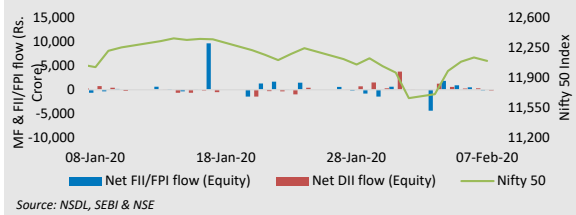


Macro Economic Release

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%
Nikkei India Manufacturing PMI (Jan 2020)	55.3	52.8	52.7

Source: Thomson Reuters Eikon

FII and DII Investment vs Nifty 50



Indian Equity Market Performance

Broad Indices	07-Feb-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	41,142	3.54	11.28	-0.27
Nifty 50	12,098	3.74	9.30	-0.58
S&P BSE 100	12,245	4.06	8.64	0.08
Nifty 500	10,001	4.11	9.35	1.30
Nifty Mid cap 50	5,015	5.31	7.67	6.69
Nifty Small cap 100	6,247	3.14	3.60	7.07

Sector Indices	07-Feb-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	18,077	2.06	-7.79	-2.21
S&P BSE Bankex	35,675	4.43	16.14	-2.72
S&P BSE CD	27,090	4.85	23.91	8.31
S&P BSE CG	17,100	2.85	-0.47	0.92
S&P BSE FMCG	11,586	1.81	-1.47	1.58
S&P BSE HC	14,283	3.99	1.53	6.36
S&P BSE IT	16,124	0.18	2.63	4.19
S&P BSE METAL	10,003	9.19	-5.89	-4.07
S&P BSE Oil & Gas	14,309	5.50	3.04	-2.95
S&P BSE Power	1,919	4.18	5.69	-0.35
S&P BSE PSU	6,683	5.97	-2.01	-3.92
S&P BSE Realty	2,433	4.49	39.06	6.70
S&P BSE Teck	8,084	1.09	4.49	4.75

Source: BSE & NSE

Indian Debt Market Indicators

Broad Indices	07-Feb-20	Week Ago	Month Ago	Year Ago
Call Rate	5.03%	4.97%	4.91%	6.48%
T-Repo	4.92%	4.92%	4.20%	6.47%
Repo	5.15%	5.15%	5.15%	6.25%
Reverse Repo	4.90%	4.90%	4.90%	6.00%
3 Month CP	5.80%	5.75%	5.80%	7.45%
1 Year CP	6.50%	6.70%	6.80%	8.50%
3 Month CD	5.62%	5.50%	5.43%	6.97%
1 Year CD	6.10%	5.95%	6.06%	8.19%

Source: CIL, Thomson Reuters Eikon * as on Jan 31, 2020; ** as on Jan 24, 2020; @ as on Jan 03, 2020; @@ as on Feb 01, 2019

