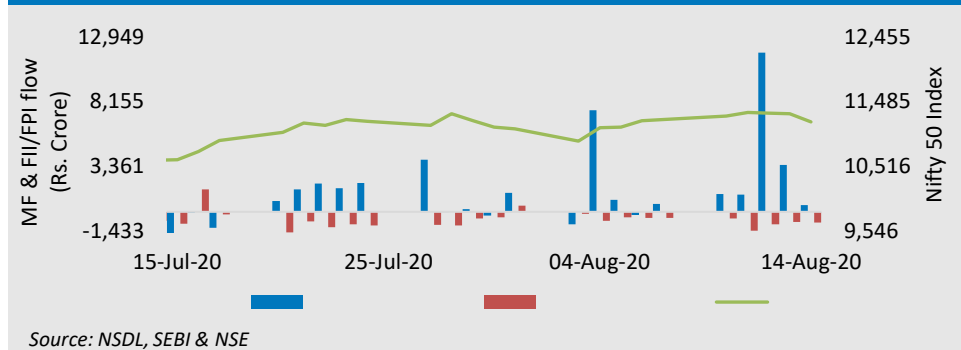


## Macro Economic Release

Indicators	Actual	Consensus	Previous
IIP (YoY) (Jun)	-16.60%	-20.00%	-18.30%
CPI Inflation (YoY) (Jul)	6.93%	6.15%	6.23%
Trade Deficit (\$ billion) (Jul 2020)	4.83	2.00	0.79
WPI Inflation (Jul 2020)	-0.58%	-1.00%	-1.81%

Source: Refinitiv

## FII and DII Investment vs Nifty 50



## Indian Equity Market Performance

Broad Indices	14-Aug-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	37,877	-0.43	1.52	-8.18
Nifty 50	11,178	-0.32	1.35	-8.14
S&P BSE 100	11,314	-0.03	1.71	-7.54
Nifty 500	9,214	0.17	2.71	-6.67
Nifty Mid cap 50	4,538	2.25	6.23	-3.47
Nifty Small cap 100	5,369	2.02	-1.47	-7.98

Sector Indices	14-Aug-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	17,298	1.16	11.11	-6.42
S&P BSE Bankex	24,598	-0.40	-22.29	-32.92
S&P BSE CD	22,181	0.50	-2.41	-11.32
S&P BSE CG	13,778	6.19	-18.68	-18.69
S&P BSE FMCG	11,595	-0.68	6.02	1.66
S&P BSE HC	19,114	1.88	52.76	42.34
S&P BSE IT	18,195	0.18	16.60	17.57
S&P BSE METAL	8,742	3.59	-2.66	-16.17
S&P BSE Oil & Gas	13,189	-0.70	0.31	-10.55
S&P BSE Power	1,578	2.00	-16.31	-18.07
S&P BSE PSU	5,000	1.06	-23.12	-28.12
S&P BSE Realty	1,629	1.42	-20.02	-28.57
S&P BSE Teck	8,760	-0.59	14.71	13.51

Source: BSE &amp; NSE

## Macro economic Update

- India's index of industrial production plunged 16.6% YoY in Jun 2020, worse than 1.3% growth in the corresponding period last year but better than 33.9% contraction in May 2020. Manufacturing sector fell 17.1% YoY in Jun 2020 compared with 0.3% a year earlier.
- Government data showed that the consumer price index based inflation rose to 6.93% in Jul 2020 from 6.23% in the previous month. The Consumer Food Price Index also rose to 9.62% in Jul 2020 from 8.72% in the previous month. Retail inflation thus stood above the upper tolerance level of 6% set by the Reserve Bank of India for the fourth consecutive month.
- Government data showed that the wholesale price index (WPI) based inflation contracted 0.58% in Jul 2020 as compared to a contraction of 1.81% in the previous month and a growth of 1.17% in the same month of the previous year. WPI contracted for the fourth consecutive month. The WPI Food Index however grew 4.32% in Jul 2020 from 3.05% in the previous month and 2.73% in the same month of the previous year
- Government data showed that India's trade deficit narrowed to \$ 4.83 billion in Jul 2020 from \$ 13.43 billion in the same month of the previous year. Exports contracted 10.21% to \$ 23.64 billion in Jul 2020 while imports contracted 28.40% to \$ 28.47 billion in the same month.

