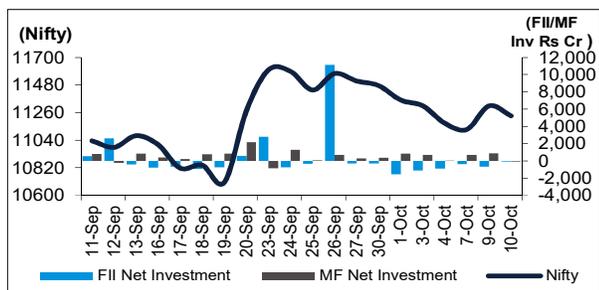


DOMESTIC EQUITY

- Indian equities recovered from the previous week's steep decline. S&P BSE Sensex and Nifty 50 rose about 1.2% each.
- A rally in metal, banking and consumer durables counters boosted the market.
- Sentiments strengthened further after the government announced a 5% hike in dearness allowance of government employees.
- Buying in some index heavyweights amid earnings announcements brought in more gains into the market.
- Positive global cues in the form of easing US-China trade tensions buoyed equities further.
- However, some gains were trimmed after a credit rating agency cut India's economic growth forecast for the current fiscal.
- Selling pressure in oil & gas and healthcare firms dented the market to a certain extent.

Broad Indices	Week change%	3 month change%	1 year change%
S&P BSE Sensex	1.20	-1.79	12.13
Nifty 50	1.17	-2.40	10.46
S&P BSE Midcap	0.49	-4.92	-1.20
S&P BSE Smallcap	-0.29	-7.15	-7.45
S&P BSE Bankex	1.37	-8.12	14.34
S&P BSE CG	-0.02	-4.48	8.55
S&P BSE FMCG	0.17	2.57	7.89
S&P BSE IT	-0.10	2.75	7.30
S&P BSE Healthcare	-0.99	-5.50	-15.31

Source: BSE, NSE



Source: SEBI, NSE

GLOBAL EQUITY

- US stocks posted moderate losses on reports of US imposing visa restrictions on some Chinese officials, resurfacing trade war concerns.
- Britain's FTSE rose 0.4% due to a rally in oil majors, rising optimism for a US-China trade deal and as positive US jobs data eased global growth concerns.
- Asian equities posted robust performance. Japan's Nikkei index gained 1.8% due to rally in exporters' shares following a weaker yen and growing possibility of progress in US-China trade talks.
- Hong Kong's Hang Seng index rose nearly 2% on optimism over Sino-US trade talks, hopes of more stimulus measures from China to prop up its economy and gains in shares of energy firms.
- China's Shanghai Composite advanced 2.4% on likelihood of more stimulus measures to boost the domestic economy, signs of progress in the ongoing US-China trade talks and a rally in shares of banking and real estate firms.

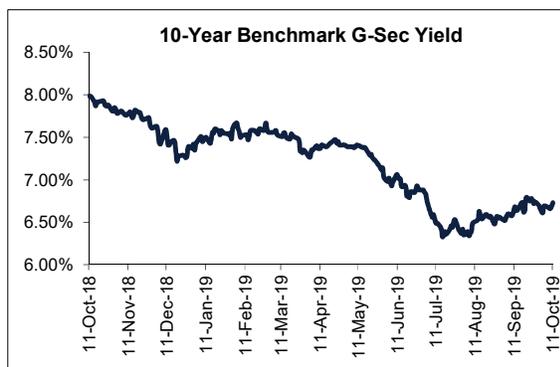
DOMESTIC DEBT

Indicators	October 11, 2019	Previous Week	Trend
Call Rate	4.90%	5.10%	↓
3 M CP	6.20%	6.20%	↔
1 Yr CP	7.15%	7.15%	↔
3 M CD	5.40%	5.63%	↓
1 Yr CD	6.30%	6.30%	↔
5 Yr AAA	7.20%	7.25%	↓
1 Yr G-Sec	5.67%	5.64%	↑
5 Yr G-Sec	6.38%	6.33%	↑
10 Yr G-Sec	6.73%	6.69%	↑
USD/INR	71.02	70.88	↑

Source: CRISIL Fixed Income Database, RBI

- Government bond prices gave up mid-week gains to end lower. Yield of the 10-year benchmark 7.26% 2029 paper settled at 6.73% on October 11, 2019 as against 6.69% on October 4, 2019.

- Prices received support in the first half of the week on short covering.
- Bonds gave up gains towards the end of the week as sentiment turned cautious ahead of the commencement of high level trade talks between the US and China.
- Intermittent rise in crude oil prices and US benchmark treasury yields erased some bond price gains.
- Prices also dipped as market players trimmed positions ahead of the weekly gilt auction and the release of domestic consumer inflation figures.
- In the weekly gilt auction, the Reserve Bank of India (RBI) sold the 7.32% 2024 paper, the 7.57% 2033 paper, the 7.69% 2043 paper, and the 7.72% 2049 paper for a total notified Rs 16,000 crore.
- In the state development bond auction, states raised a total notified Rs 19,334 crore via sale of dated securities.



