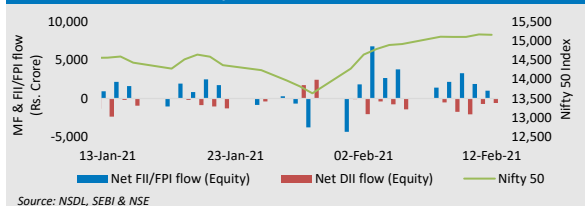


## Macro Economic Release

| Indicators                           | Actual | Consensus | Previous |
|--------------------------------------|--------|-----------|----------|
| CPI Inflation (Jan 2021)             | 4.06%  | 4.45%     | 4.59%    |
| IIP Growth (Dec 2020)                | 1.04%  | -0.20%    | -2.10%   |
| Nikkei India Services PMI (Jan 2021) | 52.80  | 53.00     | 52.30    |
| Nikkei India Mfg PMI (Jan 2021)      | 57.70  | 56.00     | 56.40    |

Source: Refinitiv

## FII and DII Investment vs Nifty 50



## Indian Equity Market Performance

| Broad Indices       | 12-Feb-21 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|---------------------|-----------|----------------|----------------|----------------|
| S&P BSE Sensex      | 51,544    | 1.60           | 24.01          | 7.94           |
| Nifty 50            | 15,163    | 1.60           | 24.28          | 8.45           |
| S&P BSE 100         | 15,301    | 1.70           | 24.26          | 8.52           |
| Nifty 500           | 12,509    | 1.86           | 24.62          | 8.60           |
| Nifty Mid cap 50    | 6,739     | 2.40           | 36.27          | 14.75          |
| Nifty Small cap 100 | 7,931     | 3.85           | 28.41          | 11.90          |

| Sector Indices    | 12-Feb-21 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|-------------------|-----------|----------------|----------------|----------------|
| S&P BSE AUTO      | 24,636    | 1.69           | 38.06          | 18.38          |
| S&P BSE Bankex    | 40,836    | 1.33           | 13.14          | 13.79          |
| S&P BSE CD        | 32,705    | 2.87           | 22.44          | 7.61           |
| S&P BSE CG        | 21,795    | 0.59           | 29.38          | 16.27          |
| S&P BSE FMCG      | 12,508    | -2.09          | 7.17           | -0.80          |
| S&P BSE HC        | 21,776    | -0.13          | 52.33          | 0.44           |
| S&P BSE IT        | 25,974    | 1.97           | 60.05          | 7.12           |
| S&P BSE METAL     | 12,543    | 1.75           | 27.40          | 8.13           |
| S&P BSE Oil & Gas | 14,806    | 1.28           | 3.82           | 5.08           |
| S&P BSE Power     | 2,251     | 0.95           | 18.65          | 9.18           |
| S&P BSE PSU       | 6,632     | -0.11          | 0.78           | 14.72          |
| S&P BSE Realty    | 2,793     | 2.92           | 16.58          | 12.70          |
| S&P BSE Teck      | 11,916    | 2.03           | 46.82          | 7.34           |

Source: BSE & NSE

## Macro economic Update

- Government data showed that the Index of Industrial Production (IIP) witnessed a growth of 1.0% in Dec 2020 as compared to a growth of 0.4% in the same period of the previous year. The manufacturing sector grew 1.6% in Dec 2020 as compared to a contraction of 0.3% in the same period of the previous year while the electricity sector witnessed a growth of 5.1% as compared to a contraction of 0.1% in Dec 2019. For the period from Apr to Dec of 2020, IIP contracted 13.5% as compared to a growth of 0.3% in the same period of the previous year.
- Government data showed that the Consumer Price Index based inflation (CPI) slowed to a 16-month low of 4.06% in Jan 2021 from 4.59% in the previous month. The Consumer Food Price Index also eased to 1.89% in Jan 2021 from 3.41% in the Dec 2020. CPI Inflation for vegetables came down 15.84% over the month while that of oils and fats witnessed a growth of 19.71%. CPI inflation for fuel and light stood at 3.87% during the month under review.
- Data from the Society of Indian Automobile Manufacturers (SIAM) showed that passenger vehicle sales witnessed a growth of 11.14% from 248,840 units in Jan 2020 to 276,554 units in Jan 2021. Two-wheeler sales witnessed a growth of 6.63% from 1,341,005 units in Jan 2020 to 1,429,928 units in Jan 2021. However, three wheeler sales fell 56.76% during the same time period.

## Domestic Equity Market Update

- Indian equity markets reported muted gains after witnessing initial rally backed by optimism that falling coronavirus infection rates and the continued rollout of vaccines will provide a major boost to the economic recovery.
- Gains were largely erased as investors cashed in recent gains seen on the backdrop of high-spending and growth-focused Union Budget FY22, aimed at reviving the economy.
- On the last day of the week, market participants remained cautious ahead of the retail price inflation for Jan 21, scheduled post market hours on Feb 12. The data is expected to give insights on the near-term interest rate outlook of Monetary Policy Committee.
- On the BSE sectoral front, barring S&P BSE Healthcare and S&P BSE FMCG, all the indices closed in the green.
- S&P BSE Realty was the top gainer, up 2.92%, followed by S&P BSE Consumer Durables and S&P BSE Teck, which rose 2.87% and 2.03%, respectively. Investors grew optimistic of the realty sector, owing to economic recovery picking up pace and attractive home prices.

