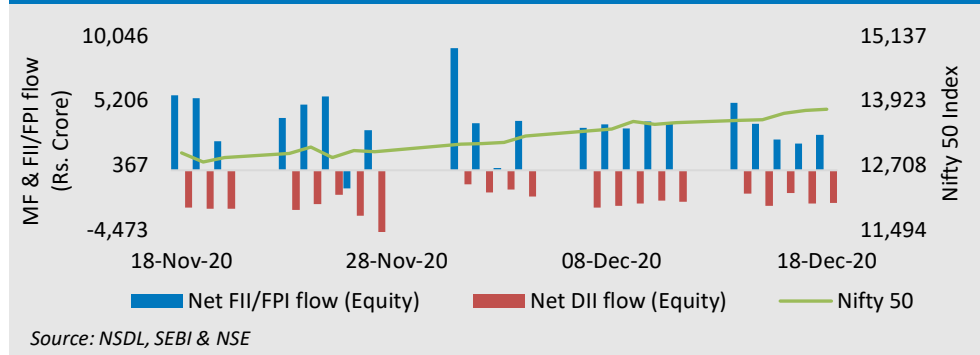


Macro Economic Release

Indicators	Actual	Consensus	Previous
CPI Inflation (Nov 2020)	6.93%	7.20%	7.61%
GDP Quarterly Growth (Q2FY21)	-7.5%	-8.8%	-23.9%
Trade Deficit (\$ billion) (Nov 2020)	9.87	9.96	8.72
WPI Inflation (Nov 2020)	1.55%	1.62%	1.48%

Source: Refinitiv

FII and DII Investment vs Nifty 50



Indian Equity Market Performance

Broad Indices	18-Dec-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	46,961	1.87	13.00	13.83
Nifty 50	13,761	1.83	12.59	13.08
S&P BSE 100	13,888	1.79	13.20	13.50
Nifty 500	11,355	1.64	15.11	15.02
Nifty Mid cap 50	5,862	2.07	26.85	24.68
Nifty Small cap 100	6,958	1.96	22.24	19.25

Sector Indices	18-Dec-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	20,738	-0.18	14.67	12.19
S&P BSE Bankex	35,194	0.48	-4.28	-4.03
S&P BSE CD	29,653	5.37	20.45	18.56
S&P BSE CG	18,607	4.70	8.68	9.82
S&P BSE FMCG	12,577	-0.85	9.61	10.27
S&P BSE HC	21,475	2.13	59.71	59.92
S&P BSE IT	23,227	2.47	49.72	50.08
S&P BSE METAL	11,371	1.89	13.44	9.04
S&P BSE Oil & Gas	14,397	-0.26	-2.63	-2.36
S&P BSE Power	2,079	0.66	10.08	7.94
S&P BSE PSU	5,871	0.73	-13.77	-15.59
S&P BSE Realty	2,395	3.69	7.68	5.02
S&P BSE Teck	10,732	2.31	39.58	39.06

