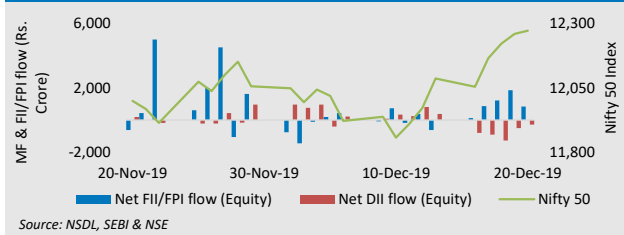


Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Nov 2019)	0.58%	0.74%	0.16%
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	20-Dec-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	41,682	1.64	14.41	15.56
Nifty 50	12,272	1.53	12.05	12.97
S&P BSE 100	12,320	1.46	9.52	10.38
Nifty 500	9,905	1.24	7.27	8.02
Nifty Mid cap 50	4,641	-0.01	-6.14	-5.87
Nifty Small cap 100	5,693	0.72	-11.76	-11.72

Sector Indices	20-Dec-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	18,207	0.66	-15.16	-12.61
S&P BSE Bankex	36,859	0.99	20.86	21.34
S&P BSE CD	24,994	-0.31	19.94	20.77
S&P BSE CG	17,060	0.31	-9.76	-9.36
S&P BSE FMCG	11,502	-0.10	-3.45	-2.77
S&P BSE HC	13,398	0.16	-3.63	-3.78
S&P BSE IT	15,661	4.37	9.76	11.16
S&P BSE METAL	10,100	3.18	-15.10	-14.69
S&P BSE Oil & Gas	14,868	-0.07	7.51	8.14
S&P BSE Power	1,898	0.50	-5.07	-5.04
S&P BSE PSU	6,886	0.12	-4.54	-4.84
S&P BSE Realty	2,236	1.45	18.50	24.35
S&P BSE Teck	7,790	4.37	9.07	10.25

Source: BSE & NSE

Macro economic Update

- Government data showed that India's Wholesale Price Index (WPI) based inflation increased to 0.58% in Nov 2019 from 0.16% in Oct 2019 and from 4.47% during the same month of the previous year. The WPI Food Index grew from 7.65% in Oct to 9.02% in Nov. Food inflation increased to 11.08% in Nov from 9.8% in Oct because of rise in price of onions.
- Media reports showed the Reserve Bank of India (RBI) in the first of its kind open market operation, will carry out a simultaneous sale and purchase of bonds. The RBI said it will buy Rs. 100 billion (\$1.4 billion) worth of the current benchmark 10-year bond while selling four bonds maturing in 2020 for an equivalent amount. This is being seen as an attempt to bring longer-term yields lower and is similar to the 'Operation Twist' that the U.S. had seen near the start of the decade. Bond yields have been rising from the time RBI unexpectedly left its key repo rate unchanged earlier in Dec 2019.
- A prominent global rating agency has affirmed India's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'BBB-' with a stable outlook. The agency said its outlook on India's GDP growth is still solid against that of peers.
- Media reports showed the GST Council in its 38th meeting decided to leave rates unchanged. The council voted to tax lotteries under the highest slab of 28%. This will be implemented across India. It decided to extend the annual date of GSTR 9 filing to Jan 31, 2020, and waive off late fee for all taxpayers who have not filed GSTR1 from Jul 2017 to Nov 2019.

Domestic Equity Market Update

- Indian equity markets gained in the week ended Dec 20, 2019, with bourses touching record highs bolstered by the U.S.-China trade deal. Initially, markets were weak when government data showed wholesale inflation increased in Nov 2019.
- Markets gained on the back of strong global cues in the aftermath of U.S. and China signing a phase one deal. Also, news reports showed that the U.K. Prime Minister could change the law to guarantee the Brexit transition phase is not stretched beyond the end of 2020.
- Investors looked forward to the GST Council's meeting. The Reserve Bank of India governor's recent comments that there is scope for reducing interest rates further after taking into consideration growth and inflation data, supported sentiment.
- Investors became anxious over the U.S. President's impeachment, wherein he was formally charged with abuse of power. However, China announcing a new list of import tariff exemptions on U.S. goods boosted sentiment.
- Indian equity markets exited the week with another record setting session, though the gains were slight. Other than the improving U.S.-China trade relations, sentiment was buoyed by Reserve Bank of India's decision to sell short-term securities and buy long-term government debt papers for Rs. 10,000 crore each on Dec 23, 2019.
- S&P BSE Teck and S&P BSE IT were the major gainer, both up 4.37%, followed by S&P BSE Metal, up 3.18% and S&P BSE Realty, up 1.45%. The metal sector gained as the U.S.-China trade deal after 18 months of to and fro has brought the much-required relief to the sector.
- S&P BSE Consumer Durables was the major loser, down 0.31% followed by S&P BSE FMCG, down 0.10%.

