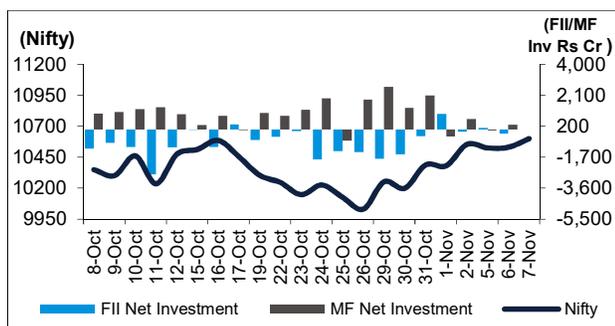


DOMESTIC EQUITY

- Indian equities rose moderately in the holiday curtailed week, continuing with the past week's positive momentum.
- Buying in realty, healthcare and auto firms buoyed the market. S&P BSE Realty (topmost sectoral gainer), S&P BSE Healthcare and S&P BSE Auto jumped around 2.5%, 1% and 0.7%, respectively.
- However, further gains were restricted owing to weakness in the rupee and selling pressure in metal (biggest sectoral decliner), consumer durables and oil & gas firms. S&P BSE Metal, S&P BSE Consumer Durables and S&P BSE Oil & Gas lost about 1.6%, 1% and 0.6%, respectively.
- Sentiments were also affected, in line with global equities, after the US Federal Reserve (Fed) hinted at more rate hikes in the future amid a strengthening US economy.

Broad Indices	Week change%	3 month change%	1 year change%
S&P BSE Sensex	0.42	-7.54	5.74
Nifty 50	0.31	-7.72	2.68
S&P BSE Midcap	0.37	-8.55	-9.85
S&P BSE Smallcap	1.43	-13.27	-16.79
S&P BSE Bankex	0.28	-9.08	1.62
S&P BSE CG	0.64	-0.33	-0.80
S&P BSE FMCG	-0.11	-7.93	8.93
S&P BSE IT	0.71	-2.91	31.88
S&P BSE Healthcare	0.89	2.01	5.04

Source: BSE, NSE



Source: SEBI, NSE

GLOBAL EQUITY

- US stocks surged in the week mainly boosted by the midterm elections results which saw Democrats take control of the House.
- Britain's FTSE index rose 0.7% following gains in shares of natural resource and banking firms and on tracking US mid-term elections results.
- Asian equities ended mostly in the red. Hong Kong's Hang Seng dipped 3.3% on profit booking amid fading hopes of a quick resolution of US-China trade tensions and after the Fed signalled that it would continue with its interest rate hikes.
- China's Shanghai Composite lost nearly 3% owing to weak earnings and an uncertain economic outlook, coupled with disappointing inflation data.
- Japan's Nikkei index ended flat as gains on tracking US midterm elections results and strong domestic corporate earnings were offset by worries about US-China trade tensions and as the Fed signalled that it would continue to tighten monetary policy, although at a gradual pace.

DOMESTIC DEBT

Indicators	Nov 9, 2018	Previous Week	Trend
Call Rate	6.55%	6.20%	↑
3 M CP	8.41%	8.65%	↓
1 Yr CP	9.30%	9.30%	↔
3 M CD	7.45%	7.40%	↑
1 Yr CD	8.50%	8.50%	↔
5 Yr AAA	8.78%	8.78%	↔
1 Yr G-Sec	7.34%	7.35%	↓
5 Yr G-Sec	7.66%	7.71%	↓
10 Yr G-Sec	7.76%	7.78%	↓
USD/INR	72.50	72.43	↑

Source: CRISIL Fixed Income Database, RBI

- Government bond prices ended off lows. The yield of the 10 year benchmark 7.17% 2028 paper settled at 7.76% on November 9, 2018 as against 7.78% on November 2, 2018.

- Bond prices began the week on a dim note tracking weakness in the rupee.
- Intermittent rise in US benchmark treasury yields also put gilts under pressure.
- Bonds strengthened tracking the local unit's gains intraweek.
- Cooling crude oil prices and absence of a weekly gilt sale aided sentiment.
- The central bank's open market bond purchase auction also provided bonds with positive cues.
- In the auction, the banking regulator bought back five dated securities for a notified aggregate amount of Rs 10,000 crore.