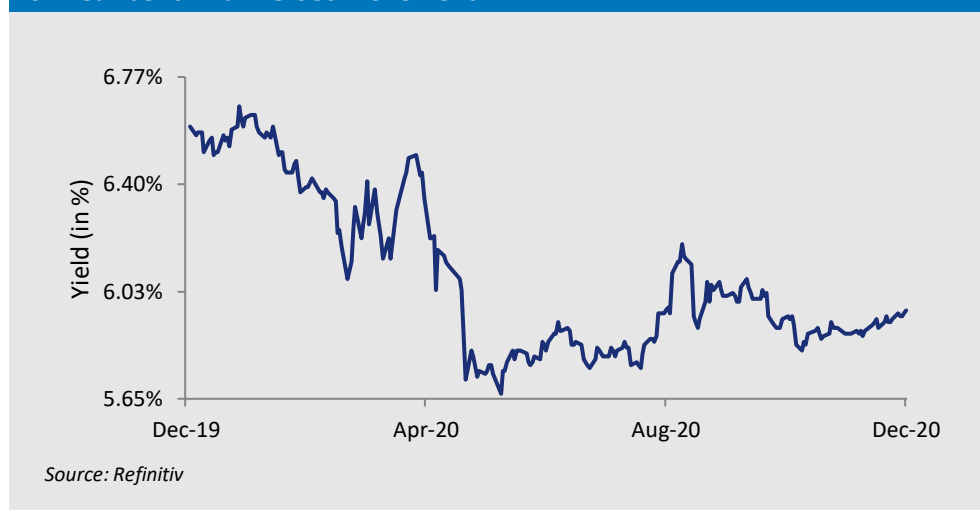
Source: BSE & NSE

Indian Debt Market Indicators

Broad Indices	18-Dec-20	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.22%	3.13%	3.13%	3.59%	5.06%
T-Repo	3.23%	3.08%	2.68%	2.89%	4.89%
Repo	4.00%	4.00%	4.00%	4.00%	5.15%
Reverse Repo	3.35%	3.35%	3.35%	3.35%	4.90%
3 Month CP	3.35%	3.35%	3.25%	4.00%	5.40%
1 Year CP	4.15%	4.05%	4.10%	5.35%	6.65%
3 Month CD	3.09%	3.09%	3.02%	3.35%	5.07%
1 Year CD	3.74%	3.76%	3.69%	4.17%	5.86%

Source: CCL, Refinitiv * As on Dec 11, 2020; ** As on Dec 04, 2020; @ As on Nov 13, 2020; @@ As on Jun 12, 2020; @@@ As on Dec 13, 2019

10 - Year benchmark G-Sec Movement



Macro economic Update

- Consumer price index based inflation eased to 6.93% YoY in Nov 2020 from 7.61% in Oct 2020 due to considerable easing in vegetable prices. Consumer Food Price Index (CFPI) eased to 9.43% YoY in Nov 2020 from 11.00% in the prior month. Vegetables and fruit inflation stood at 15.63% and 0.27% respectively.
- Wholesale Price Index (WPI) based inflation accelerated for the fourth straight month and touched 9-month high at 1.55% in Nov 2020 from 1.48% in Oct 2020. Manufactured products inflation accelerated to 2.97% in Nov 2020 from 2.12% in Oct 2020 while food inflation eased to 3.94% from 6.37%. Fruits witnessed fall in prices for the fifth month in a row at 3.80% in Nov 2020.
- Government data showed that India's trade deficit narrowed to \$9.87 billion in Nov 2020 from \$12.75 billion in the same period of the previous year. Exports came down 8.74% over the year to \$23.52 billion in Nov 2020 from \$25.77 billion in the same period of the previous year. Imports came down 13.32% over the year to \$33.39 billion in Nov 2020 from \$38.52 billion in the same period of the previous year.
- According to the Labour Ministry, point-to-point rate of inflation based on the CPI-AL (Consumer Price Index-Agricultural Labourers) and CPI-RL (Rural Labourers) fell to 6% and 5.86%, respectively, in Nov 2020, from 6.59% and 6.45%, respectively, in Oct 2020. The decrease came mainly due to lower prices of food items.

Domestic Equity Market Update

- Indian equity markets settled for the week with modest gains. Investors took positive cues from previous week's data showing Index of Industrial production expanded 3.6% in Oct 2020 compared with 6.6% contraction in Oct 2019.
- Positive development on the COVID-19 vaccine shipment also supported buying interest. Later, positive global cues helped benchmark indices scale new highs. Growing optimism over U.S. stimulus measures, hopes of an effective COVID-19 vaccine and U.S. Fed's signal that it will keep pumping liquidity into the market boosted sentiment.
- Nonetheless, bouts of volatility amid profit booking, coupled with increasing COVID-19 infections and resultant lockdowns worldwide restricted gains.
- On the BSE sectoral front, barring S&P BSE FMCG, S&P BSE Oil & Gas and S&P BSE Auto, all the major indices closed in the green. S&P BSE Consumer Durables was the top gainer, up 5.37%, followed by S&P BSE Capital Goods and S&P BSE Realty, which rose 4.70% and 3.69%, respectively.
- Consumer durable sector went up as the work from home period underscored the importance of consumer durables and electronic products and featuring high on people's shopping lists as the curbs relaxed.

Domestic Debt Market Update

Broad Indices	18-Dec-20	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	4.90%	4.93%	4.91%	5.70%	6.86%
3 Year AAA Corporate Bond	5.40%	5.46%	5.33%	6.29%	7.47%
5 Year AAA Corporate Bond	6.30%	6.36%	6.44%	6.74%	7.81%
1 Year G-Sec	3.67%	3.72%	3.36%	3.76%	5.59%
3 Year G-Sec	4.42%	4.49%	4.50%	4.51%	6.35%
5 Year G-Sec	5.09%	5.14%	5.10%	5.43%	6.53%
10 Year G-Sec	5.96%	5.96%	5.88%	5.82%	6.71%
Forex Reserve (\$ in billion)	578.57*	579.35**	572.77@	507.64@@	454.49@@@