Source: CRISIL Fixed Income Database

GLOBAL DEBT

- US treasury prices ended lower in the week ended October 10, 2019 amid hopes of resolution of the US-China trade conflict after two countries began a new round of negotiations in Washington.
- Bond prices also declined owing to moderate increase in US job growth in September 2019 and unemployment rate dropped to near a 50-year low

of 3.5%, easing worries about an imminent recession.

- Demand for the bonds also dented after the release of the US Federal Reserve (Fed) meeting minutes which showed that most officials supported the need for a rate cut in September 2019, but remained divided on the path ahead for monetary policy.
- The yield of the 10-year treasury bond rose sharply to 1.66% on October 10, 2019 compared to 1.52% on October 4, 2019.
- Further fall was however capped due to disappointing US producer price data and intermittent reports of rising trade tensions between the US and China.

DOMESTIC NEWS

- India's industrial production contracted 1.1% in August 2019 as against 4.6% growth in July 2019.
- Government constituted a committee of officers to suggest measures to augment Good and Services Tax (GST) revenue collections and administration.
- Finance Minister Nirmala Sitharaman said the government will set up a committee comprising two secretaries and a RBI deputy governor to amend the cooperative bank regulatory framework.
- Government received bids worth Rs 23500 crore for the Bharat-22 exchange traded fund (ETF) issue; decided to retain the additional Rs 4368 crore worth bids apart from the initially targeted amount of Rs 2000 crore.
- Government decided to waive the Aadhaar-seeding condition for third instalment of Pradhan Mantri Kisan Samman Nidhi (PM-Kisan).
- Government allowed listing of depository receipts at International Financial Services Centre (IFSC) set up in India.

- Government set up a high-level inter-ministerial committee chaired by revenue secretary to check money laundering activities.
- Government formed a working group for new industrial policy.
- Government approved amendments in norms and specifications for electric vehicles charging infrastructure.
- RBI raised the lending cap for microfinance institutions to Rs 1.25 lakh, against the earlier limit of Rs 1 lakh, to improve credit availability in rural and semi-urban areas.
- RBI allowed domestic banks to offer foreign exchange prices to non-residents either by a domestic sales team or through their overseas branches.
- RBI mandated the creation of an internal ombudsman by non-bank issuers of prepaid payments wallets.
- The Securities and Exchange Board of India (SEBI) came out with a detailed framework for issuance of depository receipts through Gujarat International Finance Tec-City (GIFT City) exchanges.
- The Insurance Regulatory and Development Authority of India (IRDAI) put health insurers on a deadline to standardize exclusions, diseases or medical conditions that are not covered under a policy.
- Organization for Economic Co-operation and Development (OECD) proposed to expand government rights to tax multinational companies, especially internet firms, by releasing a methodology for the same.
- US Fed's meeting minutes showed that most officials supported the need for a rate cut in September 2019, but remained divided on the path ahead for monetary policy.
- US trade deficit widened to \$54.9 billion in August 2019 from \$54.0 billion in July 2019.
- US consumer price index was unchanged in September 2019 after inching up by 0.1% in August 2019.
- US producer price index for final demand fell 0.3% in September 2019, compared with a 0.1% gain in August 2019.
- According to the European Central Bank (ECB) policy meeting minutes, policymakers agreed on the need to act amid weakening economic outlook but a number of reservations were expressed about the elements of policy package.
- Eurozone Sentix investor confidence index fell to -16.8 in October 2019 from -11.1 in September 2019.
- UK rolling three-month gross domestic product (GDP) growth increased to 0.3% in August 2019 from 0.1% in three months to July 2019.
- UK industrial production fell 0.6% in August 2019 compared to 0.1% gain in July 2019.
- China Caixin services purchasing managers index (PMI) fell to 51.3 in September 2019 from 52.1 in August 2019.
- Japan leading index fell to 91.7 in August 2019 from 93.7 in July 2019.

GLOBAL NEWS

DAY

Monday, October 14, 2019

ECONOMIC EVENTS IN THE WEEK AHEAD

- Eurozone Industrial Production, August 2019
- China Consumer Price Index, September 2019
- India CPI Inflation, September 2019

Tuesday, October 15, 2019	<ul style="list-style-type: none"> US Empire State Manufacturing Index, October 2019
Wednesday, October 16, 2019	<ul style="list-style-type: none"> US Retail Sales, September 2019 US NAHB Housing Market Index, October 2019 US Business Inventories, August 2019 Eurozone Consumer Price Index, September 2019 UK Consumer Price Index, September 2019
Thursday, October 17, 2019	<ul style="list-style-type: none"> US Industrial Production & Capacity Utilization, September 2019 US Housing Starts & Building Permits, September 2019 UK Retail Sales, September 2019 Japan Consumer Price Index, September 2019
Friday, October 18, 2019	<ul style="list-style-type: none"> US Leading Indicators Index, September 2019 China GDP, Q3 2019 China Industrial Production, September 2019 China Retail Sales, September 2019

Source: CRISIL

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