## Domestic Equity Market Update

- Indian equity markets gave up its initial gains to end the week in the red. Positive cues were generated from encouraging quarterly numbers from major pharma companies and the government's new initiative Atmanirbhar Bharat (Self-Reliant India), wherein the Ministry of Defence announced a phased, year-wise restraint on the import of 101 items of defence equipment.
- Investors also tracked positive global cues of U.S. President's executive orders towards coronavirus relief to Americans. Additionally, Prime Minister's statement on the COVID-19 situation in India instilled confidence among the investors to overcome the pandemic situation.
- However, markets reversed the trend later, weighed down by weak industrial output data for Jun. Meanwhile, a section of market participants found some solace as the same improved compared to the preceding month, thereby restricting fall.
- Further, retail price inflation accelerated higher than expectations in Jul, dashing hopes of any interest rate cuts for now. Investors turned cautious on the last trading day of the week as Supreme Court adjourned hearing on the issue of adjusted gross revenue (AGR) dues from telecom companies to Aug 17.
- On the BSE sectoral front, majority of the indices closed in the green. S&P BSE Capital Goods is the top gainer, up 6.19%, followed by S&P BSE Metal and S&P BSE Power which rose 3.59% and 2%, respectively.
- Capital goods sector rose after one of the industry majors reported that its construction arm has secured significant contracts from prestigious clients for its varied business. Meanwhile, S&P BSE Oil & Gas was the major loser, down 0.70%, followed by S&P BSE FMCG and S&P BSE Teck which slipped 0.68% and 0.59%, respectively.

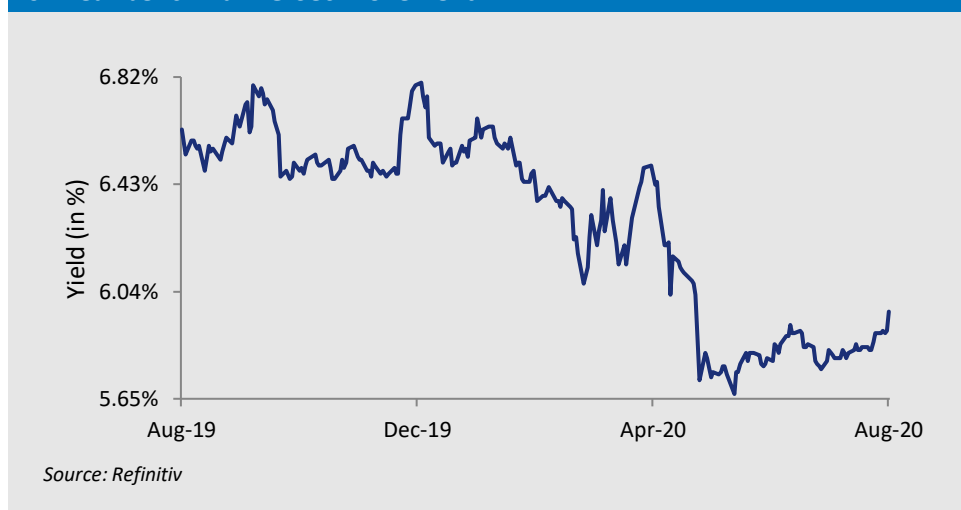
## Indian Debt Market Indicators

Broad Indices	14-Aug-20	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.45%	3.44%	3.46%	5.03%	5.33%
T-Repo	3.18%	3.18%	3.11%	4.95%	5.35%
Repo	4.00%	4.00%	4.00%	5.15%	5.40%
Reverse Repo	3.35%	3.35%	3.35%	4.90%	5.15%
3 Month CP	3.60%	3.70%	3.75%	5.70%	6.00%
1 Year CP	4.40%	4.50%	4.55%	6.40%	7.30%
3 Month CD	3.29%	3.31%	3.27%	5.36%	5.54%
1 Year CD	3.81%	3.75%	3.88%	5.78%	6.73%

Source: CCIL, Refinitiv \* As on Aug 07, 2020; \*\* As on Jul 31, 2020; @ As on Jul 10, 2020; @@ As on Feb 14, 2020; @@@ As on Aug 09, 2019

Broad Indices	14-Aug-20	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	4.98%	5.05%	5.34%	6.44%	7.28%
3 Year AAA Corporate Bond	5.91%	6.02%	5.75%	6.71%	7.68%
5 Year AAA Corporate Bond	6.67%	6.54%	6.39%	6.98%	7.92%
1 Year G-Sec	3.68%	3.45%	3.64%	5.32%	5.82%
3 Year G-Sec	4.88%	4.82%	4.32%	5.78%	6.20%
5 Year G-Sec	5.23%	5.11%	4.87%	5.93%	6.47%
10 Year G-Sec	5.96%	5.89%	5.83%	6.37%	6.62%
Forex Reserve (\$ in billion)	538.19*	534.57**	516.36@	476.09@@	430.57@@@