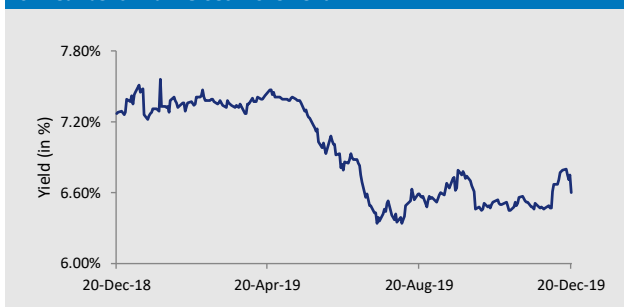
Indian Debt Market Indicators

Broad Indices	20-Dec-19	Week Ago	Month Ago	Year Ago
Call Rate	5.09%	4.97%	5.07%	6.44%
T-Repo	4.89%	4.78%	4.97%	6.44%
Repo	5.15%	5.15%	5.15%	6.50%
Reverse Repo	4.90%	4.90%	4.90%	6.25%
3 Month CP	5.40%	5.37%	5.50%	7.20%
1 Year CP	6.70%	6.65%	6.75%	8.80%
3 Month CD	5.13%	5.06%	5.08%	6.90%
1 Year CD	6.04%	5.82%	5.83%	8.16%

Source: CCIL, Thomson Reuters Eikon * as on Dec 13, 2019; ** as on Dec 6, 2019; @ as on Nov 15, 2019; @@ as on Dec 14, 2018

Broad Indices	20-Dec-19	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	6.97%	6.93%	6.79%	8.49%
3 Year AAA Corporate Bond	7.42%	7.49%	7.17%	8.43%
5 Year AAA Corporate Bond	7.70%	7.90%	7.44%	8.23%
1 Year G-Sec	5.85%	5.57%	5.43%	6.89%
3 Year G-Sec	6.28%	6.39%	6.01%	7.07%
5 Year G-Sec	6.42%	6.63%	6.23%	7.24%
10 Year G-Sec	6.60%	6.78%	6.46%	7.27%
Forex Reserve (\$ in billion)	454.49*	453.42*	448.25@	393.12@@

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Domestic Debt Market Update

- Bond yields plunged as investors resorted to buying notes to benefit from the recent rise in yields. The yields fell further after RBI's announcement of purchasing 10-year benchmark bond of up to Rs. 100 billion and selling one-year bonds of a similar value in the upcoming week.
- However, gains were capped following RBI governor's comment on widening of the fiscal deficit, which dampened market sentiments. He said that the government may have to invoke the Fiscal Responsibility and Budget Management (FRBM) Act's escape clause.
- Yield on the 10-year benchmark paper (6.45% GS 2029) fell 18 bps to close at 6.60% compared with the previous week's close of 6.78% after trading in a range of 6.56% to 6.80%.
- RBI conducted auction of state government securities of nine state governments for notified amount of Rs. 9,550 crore. The entire amount was accepted in the auction with the cut-off yield ranging in between 6.09% to 7.30%, while tenure lying in between 2 years to 10 years.
- RBI conducted 91-day, 182-day and 364-day T-Bill auction 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: 5.01%), Rs. 97.48 (YTM: 5.19%) and Rs. 95.01 (YTM: 5.27%), respectively.