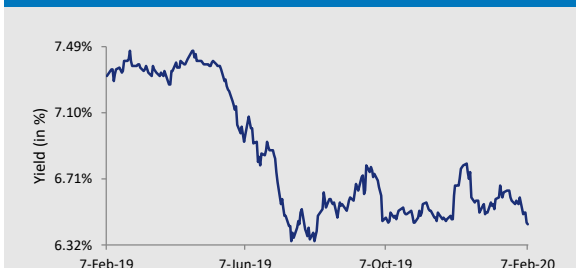
Macro economic Update

- The Monetary Policy Committee (MPC) kept key policy repo rate unchanged in its sixth 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.
- MPC raised its retail inflation forecasts for H1FY21 to a range of 5.0% to 5.4%, higher than its previous projection of 3.8% to 4.0% for the same period as the near-term inflation outlook remains uncertain. According to MPC, food prices may go up as rise in input costs may lead to an increase in milk prices while a shortfall in kharif production may lead to an increase in prices of pulses. Volatility in global crude oil prices and uncertain global economic outlook are also expected to impact the retail inflation outlook for the country.
- The Nikkei India Manufacturing Purchasing Managers' Index (PMI) rose to 55.3 in Jan 2020 from 52.7 in Dec 2019. This is the highest mark in a little under eight years, said IHS Markit. The upturn came on the back of strongest growth in new business intakes for over five years. Companies have attributed the growth to better underlying demand and greater client requirements.
- The Nikkei India Services Business Activity Index rose from 53.3 in Dec 2019 to 55.5% in Jan 2020, the fastest increase in seven years. Higher demand and favourable market conditions lead to sustained job creation and business optimism. The composite PMI output index increased from 53.7 in Dec to a seven-year high of 56.3 in Jan.

Domestic Equity Market Update

- Indian equity markets gained in the week ended Feb 7, 2020. Upbeat economic data and the Reserve Bank of India's (RBI) steps to boost growth supported sentiment. India's manufacturing Purchasing Managers' Index (PMI) increased to an almost eight-year high and services business activity index saw the fastest increase in seven years. The central bank though maintained status quo in interest rates, considering inflation is on the rise, it took measures to boost credit to the real estate sector.
- RBI tweaked maintenance of cash reserve ratio (CRR) rules by providing relaxation in calculation of total deposits. The steps would increase lending to micro, small and medium enterprises as well as the auto and home segments.
- The gains were limited as the virus outbreak in China impinged sentiment. RBI governor said in a post-policy interaction that the outbreak and its spread across geographies will impact tourist arrivals and global trade. He added that a contingency plan needs to be in place to deal with the impact of the virus on the domestic economy.
- S&P BSE Metal was the major gainer, up 9.19%, followed S&P BSE Oil & Gas and S&P BSE Consumer Durables, up 5.50% and 4.85%, respectively. S&P BSE Realty and S&P BSE Bankex gained 4.49% and 4.43%, respectively. S&P BSE Power and S&P BSE Healthcare grew 4.18% and 3.99%, respectively.

10 - Year benchmark G-Sec Movement



Domestic Debt Market Update

- Bond yields plunged as investors cheered the federal government's announcement of no additional borrowing in the present financial year at the budget. In addition, the fiscal deficit target also came line with expectation, thereby lifting the market sentiment.
- Yields fell further after the Monetary Policy Committee (MPC) kept the policy repo rate unchanged and maintained an accommodative stance, while it continues to closely monitor inflation. The rate-setting panel also ensured adequate liquidity via long-term repos.
- Yield on the 10-year benchmark paper (6.45% GS 2029) fell 16 bps to close at 6.44% compared with the previous week's close of 6.60% after trading in a range of 6.41% to 6.52%.
- RBI conducted auction state development loans of 14 state governments for notified amount of Rs. 14,890 crore. The entire amount was accepted. The cut of yield lied in the range of 6.64% to 7.20%, while the tenure was in between 4 years and 14 years.
- RBI 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. 98.7386 (YTM: 5.1241%), Rs. 97.4538 (YTM: 5.2398%) and Rs. 94.9600 (YTM: 5.3221%), respectively.

Weekly Market Update

07 February 2020

Global Commodity Update

Commodities	07-Feb-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	50.26	-2.50	-4.45	-17.85
Brent Crude Oil (\$/barrel)	54.49	-6.36	-11.57	-17.46
Gold (\$/ounce)	1569.91	-1.25	19.84	3.49
Silver (\$/ounce)	17.67	-1.98	12.50	-0.88

Source: Thomson Reuters Eikon

Global Equity Market Performance

Country/Region	Indices	07-Feb-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1839.68	3.12	22.54	3.11
U.K.	FTSE	7,467	2.48	5.26	-1.00
France	CAC 40	6,030	3.85	20.94	0.86
Germany	DAX	13,514	4.10	22.61	2.00
Japan	Nikkei 225	23,828	2.68	14.83	0.72
China	Shanghai Composite	2,876	NA	NA	-5.71
Hong Kong	Hang Seng	27,404	4.15	-2.09	-2.79
Singapore	Straits Times	3,181	0.88	-0.60	-1.28
Russia	RTS Index	1,518	0.08	26.50	-1.98
Brazil	Sao Paulo Se Bovespa	113,770	0.01	20.51	-1.62