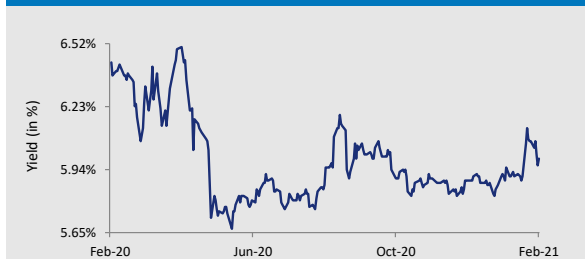
## Indian Debt Market Indicators

| Broad Indices | 12-Feb-21 | Week Ago | Month Ago | 6 Months Ago | Year Ago |
|---------------|-----------|----------|-----------|--------------|----------|
| Call Rate     | 3.31%     | 3.26%    | 3.19%     | 3.49%        | 4.93%    |
| T-Repo        | 3.07%     | 3.19%    | 3.14%     | 3.19%        | 4.91%    |
| 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    | 3.75%     | 3.85%    | 3.55%     | 3.65%        | 5.75%    |
| 1 Year CP     | 4.60%     | 4.55%    | 4.25%     | 4.45%        | 6.40%    |
| 3 Month CD    | 3.38%     | 3.36%    | 3.25%     | 3.30%        | 5.32%    |
| 1 Year CD     | 4.10%     | 4.04%    | 3.83%     | 3.80%        | 6.08%    |

Source: CCL, Refinitiv \* As on Feb 05, 2021; \*\* As on Jan 29, 2021; @ As on Jan 08, 2021; @@@ As on Aug 07, 2020; @@@@ As on Feb 07, 2020

| Broad Indices                 | 12-Feb-21 | Week Ago | Month Ago | 6 Months Ago | Year Ago  |
|-------------------------------|-----------|----------|-----------|--------------|-----------|
| 1 Year AAA Corporate Bond     | 4.66%     | 4.79%    | 4.79%     | 5.02%        | 6.50%     |
| 3 Year AAA Corporate Bond     | 5.74%     | 5.73%    | 5.59%     | 6.06%        | 6.78%     |
| 5 Year AAA Corporate Bond     | 6.60%     | 6.63%    | 6.49%     | 6.57%        | 7.09%     |
| 1 Year G-Sec                  | 4.03%     | 4.06%    | 4.03%     | 3.63%        | 5.35%     |
| 3 Year G-Sec                  | 5.14%     | 4.94%    | 4.58%     | 4.83%        | 5.84%     |
| 5 Year G-Sec                  | 5.50%     | 5.58%    | 5.24%     | 5.16%        | 5.97%     |
| 10 Year G-Sec                 | 5.99%     | 6.07%    | 5.93%     | 5.88%        | 6.47%     |
| Forex Reserve (\$ in billion) | 583.95*   | 590.19** | 586.08@   | 538.19@@     | 473.00@@@ |

## 10 - Year benchmark G-Sec Movement



## Domestic Debt Market Update

- Bond yields fell as the Reserve Bank of India (RBI) conducted the open market operations (OMO) and bought government securities worth Rs. 20,000 crore at lower-than-expected rates. Yields fell further as the RBI purchased securities in the secondary market and is anticipated to announce more OMO.
- However, gains were capped after the Central Bank partially devolved the 14-year government security on primary dealers, accepted bids at higher-than-expected rates and exercised greenshoe option at the weekly auction.
- Yield on the 10-year benchmark paper (5.85% GS 2030) fell 8 bps to close at 5.99% from the previous week's close of 6.07%.
- RBI on Feb 20, 2021 conducted the auction of OMO by purchasing four government securities-6.18% GS 2024, 7.17% GS 2028, 5.77% GS 2030 and 6.19% GS 2034 for an aggregate amount of Rs. 20,000 crore. 7.17% GS 2028 did not saw any acceptance while 5.77% GS 2030 saw Rs. 14,654 crore of acceptance.

## Global Commodity Update

| Commodities                 | 12-Feb-21 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|-----------------------------|-----------|----------------|----------------|----------------|
| NYMEX Crude Oil (\$/barrel) | 59.68     | 4.59           | 15.57          | 23.31          |
| Brent Crude Oil (\$/barrel) | 62.66     | 5.15           | 11.24          | 21.15          |
| Gold (\$/ounce)             | 1,823.46  | 0.65           | 16.49          | -3.85          |
| Silver (\$/ounce)           | 27.35     | 1.94           | 56.61          | 3.76           |

