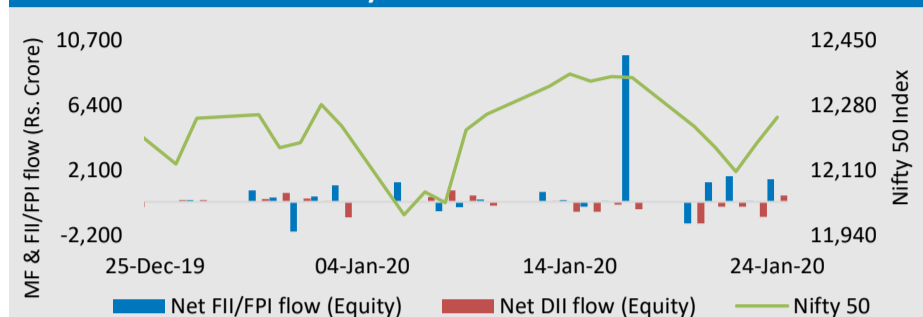


Macro Economic Release

Indicators	Actual	Consensus	Previous
WPI inflation (Dec 2019)	2.59%	2.15%	0.58%
CPI inflation (Dec 2019)	7.35%	6.20%	5.54%
IIP growth (Nov 2019) (%)	1.80%	-0.60%	-4.00%
Trade Deficit (\$ billion) (Dec 2019)	11.25	11.80	12.12

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

Indian Equity Market Performance

Broad Indices	24-Jan-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	41,613	-0.79	14.97	0.87
Nifty 50	12,248	-0.84	12.89	0.66
S&P BSE 100	12,382	-0.59	11.54	1.19
Nifty 500	10,084	-0.35	11.15	2.14
Nifty Mid cap 50	5,038	1.03	5.15	7.17
Nifty Small cap 100	6,345	0.91	1.39	8.75

Sector Indices	24-Jan-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	18,566	-1.77	-3.44	0.44
S&P BSE Bankex	35,668	-1.02	16.67	-2.74
S&P BSE CD	26,353	2.01	25.87	5.36
S&P BSE CG	17,727	2.21	2.16	4.62
S&P BSE FMCG	11,941	0.16	2.03	4.69
S&P BSE HC	14,109	0.41	0.79	5.06
S&P BSE IT	16,234	0.72	10.02	4.90
S&P BSE METAL	10,364	-2.42	-4.50	-0.61
S&P BSE Oil & Gas	14,596	-1.03	6.23	-1.01
S&P BSE Power	1,978	-1.32	3.97	2.66
S&P BSE PSU	6,840	-1.04	-1.02	-1.66
S&P BSE Realty	2,516	1.52	34.79	10.34
S&P BSE Teck	8,128	1.44	11.12	5.32

Source: BSE & NSE

Indian Debt Market Indicators

Broad Indices	24-Jan-20	Week Ago	Month Ago	Year Ago
Call Rate	4.96%	5.02%	5.12%	6.41%
T-Repo	5.00%	4.88%	4.87%	6.41%
Repo	5.15%	5.15%	5.15%	6.50%
Reverse Repo	4.90%	4.90%	4.90%	6.25%
3 Month CP	5.75%	5.80%	5.40%	7.65%
1 Year CP	6.70%	6.80%	6.70%	8.50%
3 Month CD	5.61%	5.62%	5.07%	6.94%
1 Year CD	6.13%	6.12%	6.01%	7.89%

Source: CCL, Thomson Reuters Eikon * as on Jan 17, 2020; **as on Jan 10, 2020; @as on Dec 20, 2019; @@as on Jan 18, 2019

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Macro economic Update

- The International Monetary Fund (IMF) lowered its growth forecast for the Indian economy for FY20 to 4.8% from the earlier projection of 6.1% in Oct 2019. IMF attributed the downgrade to a sharper-than-expected slowdown in domestic demand, decline in credit growth and stress in the non-banking financial segment. IMF however projected the growth of the Indian economy to improve to 5.8% in FY 21 and 6.5% in FY22 (120 bps and 90 bps lower respectively than the estimation in Oct 2019) on the back of monetary and fiscal stimulus as well as lower global crude oil prices.
- Securities and Exchange Board of India notified norms for portfolio managers. According to the new norms, the minimum investment limit for investors has been doubled to Rs. 50 lakh. SEBI also mandated that the portfolio managers need to increase their net worth to Rs 5 crore within three years. The objective of the move is to keep retail investors from portfolio management schemes and put a check on mis-selling.
- According to media reports, the government is planning to raise more than Rs. 10,000 crore from Central Public Sector Enterprises ETF's seventh tranche that would be launched by the end of Jan 2020. The portfolio is primarily concentrated towards the energy and oil sector. The proceeds from the ETF will provide assistance to the government in meeting its disinvestment target of Rs. 1.05 lakh crore for the current fiscal.