## 10 - Year benchmark G-Sec Movement



## Domestic Debt Market Update

- Bond yields rose for the fifth consecutive week and witnessed the biggest weekly rise in as many as thirteen weeks. Yields went up after consumer price index based inflation or retail inflation remained above the upper tolerance level of 6% set by the Reserve Bank of India (RBI) for the fourth consecutive month in Jul 2020 which lowered the possibility of further easing of monetary policy in the coming months. Absence of supportive steps from the RBI to absorb the excess supply of sovereign debt in the market also weighed on the market sentiment.
- Yield on the present 10-year benchmark paper (5.79% GS 2030) rose 8 bps to close at 5.97% compared to the previous week's closing of 5.89% after trading in a range of 5.88% to 5.99%. The benchmark 5.79% bond maturing in 2030 thus rose to its highest level since its issuance on May 8, 2020.
- Yield on the upcoming new 10-year benchmark paper (5.77% GS 2030) rose 11 bps to close at 5.95% compared to the previous closing of 5.84% after moving in a range of 5.85% to 5.96%.
- Data from RBI showed that India's foreign exchange reserves rose for the seventh consecutive week to hit a fresh record high of \$538.19 billion as of the week ended Aug 7, 2020 against \$534.57 billion in the previous week

## Global Commodity Update

Commodities	14-Aug-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	42.00	1.74	-23.39	-31.35
Brent Crude Oil (\$/barrel)	44.91	0.81	-23.82	-31.98
Gold (\$/ounce)	1,943.76	-4.47	28.21	28.13
Silver (\$/ounce)	26.41	-6.65	53.50	48.12

Source: Refinitiv

## Currencies Update

Currency	14-Aug-20	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	74.89	75.01	75.38	71.53	71.27
GBP	98.33	97.90	94.58	93.31	85.94
Euro	88.56	88.41	85.90	77.46	79.38
100 Yen	70.26	70.81	70.28	65.16	67.29

Source: Refinitiv

## Global Equity Market Performance

Country/Region	Indices	14-Aug-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	1,870.80	0.61	18.96	4.85
U.K.	FTSE	6,090	0.96	-14.80	-19.26
France	CAC 40	4,963	1.50	-5.49	-16.98
Germany	DAX	12,901	1.79	12.26	-2.62
Japan	Nikkei 225	23,289	4.30	12.75	-1.55
China	Shanghai Composite	3,360	0.18	19.62	10.16
Hong Kong	Hang Seng	25,183	2.66	-0.47	-10.67
Singapore	Straits Times	2,581	1.41	-17.99	-19.91
Russia	RTS Index	1,324	4.12	5.09	-14.53
Brazil	Sao Paulo Se Bovespa	101,353	-1.38	1.09	-12.36

Source: Refinitiv

## Global Bond Yield Update

Indicators	14-Aug-20	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	0.71	0.56	0.61	1.59	1.58
U.K. 10 Year Bond yield (%)	0.24	0.14	0.15	0.63	0.45
German 10 Year Bond yield (%)	-0.42	-0.51	-0.44	-0.40	-0.65
Japan 10 Year Bond yield (%)	0.05	0.01	0.03	-0.03	-0.23

Source: Refinitiv

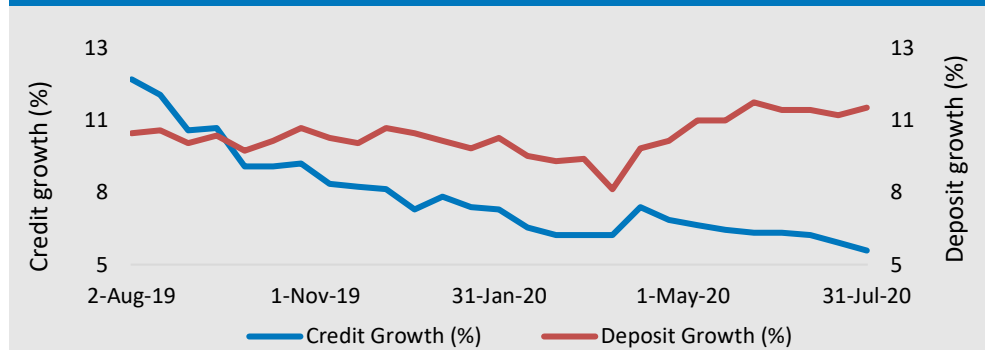
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
China Consumer Price Index (YoY)(Jul)	10-Aug	2.70%	2.60%	2.50%
U.K. ILO Unemployment Rate (3M)(Jun)	11-Aug	3.90%	4.20%	3.90%
U.S. Consumer Price Index (YoY)(Jul)	12-Aug	1.00%	0.80%	0.60%
Germany Consumer Price Index (YoY)(Jul)	13-Aug	0.10%	0.10%	0.10%

