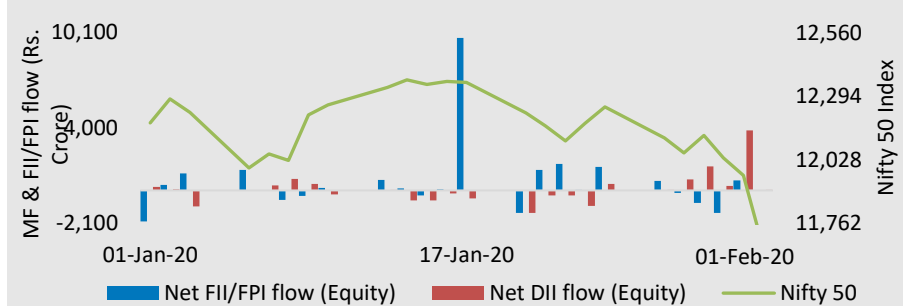


Macro Economic Release

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	01-Feb-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	39,736	-4.51	-3.80	-3.68
Nifty 50	11,662	-4.79	-4.27	-4.16
S&P BSE 100	11,768	-4.96	-3.95	-3.83
Nifty 500	9,606	-4.74	-2.86	-2.70
Nifty Mid cap 50	4,763	-5.47	1.08	1.31
Nifty Small cap 100	6,057	-4.54	3.08	3.81

Sector Indices	01-Feb-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	17,712	-4.60	-3.70	-4.18
S&P BSE Bankex	34,161	-4.22	-6.60	-6.84
S&P BSE CD	25,837	-1.96	4.76	3.30
S&P BSE CG	16,626	-6.21	-2.38	-1.88
S&P BSE FMCG	11,380	-4.70	-0.72	-0.23
S&P BSE HC	13,734	-2.65	2.00	2.27
S&P BSE IT	16,095	-0.86	3.37	4.00
S&P BSE METAL	9,162	-11.60	-11.94	-12.14
S&P BSE Oil & Gas	13,563	-7.08	-7.78	-8.01
S&P BSE Power	1,842	-6.83	-6.03	-4.35
S&P BSE PSU	6,306	-7.81	-9.77	-9.33
S&P BSE Realty	2,329	-7.46	2.31	2.11
S&P BSE Teck	7,997	-1.61	3.25	3.62

Source: BSE & NSE

Macro economic Update

- The government in the Union Budget pegged India's fiscal deficit target at 3.8% of GDP for FY20. For FY21, India's fiscal deficit target is pegged at 3.5%. Nominal GDP for FY21 projected at 10%. Net borrowings for FY20 was projected at Rs. 4.74 lakh crore and for FY21 at Rs. 5.45 lakh crore.
- The government announced measures to deepen the corporate debt market. Specified categories of Government securities would be opened fully for non-resident investors, apart from being available to domestic investors as well. The limit for Foreign portfolio investors in corporate bonds was increased to 15% of the outstanding stock of corporate bonds from the present 9%. The government also proposed to launch a new Debt-ETF consisting primarily of government securities.
- The government proposed to sell a part of its holding in LIC by way of Initial Public Offer (IPO). It also announced to sell the balance holding of Government of India IDBI Bank to private, retail and institutional investors through the stock exchange. The Deposit Insurance Coverage for a depositor, was also increased from Rs. 1 lakh to Rs. 5 lakh per depositor.
- The government in the Union Budget proposed new and simplified income tax regime with reduced tax rates for individual taxpayers who forgo certain deductions and exemptions. In case the assessee opts for certain deductions and exemptions, he/she can continue with existing tax regime. The government also did away with the Dividend Distribution Tax system and adopted the classical system of dividend taxation. The dividend shall be taxed only in the hands of the recipients at their applicable rate.

Domestic Equity Market Update

- Indian equity markets plunged as the finance minister's budget 2020-21 did not fulfill investors' expectations. Factors that played on investors' mind included rise in custom duty in most sectors, marginal relief for income taxpayers, and less than expected rise in infrastructure spending.
- Global cues were weak too as the spread of the coronavirus threatened China's economic growth and investors feared its ripple effect on other countries. The virus that originated in China has taken many lives there and many others are in danger. The World Health Organization declared the coronavirus a global health emergency. Investors also remained on the sidelines on subdued third quarter earnings.
- All the sectors fell. S&P BSE Metal was the major loser, down 11.60%, followed by S&P BSE Realty and S&P BSE Oil & Gas, down 7.46% and 7.08%, respectively. S&P BSE Power and S&P BSE Capital Goods fell 6.83% and 6.21%, respectively.
- Metal fell as the coronavirus outbreak is going to hit demand in one of the world's largest markets, China, and is also posing challenge to world trade.