Domestic Debt Market Update

- Bond yields were almost steady as market participants awaited more open market operations (OMO) by the Reserve Bank of India (RBI). Although easing of retail inflation in Nov 2020 was positive, it remained short lived due to profit booking.
- Yield on the 10-year benchmark paper (5.77% GS 2030) closed steady at 5.96% from the previous week's close after moving in a range of 5.92% to 5.98%.
- RBI conducted the auction of special OMO of simultaneous purchase and sale of government of India securities for a notified amount of Rs. 10,000 crore each, which were fully accepted. RBI bought 4, 6 & 9 year maturities and sold securities maturing within one year.
- RBI announced to conduct OMO to purchase SDLs for an aggregate amount of Rs. 10,000 crore on Dec 23, 2020.
- RBI conducted the auction of state development loans of nine state governments for a notified amount of Rs. 9,865 crore for which Rs. 10,365 crore was accepted. The cut off yield ranged from 5.35% to 6.68%. Rajasthan witnessed the minimum yield while West Bengal witnessed the maximum yield.

Global Commodity Update

Commodities	18-Dec-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	48.81	5.19	-19.80	-20.22
Brent Crude Oil (\$/barrel)	52.34	4.83	-20.88	-20.72
Gold (\$/ounce)	1,880.66	2.26	27.49	23.97
Silver (\$/ounce)	25.77	7.76	51.52	44.52

Source: Refinitiv

Global Equity Market Performance

Country/Region	Indices	18-Dec-20	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	2,099.61	1.62	19.12	17.68
U.K.	FTSE	6,529	-0.27	-13.41	-13.43
France	CAC 40	5,528	0.37	-7.24	-7.53
Germany	DAX	13,631	3.94	3.09	2.88
Japan	Nikkei 225	26,763	0.42	11.82	13.13
China	Shanghai Composite	3,395	1.43	12.52	11.30
Hong Kong	Hang Seng	26,499	-0.03	-4.97	-6.00
Singapore	Straits Times	2,849	0.97	-11.23	-11.60
Russia	RTS Index	1,403	-0.73	-7.88	-9.45
Brazil	Sao Paulo Se Bovespa	118,024	2.52	3.24	2.06

Source: Refinitiv

Currencies Update

Currency	18-Dec-20	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	73.57	73.74	74.11	76.39	70.99
GBP	99.47	97.50	98.34	94.90	92.83
Euro	90.16	89.30	87.84	85.57	78.88
100 Yen	71.19	70.87	71.36	71.40	64.81

Source: Refinitiv

Global Bond Yield Update

Indicators	18-Dec-20	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	0.95	0.89	0.88	0.69	1.92
U.K. 10 Year Bond yield (%)	0.25	0.17	0.34	0.23	0.78
German 10 Year Bond yield (%)	-0.57	-0.64	-0.56	-0.44	-0.25
Japan 10 Year Bond yield (%)	0.00	0.02	0.03	0.02	-0.02

Source: Refinitiv

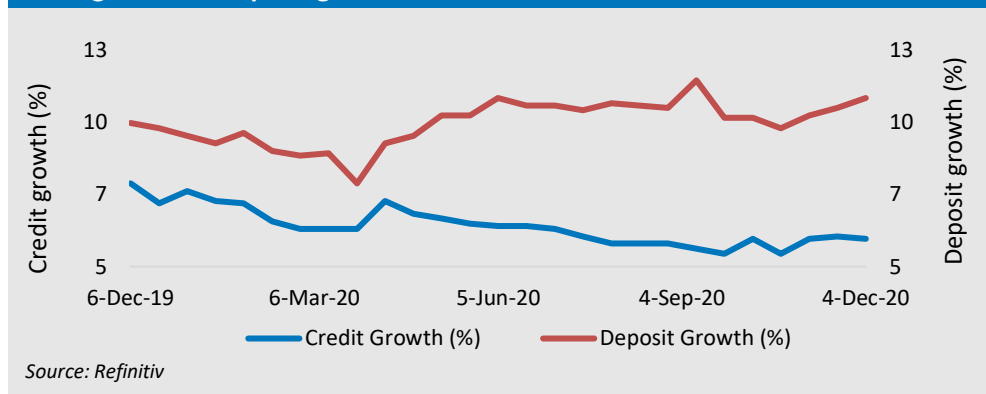
Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
Euro Zone Industrial Production (YoY)(Oct)	14-Dec	-3.80%	-4.40%	-6.30%
U.S. Industrial Production (MoM)(Nov)	15-Dec	0.40%	0.30%	0.90%
U.S. Markit Manufacturing PMI(Dec) PREL	16-Dec	56.50	55.70	56.70
Germany IFO – Business Climate (Dec)	18-Dec	92.10	90.00	90.90