Source: FX Street; Refinitiv

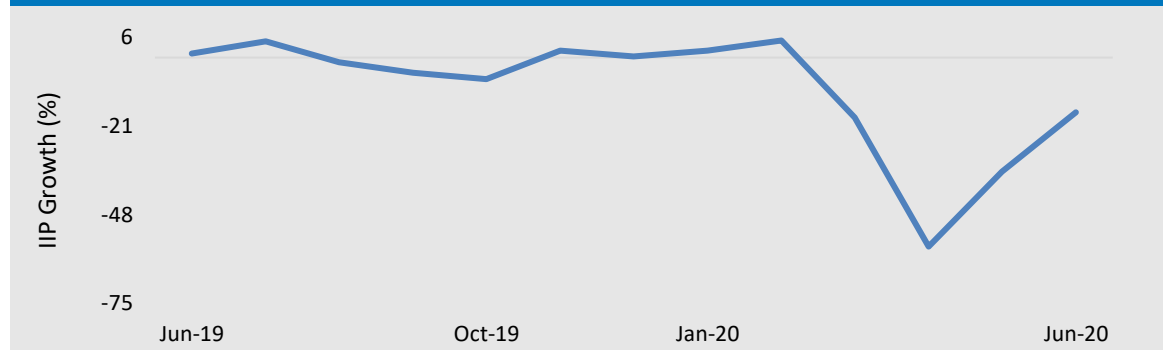
## Macro Economic Performance of India

### Credit growth vs Deposit growth



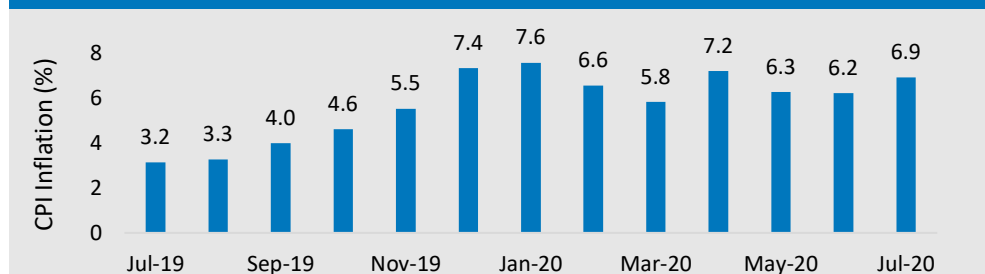
Source: Refinitiv

### IIP Growth (%)



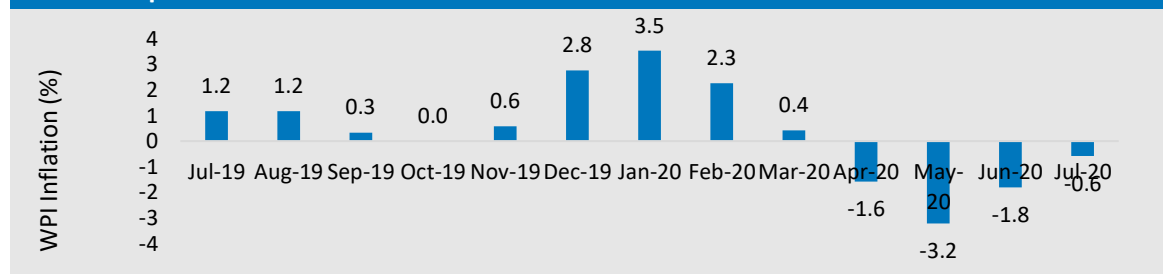
Source: Refinitiv

### Retail inflation movement



Source: Refinitiv

### Wholesale price inflation movement



Source: Refinitiv

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