Domestic Equity Market Update

- Indian equity markets closed on a weak note in the week ended Jan 24, 2020. Reports that International Monetary Fund has cut India's gross domestic product growth forecast for FY20 weighed on the market sentiment. Reports from Ministry of Petroleum and Natural Gas that domestic crude oil production fell during Dec 2019 and production remained down so far in FY20 added to the losses.
- Investors remained focused on mixed bag of earnings results from throughout the week and were cautious ahead of the Union budget that is scheduled to release on Feb 1, 2020.
- Further, weak global cues amid concerns about the spread of a deadly virus in China as millions of Chinese are preparing to travel for the Lunar New Year weighed on the indices. However, reports that World Health Organization has marked outbreak of coronavirus as an emergency for China, but not yet for the rest of the world, restricted the losses.
- Back home, expectations from the government to provide necessary fiscal stimulus during Union Budget FY21 to lift the economy supported buying interest. Fall in crude oil prices also boosted market sentiment.
- S&P BSE Metal was the major loser that fell 2.42% followed by S&P BSE Auto and S&P BSE Power that fell 1.77% and 1.32%, respectively. Auto sector came under pressure following data from Federation of Automobile Dealers Associations (FADA) that total vehicle registration reportedly fell 15% YoY to 16,06,002 units December 2019. S&P BSE Oil & Gas and S&P BSE Bankex fell 1.03% and 1.02%, respectively. Gross non-performing assets of a major private sector bank grew to 2.46% for the quarter ended Dec 31, 2019 higher than 2.07% in the year-ago period. However, S&P BSE Capital goods was the major gainer and grew 2.21% followed by S&P BSE Consumer Durables and S&P BSE Realty that grew 2.01% and 1.52%, respectively.

Domestic Debt Market Update

Broad Indices	24-Jan-20	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	6.57%	6.61%	6.88%	8.36%
3 Year AAA Corporate Bond	7.05%	7.20%	7.36%	8.52%
5 Year AAA Corporate Bond	7.17%	7.45%	7.67%	8.47%
1 Year G-Sec	6.23%	6.27%	5.57%	6.82%
3 Year G-Sec	6.38%	6.39%	6.28%	7.02%
5 Year G-Sec	6.83%	6.86%	6.44%	7.32%
10 Year G-Sec	6.89%	6.93%	6.57%	7.56%
Forex Reserve (\$ in billion)	462.16*	461.21**	454.95@	396.68@@

- Bond yields rose initially during the week under review as market participants preferred to remain on the sidelines and awaited the outcome of the Union Budget scheduled to be held on Feb 1, 2020. Market participants expect the government to announce measures in the Union Budget which will improve the growth prospects of the domestic economy despite fiscal constraints.
- However, the trend reversed after the cut off price of the benchmark paper at the central bank's special open market operation came better than market expectations. Fall in global crude prices amid concerns that the coronavirus outbreak in China might affect the global economy and subsequently bring down oil demand also boosted the domestic debt market sentiment.
- Yield on the 10-year benchmark paper (6.45% GS 2029) fell 4 bps to close at 6.58% compared with the previous week's close of 6.62% after trading in a range of 6.57% to 6.65%.
- RBI on Jan 22, 2020 conducted auction of 91 day, 182 day and 364 day T-Bill for notified amount of Rs. 4,000 crore, Rs. 6,000 crore and Rs. 3,000 crore, respectively. The entire amount was accepted at cut-off price of Rs. 98.74 (YTM: 5.12%), Rs. 97.46 (YTM: 5.23%) and Rs. 94.99 (YTM: 5.29%), respectively.

Global Commodity Update

Commodities	24-Jan-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	54.05	-7.58	1.79	-11.65
Brent Crude Oil (\$/barrel)	60.50	-7.28	-1.13	-8.36
Gold (\$/ounce)	1570.37	0.91	22.63	3.52
Silver (\$/ounce)	18.08	0.47	18.07	1.41

Source: Thomson Reuters Eikon

Currencies Update

Currency	24-Jan-20	Week Ago	Year Ago
U.S. Dollar	71.32	71.08	70.99
GBP	93.26	92.46	92.74
Euro	78.62	78.81	80.25
100 Yen	65.26	64.51	64.74

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	24-Jan-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1822	-0.99	24.53	2.11
U.K.	FTSE	7,586	-1.15	11.25	0.58
France	CAC 40	6,024	-1.25	23.65	0.77
Germany	DAX	13,577	0.37	21.98	2.47
Japan	Nikkei 225	23,827	-0.89	15.81	0.72
China	Shanghai Composite	Closed	NA	NA	NA
Hong Kong	Hang Seng	27,950	-3.81	3.06	-0.85
Singapore	Straits Times	3,240	-1.25	1.54	0.53
Russia	RTS Index	1,600	-2.32	34.65	3.29
Brazil	Sao Paulo Se Bovespa	118,376	-0.09	21.19	2.36

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	24-Jan-20	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	1.68	1.84	1.91	2.71
U.K. 10 Year Bond yield (%)	0.56	0.63	0.77	1.27
German 10 Year Bond yield (%)	-0.33	-0.21	-0.24	0.18
Japan 10 Year Bond yield (%)	-0.02	0.01	0.00	0.01