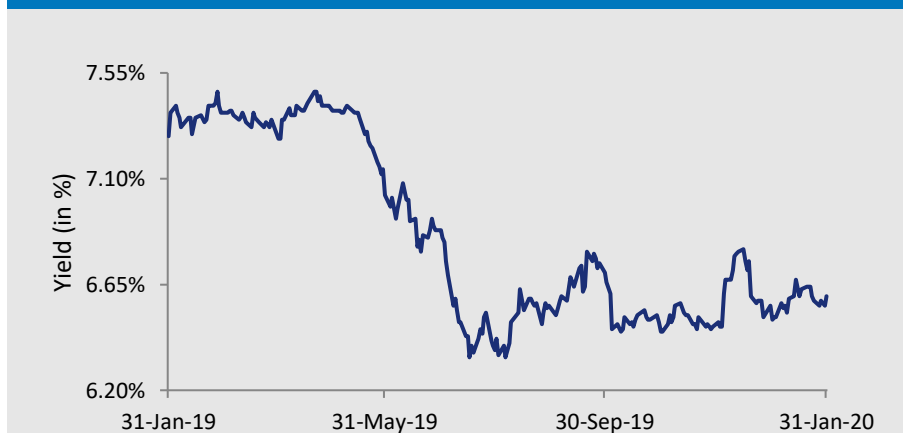
Indian Debt Market Indicators

Broad Indices	31-Jan-20	Week Ago	Month Ago	Year Ago
Call Rate	4.97%	4.96%	5.10%	6.38%
T-Repo	4.92%	5.00%	4.87%	6.34%
Repo	5.15%	5.15%	5.15%	6.50%
Reverse Repo	4.90%	4.90%	4.90%	6.25%
3 Month CP	5.75%	5.75%	5.42%	7.60%
1 Year CP	6.70%	6.70%	6.70%	8.50%
3 Month CD	5.50%	5.61%	5.35%	7.27%
1 Year CD	5.95%	6.13%	6.02%	8.05%

Broad Indices	31-Jan-20	Week Ago	Month Ago	Year Ago
1 Year AAA Corporate Bond	6.59%	6.54%	6.78%	8.34%
3 Year AAA Corporate Bond	7.03%	7.12%	7.46%	8.51%
5 Year AAA Corporate Bond	7.36%	7.23%	7.72%	8.41%
1 Year G-Sec	5.44%	5.45%	5.56%	6.74%
3 Year G-Sec	6.21%	6.23%	6.36%	6.98%
5 Year G-Sec	6.40%	6.38%	6.48%	7.22%
10 Year G-Sec	6.60%	6.58%	6.55%	7.48%
Forex Reserve (\$ in billion)	466.69*	462.16**	457.47 [@]	398.18 ^{@@}

Source: CCLIL, Thomson Reuters Eikon * as on Jan 24, 2020; **as on Jan 17, 2020; [@] as on Dec 27, 2019; ^{@@} as on Jan 25, 2019

10 - Year benchmark G-Sec Movement



Source: Thomson Reuters Eikon

Domestic Debt Market Update

- Bond yields rose during the week under review as concerns over fiscal slippage and worries of higher borrowing by the Indian government weighed on the market sentiment. However, further losses were restricted as global crude oil prices plunged amid fears that the spread of the coronavirus in China and other countries might affect global economic growth and demand for the commodity.
- Yield on the 10-year benchmark paper (6.45% GS 2029) rose 2 bps to close at 6.60% compared with the previous week's close of 6.58% after trading in a range of 6.55% to 6.60%.
- RBI on Jan 28, 2020 conducted auction of state development loans of 16 state governments for notified amount of Rs. 18,170 crore. The entire amount was accepted. The cut off yield lied in the range of 6.70% to 7.24%. Rajasthan witnessed the minimum yield and Assam had the maximum yield.
- Data from Reserve Bank of India showed that India's foreign exchange reserves rose for the 18th consecutive week to a fresh record high of \$466.69 billion for the week ended Jan 24, 2020, from \$462.16 billion in the previous week.

Global Commodity Update

Commodities	31-Jan-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	51.55	-4.63	-4.48	-15.74
Brent Crude Oil (\$/barrel)	58.19	-3.82	-5.98	-11.86
Gold (\$/ounce)	1,589.81	1.24	20.39	4.80
Silver (\$/ounce)	18.03	-0.28	12.24	1.13

Source: Thomson Reuters Eikon

Currencies Update

Currency	31-Jan-20	Week Ago	Year Ago
U.S. Dollar	71.54	71.32	70.95
GBP	94.43	93.26	92.99
Euro	79.36	78.62	81.21
100 Yen	65.99	65.26	65.15

Source: RBI

Global Equity Market Performance

Country/Region	Indices	31-Jan-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1,784.03	-2.08	19.07	-0.01
U.K.	FTSE	7,286	-3.95	4.55	-3.40
France	CAC 40	5,806	-3.62	16.30	-2.87
Germany	DAX	12,982	-4.38	16.19	-2.02
Japan	Nikkei 225	23,205	-2.61	11.71	-1.91
China	Shanghai Composite	2,977	0.00	15.17	-2.41
Hong Kong	Hang Seng	26,313	-5.86	-5.83	-6.66
Singapore	Straits Times	3,154	-2.66	-1.14	-2.14
Russia	RTS Index	1,517	-5.17	24.92	-2.06
Brazil	Sao Paulo Se Bovespa	113,761	-3.90	16.80	-1.63