Source: FX Street; Refinitiv

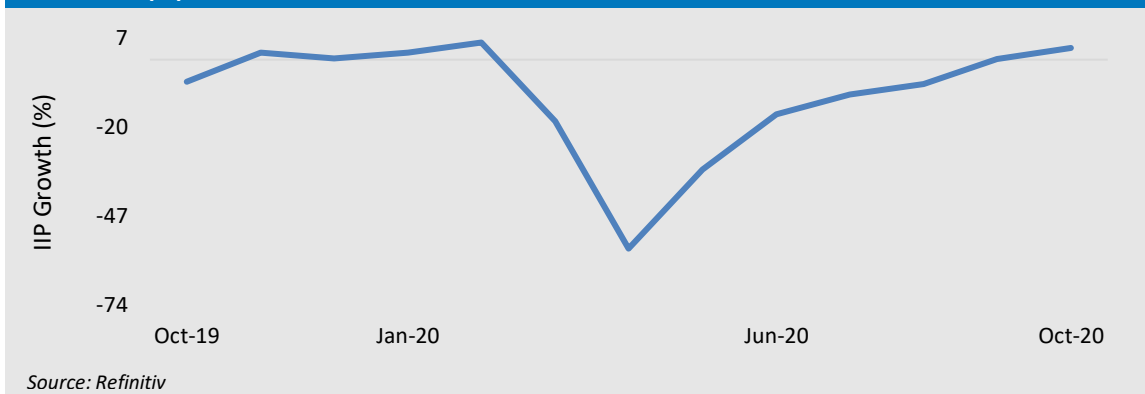
Macro Economic Performance of India

Credit growth vs Deposit growth



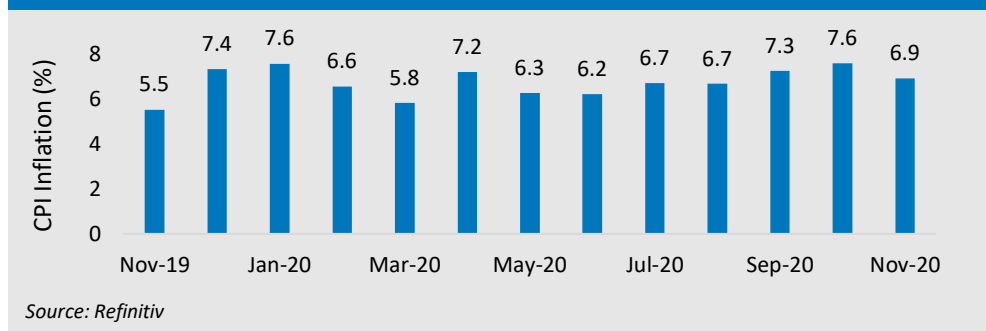
Source: Refinitiv

IIP Growth (%)



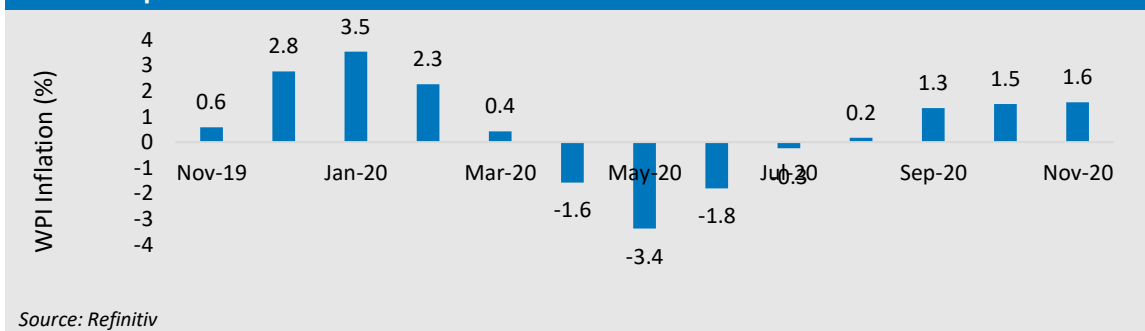
Source: Refinitiv

Retail inflation movement



Source: Refinitiv

Wholesale price inflation movement



Source: Refinitiv

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