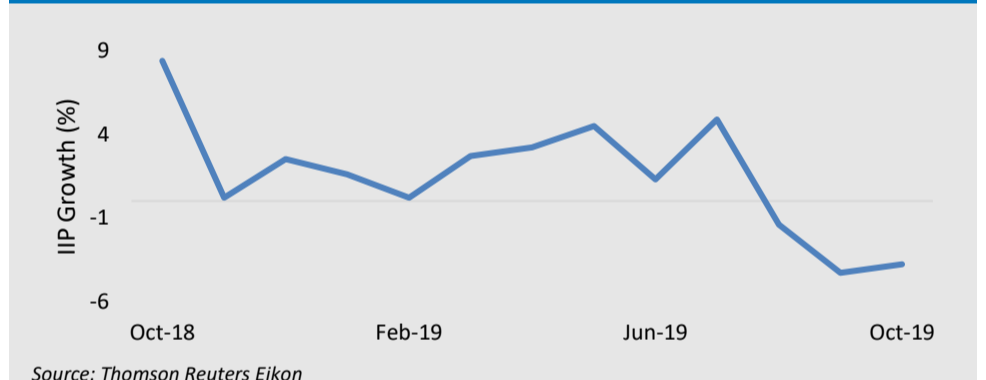
Macro Economic Performance of India

Credit growth vs Deposit growth



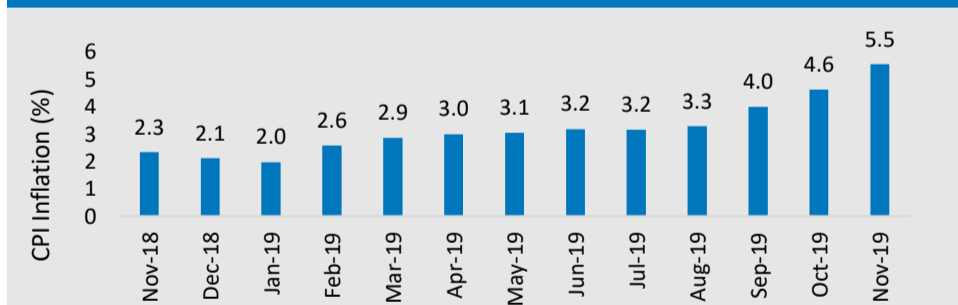
Source: Thomson Reuters Eikon

IIP Growth (%)



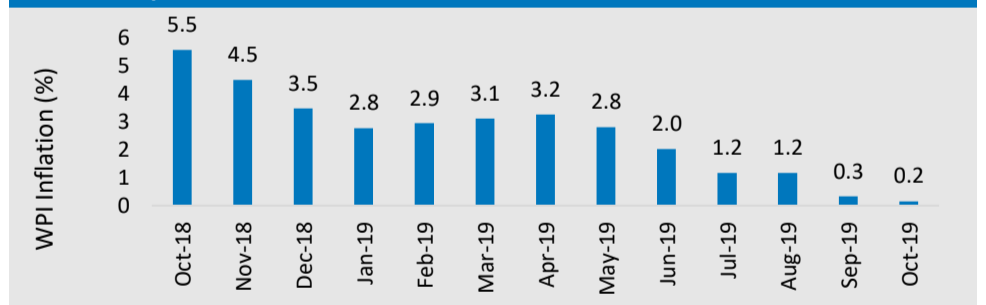
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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