Source: Thomson Reuters Eikon

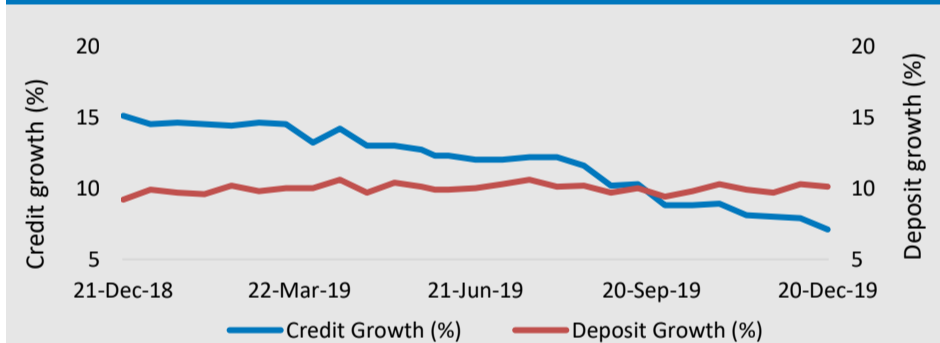
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Japan Industrial Production (YoY) (Nov)	20-Jan	-8.20%	-8.10%	-8.10%
Bank of Japan Interest Rate Decision	21-Jan	-0.10%	-0.10%	-0.10%
U.S. Housing Price Index (MoM) (Nov)	22-Jan	0.20%	0.20%	0.20%
European Central Bank Interest Rate Decision	23-Jan	0.00%	0.00%	0.00%

Source: FX Street; Thomson Reuters Eikon

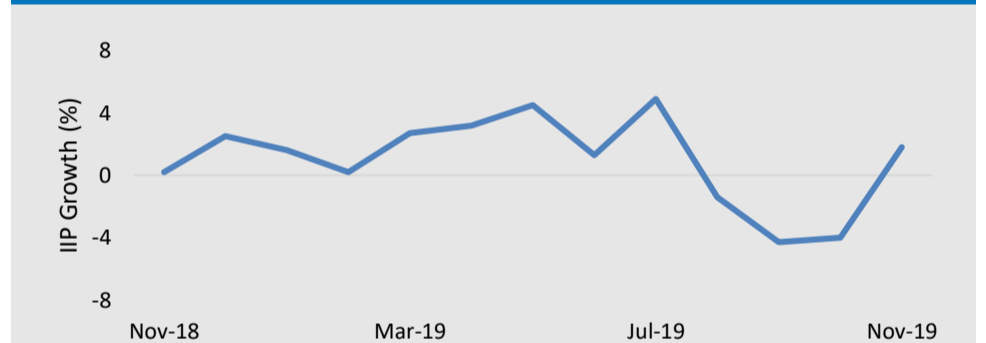
Macro Economic Performance of India

Credit growth vs Deposit growth



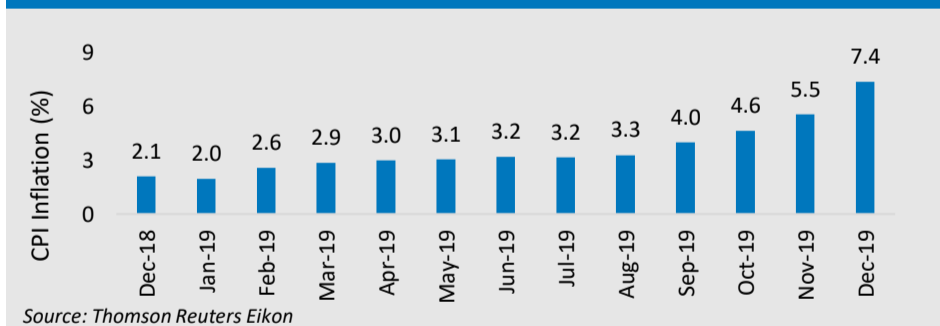
Source: Thomson Reuters Eikon

IIP Growth (%)



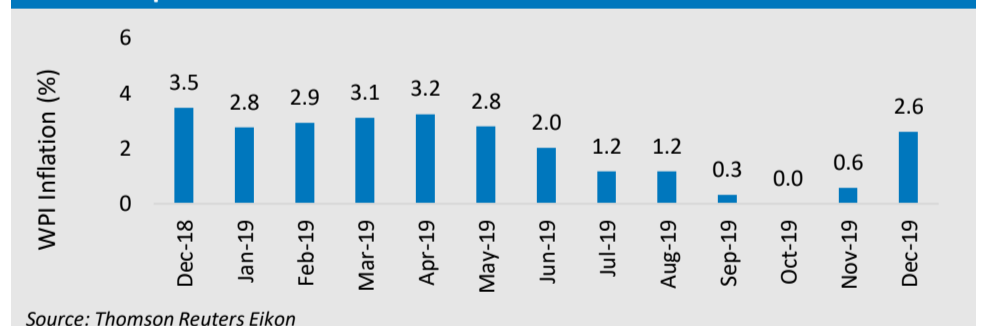
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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