Weekly Market Update

20 December 2019

Global Commodity Update

Commodities	20-Dec-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	60.25	0.84	30.55	31.90
Brent Crude Oil (\$/barrel)	66.06	1.77	20.77	22.02
Gold (\$/ounce)	1477.9497	0.16	17.32	15.22
Silver (\$/ounce)	17.1925	1.54	16.48	11.06

Source: Thomson Reuters Eikon

Currencies Update

Currency	20-Dec-19	Week Ago	Year Ago
U.S. Dollar	71.05	70.80	69.96
GBP	92.38	94.33	88.54
Euro	78.71	78.72	80.07
100 Yen	64.92	64.72	62.87

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	20-Dec-19	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1779.49	1.70	30.64	28.55
U.K.	FTSE	7,582	3.11	12.97	12.70
France	CAC 40	6,022	1.73	28.32	27.29
Germany	DAX	13,319	0.27	25.52	26.14
Japan	Nikkei 225	23,817	-0.86	16.79	19.00
China	Shanghai Composite	3,005	1.26	18.48	20.49
Hong Kong	Hang Seng	27,871	0.66	8.77	7.84
Singapore	Straits Times	3,212	-0.05	5.30	4.68
Russia	RTS Index	1,524	1.49	40.64	42.93
Brazil	Sao Paulo Se Bovespa	115,121	2.27	35.01	30.99

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	20-Dec-19	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	1.92	1.82	1.74	2.79
U.K. 10 Year Bond yield (%)	0.79	0.79	0.73	1.27
German 10 Year Bond yield (%)	-0.25	-0.29	-0.35	0.23
Japan 10 Year Bond yield (%)	0.01	-0.03	-0.11	0.03

Source: Thomson Reuters Eikon

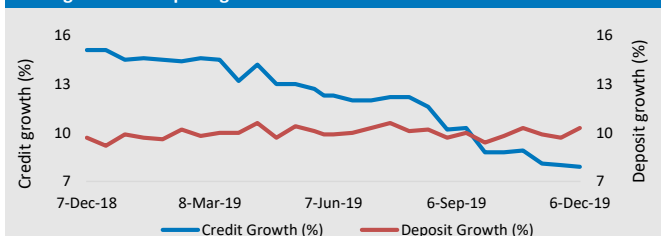
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
China Industrial Prod. (YoY) (Nov)	16-Dec	0.06	5.00%	0.05
U.S. Markit Composite PMI (Dec P)	16-Dec	52.20	--	52.00
U.S. Industrial Prod. (MoM) (Nov)	17-Dec	1.10%	0.90%	-0.90%
Japan BOJ Rate Decision	19-Dec	-0.10%	-0.10%	-0.10%

Source: FX Street; Thomson Reuters Eikon

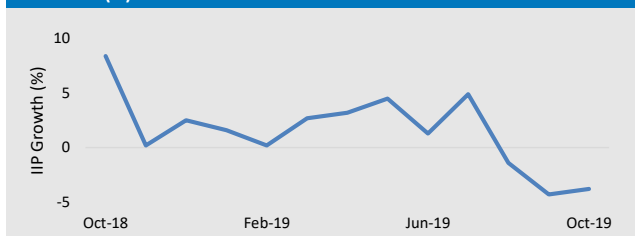
Macro Economic Performance of India

Credit growth vs Deposit growth



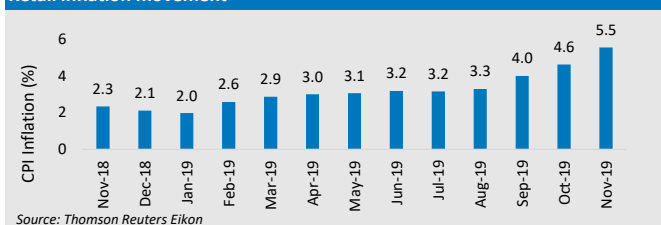
Source: Thomson Reuters Eikon

IIP Growth (%)



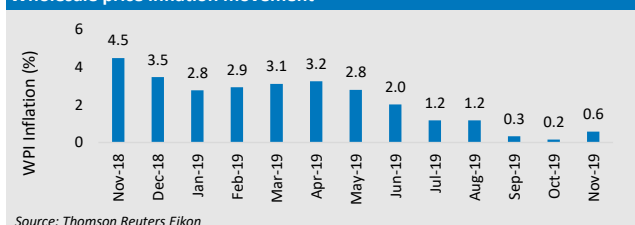
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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