Source: Thomson Reuters Eikon

Currencies Update

Currency	07-Feb-20	Week Ago	Year Ago
U.S. Dollar	71.50	71.54	71.29
GBP	92.17	94.43	92.34
Euro	78.24	79.36	80.87
100 Yen	65.15	65.99	64.91

Source: Thomson Reuters Eikon

Global Bond Yield Update

Indicators	07-Feb-20	Week ago	Month ago	Year ago
U.S. 10 Year Bond yield (%)	1.58	1.52	1.84	2.65
U.K. 10 Year Bond yield (%)	0.57	0.53	0.77	1.18
German 10 Year Bond yield (%)	-0.38	-0.44	-0.29	0.11
Japan 10 Year Bond yield (%)	-0.04	-0.06	-0.02	-0.01

Source: Thomson Reuters Eikon

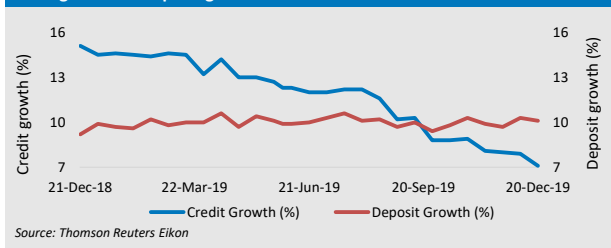
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
China Caixin Manufacturing PMI (Jan)	3-Feb	51.10	51.30	51.50
U.S. Factory Orders (MoM) (Dec)	4-Feb	1.80%	1.20%	-1.20%
U.S. ISM Non-Manufacturing PMI (Jan)	5-Feb	55.50	55.00	54.90
Germany Factory Orders (MoM) (Dec)	6-Feb	-2.10%	0.60%	-0.80%

Source: FX Street

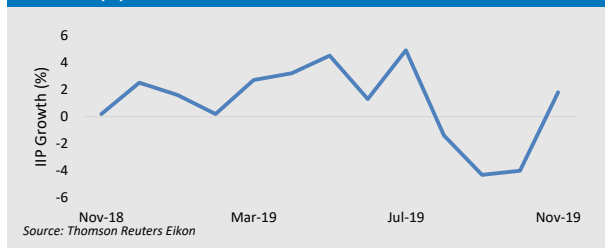
Macro Economic Performance of India

Credit growth vs Deposit growth



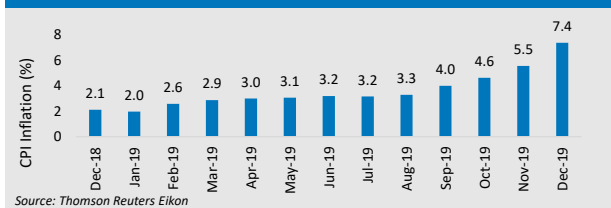
Source: Thomson Reuters Eikon

IIP Growth (%)



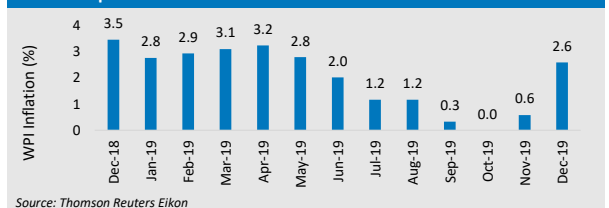
Source: Thomson Reuters Eikon

Retail inflation movement



Source: Thomson Reuters Eikon

Wholesale price inflation movement



Source: Thomson Reuters Eikon

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