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	31-Jan-20	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	1.52	1.68	1.91	2.64
U.K. 10 Year Bond yield (%)	0.53	0.56	0.83	1.22
German 10 Year Bond yield (%)	-0.44	-0.33	-0.19	0.16
Japan 10 Year Bond yield (%)	-0.06	-0.02	-0.03	0.00

Source: Thomson Reuters Eikon

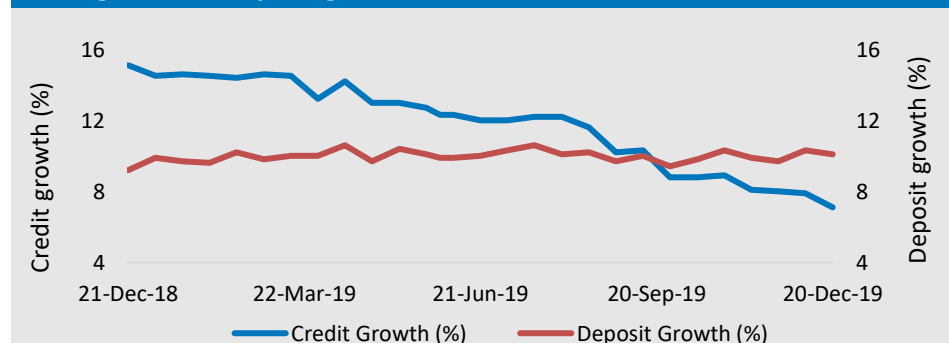
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Germany IFO - Expectations (Jan)	27-Jan	92.90	95.00	93.90
U.S. Durable Goods Orders (Dec)	28-Jan	2.40%	0.50%	-3.10%
Eurozone Business Climate (Jan)	30-Jan	-0.23	-0.19	-0.32
Eurozone Consumer Price Index (YoY) (Jan) (P)	31-Jan	1.40%	1.40%	1.30%

Source: FX Street; Thomson Reuters Eikon

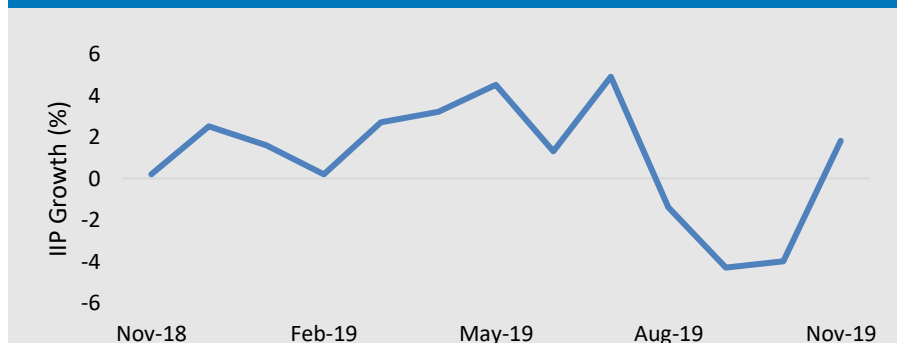
Macro Economic Performance of India

Credit growth vs Deposit growth



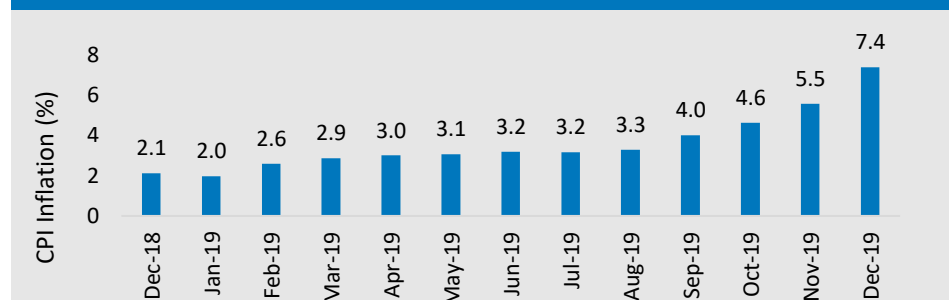
Source: Thomson Reuters Eikon

IIP Growth (%)



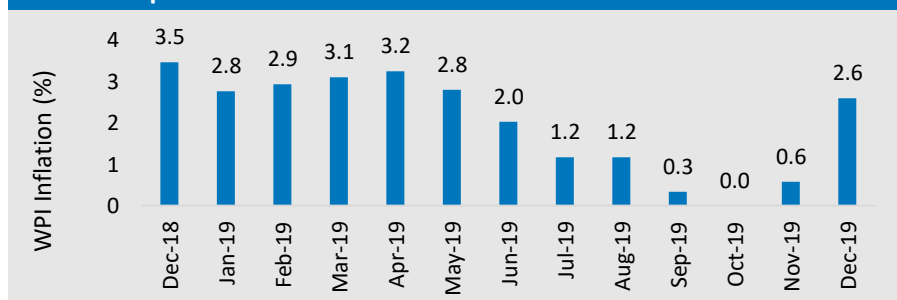
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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