Source: CRISIL Fixed Income Database

GLOBAL DEBT

- US treasury prices ended lower in the week ended November 8, 2018 after the US Fed hinted at more interest rate hikes as domestic economic expansion remains on track.
- In the latest policy meet, US Fed kept the interest rate steady but signalled further interest rate hikes in the coming months with the next one expected in December 2018.
- Demand for the bonds was also dented following the release of the strong US monthly jobs data which also strengthened the case of further tightening by the US Fed.
- Meanwhile, the yield on the 10-year benchmark bond rose to 3.23% on November 8, 2018 from 3.14% on November 1, 2018.
- Further losses were however capped amid the outcome of the US midterm election which split the control of the US Congress between the two major political parties.
- Intermittent weakness in the equities amid fading hopes of a quick resolution of US-China trade tensions and losses in the technology shares also supported the treasury prices.

DOMESTIC NEWS

- India's Nikkei services purchasing managers' index (PMI) rose to 52.2 in October 2018, from 50.9 in September 2018; the composite PMI improved from 51.6 in September 2018 to 53.0 in October 2018.
- Finance minister Arun Jaitley said India will become the world's fifth-largest economy in 2019 and figure among the top three in the coming years.
- Moody's Investors Service said Indian economy will expand 7.4% in 2018, but the growth will slow down to 7.3% in the next year as domestic demand tapers on higher borrowing cost due to rising interest rates.
- Prime Minister announced various measures for small and medium enterprises, including loans of up to Rs 1 crore in 59 minutes, relaxed labour laws and easier compliance with environment laws.
- Government earmarked around Rs 9000 crore for the Micro Small and Medium Enterprises (MSME) outreach and support programme.
- President Ramnath Kovind gave nod to promulgate an ordinance to amend the Companies Law.
- Finance Minister Arun Jaitley said demonetisation resulted in the formalisation of the economy and increased tax base, prompting the government to

earmark more resources for the poor and infrastructure development.

- Finance Ministry assured exporters that there will not be any delay in Goods & Services Tax (GST) refunds.
- The Cabinet approved selling shares held by those who had left for Pakistan during Partition and bill the proceeds to disinvestment gains.
- Government eased norms for exports of select items used in jewellery-making.
- Reserve Bank of India (RBI) allowed banks to part-support bonds sold by non-banking finance companies.
- RBI eased the rules governing external commercial borrowing for infrastructure firms in terms of both tenure and hedging requirements.
- RBI to set up a wide-based digital Public Credit Registry (PCR) to capture details of all borrowers.
- Securities & Exchange Board of India (Sebi) put in place a standard framework for transfer of securities in physical mode.
- An Insurance Regulatory and Development Authority of India (Irdai) panel recommended a standardized list of 17 pre-existing diseases that could be excluded from health insurance policies.

GLOBAL NEWS

- US Federal Reserve kept interest rates steady and signals that it will continue to move up the rates at a gradual pace in coming months.

- US trade deficit widened to \$54 billion in September 2018 from a revised \$53.3 billion in August 2018.
- US Institute of Supply Management (ISM) non-manufacturing index fell to 60.3 in October 2018 from 21-year high of 61.6 in September 2018.
- Eurozone Sentix investor confidence indicator dropped to 8.8 in November 2018 from 11.4 in October 2018.
- Eurozone retail sales rose 0.8% year-on-year in September 2018, compared with August 2018's 2.2% increase.
- UK services PMI dropped to 52.2 in October 2018 from 53.9 in September 2018.
- China's trade surplus was \$34.01 billion for October 2018 compared to September 2018's surplus of \$31.69 billion.
- Japan's core machinery orders slumped 18.3% in September 2018 following a 6.8% increase in August 2018.
- Japan's current conditions index of the Economy Watchers Survey rose to 49.5 in October 2018 from 48.6 in September 2018, while the outlook index of the survey fell to 50.6 in October 2018 from 51.3 in September 2018.
- Japan Nikkei services PMI increased to 52.4 in October 2018 from 50.2 in September 2018; the composite PMI increased from 50.7 in September 2018 to a six-month high of 52.5 in October 2018.

DAY	ECONOMIC EVENTS IN THE WEEK AHEAD
Monday, Nov 12, 2018	<ul style="list-style-type: none"> • India Consumer Prices, October 2018 • India Industrial Output, September 2018

Wednesday, Nov 14, 2018	<ul style="list-style-type: none"> • US Consumer Prices, October 2018 • Eurozone GDP, Q3 2018 • Eurozone Industrial Production, September 2018 • UK Consumer Prices, October 2018 • China Retail Sales, October 2018 • Japan GDP, Q3 2018 • India Wholesale Inflation, October 2018
Thursday, Nov 15, 2018	<ul style="list-style-type: none"> • US Import / Export Prices, October 2018 • US Retail Sales, October 2018 • UK Retail Sales, October 2018
Friday, Nov 16, 2018	<ul style="list-style-type: none"> • US Industrial Production, October 2018 • Eurozone Consumer Inflation, October 2018

Source: CRISIL

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