Source: Refinitiv

## Currencies Update

| Currency    | 12-Feb-21 | Week Ago | Month ago | 6 Months Ago | Year Ago |
|-------------|-----------|----------|-----------|--------------|----------|
| U.S. Dollar | 72.58     | 72.81    | 73.22     | 74.79        | 71.29    |
| GBP         | 100.46    | 99.99    | 100.06    | 97.47        | 92.39    |
| Euro        | 87.95     | 87.68    | 89.37     | 88.12        | 77.50    |
| 100 Yen     | 69.15     | 69.09    | 70.56     | 69.94        | 64.76    |

Source: Refinitiv

## Global Equity Market Performance

| Country/Region           | Indices              | 12-Feb-21 | % Change (WoW) | % Change (YoY) | % Change (YTD) |
|--------------------------|----------------------|-----------|----------------|----------------|----------------|
| U.S.                     | Russell 1000         | 2,237.63  | 1.51           | 19.71          | 5.51           |
| U.K.                     | FTSE                 | 6,590     | 1.55           | -12.54         | 2.00           |
| France                   | CAC 40               | 5,704     | 0.78           | -6.57          | 2.74           |
| Germany                  | DAX                  | 14,050    | -0.05          | 2.18           | 2.41           |
| Japan                    | Nikkei 225           | 29,520    | 2.57           | 23.72          | 7.56           |
| China <sup>[2]</sup>     | Shanghai Composite   | 3,655     | 4.54           | 24.88          | 5.24           |
| Hong Kong <sup>[1]</sup> | Hang Seng            | 30,174    | 3.02           | 8.45           | 10.81          |
| Singapore <sup>[1]</sup> | Straits Times        | 2,925     | 0.63           | -9.24          | 2.87           |
| Russia                   | RTS Index            | 1,462     | 2.11           | -6.13          | 5.37           |
| Brazil                   | Sao Paulo Se Bovespa | 119,429   | -0.67          | 2.36           | 0.35           |

Source: Refinitiv

## Global Bond Yield Update

| Indicators                    | 12-Feb-21 | Week ago | Month ago | 6 Months Ago | Year ago |
|-------------------------------|-----------|----------|-----------|--------------|----------|
| U.S. 10 Year Bond yield (%)   | 1.20      | 1.17     | 1.14      | 0.67         | 1.63     |
| U.K. 10 Year Bond yield (%)   | 0.52      | 0.48     | 0.36      | 0.24         | 0.61     |
| German 10 Year Bond yield (%) | -0.43     | -0.44    | -0.47     | -0.45        | -0.38    |
| Japan 10 Year Bond yield (%)  | 0.06      | 0.06     | 0.04      | 0.04         | -0.03    |

Source: Refinitiv

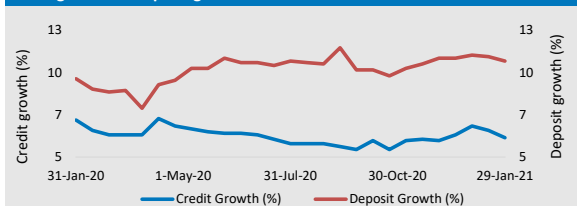
## Global Economic Calendar

| Economic Events                             | Release date | Actual | Consensus | Previous |
|---------------------------------------------|--------------|--------|-----------|----------|
| U.S. Core Inflation Rate YoY (Jan)          | 10-Feb       | 1.4%   | 1.5%      | 1.6%     |
| U.S. Initial Jobless Claims (Feb 6)         | 11-Feb       | 793K   | 757K      | 812K     |
| U.K. GDP 3-Month Avg (Dec)                  | 12-Feb       | 1.0%   | 0.5%      | 4.5%     |
| U.S. Michigan Consumer Sentiment Prel (Feb) | 12-Feb       | 76.2   | 80.8      | 79.0     |

Source: FX Street; Refinitiv

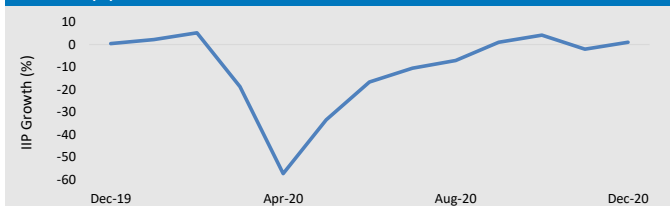
## Macro Economic Performance of India

### Credit growth vs Deposit growth



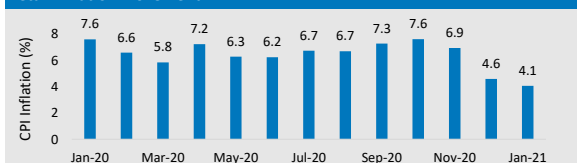
Source: Refinitiv

### IIP Growth (%)



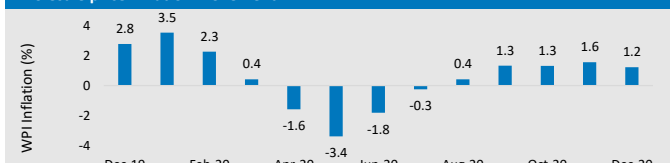
Source: Refinitiv

### Retail inflation movement



Source: Refinitiv

### Wholesale price inflation movement



Source: Refinitiv

[1] Data as on 11 Feb, 2021; [2] Data as on 10 Feb, 2021

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