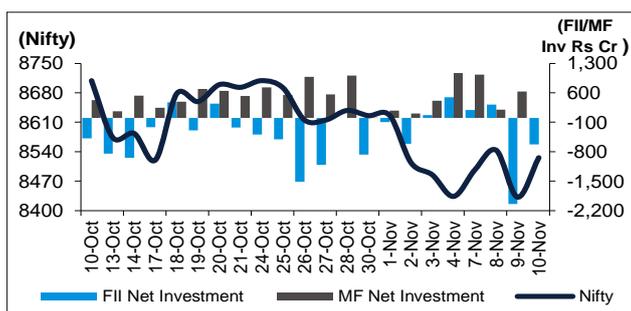


DOMESTIC EQUITY

- Indian equities ended in the red for the third consecutive week. S&P BSE Sensex and Nifty 50 lost about 1.7% each.
- Sentiments were guided by expectations that US President-elect Donald Trump's policies would fuel inflation, thereby pushing up interest rates which would result in capital outflows from emerging markets.
- Demonetisation of Rs 500 and Rs 1,000 notes weighed on various sectors such as real estate, gems & jewellery and consumption segments.
- Some losses were, however, cut short as metal counters rallied on expectations that Donald Trump would focus on infrastructure spending, thereby fuelling hopes of demand push for various commodities.
- The benchmarks were also buoyed by a jump in banking stocks as a rise in savings deposits because of the government's demonetisation move will improve banks' financial health.

Broad Indices	Week change%	3 month change%	1 year change%
S&P BSE Sensex	-1.67	-3.74	3.68
Nifty 50	-1.63	-3.44	6.02
S&P BSE Midcap	-2.92	-1.45	15.39
S&P BSE Smallcap	-3.05	2.43	11.36
S&P BSE Bankex	3.78	6.01	16.55
S&P BSE CG	-1.19	-4.92	-2.02
S&P BSE FMCG	-3.70	-5.69	3.86
S&P BSE IT	-5.47	-15.82	-16.40
S&P BSE Healthcare	2.16	-3.12	-6.20

Source: BSE, NSE



Source: SEBI, NSE

GLOBAL EQUITY

- US equities surged owing to gains in shares of financial, healthcare and industrial firms, as investors bet on the infrastructure spending policy promised by Donald Trump.
- Britain's FTSE gained 2% on news that Hillary Clinton has been cleared by federal authorities in a fresh investigation of her email usage and as shares of firms that may benefit under Donald Trump's administration rallied.
- Asia-Pacific indices posted mixed performance. Japan's Nikkei rose 2.8% amid heavy fluctuations as Donald Trump's US presidential election win jolted the market for a brief period after which investors turned hopeful that his win will boost the US economy, thereby recovering the heavy losses.
- Hong Kong's Hang Seng lost 0.5% mainly on expectations of a sharp fall in the city's third quarter economic growth numbers.
- China's Shanghai Composite gained 2.3%, mirroring the surprise turnaround in global markets in the wake of a shock win for Donald Trump in the US presidential election and owing to a rally in material and infrastructure stocks.

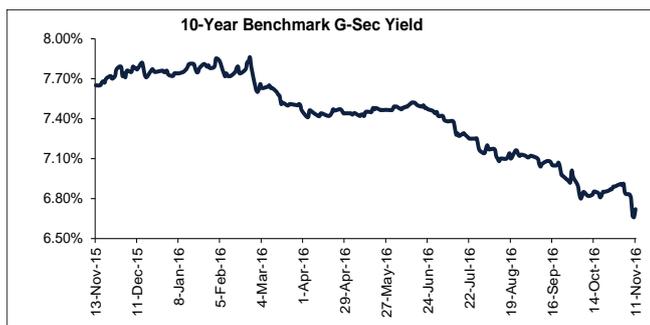
DOMESTIC DEBT

Indicators	Nov 11, 2016	Previous Week	Trend
Call Rate	6.20%	6.25%	↓
3 M CP	6.75%	6.95%	↓
1 Yr CP	7.73%	7.75%	↓
3 M CD	6.35%	6.56%	↓
1 Yr CD	6.78%	6.93%	↓
5 Yr AAA	7.17%	7.32%	↓
1 Yr G-Sec	6.36%	6.55%	↓
5 Yr G-Sec	6.57%	6.73%	↓
10 Yr G-Sec	6.72%	6.84%	↓
USD/INR	67.25	66.70	↑

Source: CRISIL Fixed Income Database, RBI

- Government bonds advanced in the week. The yield of the 10-year benchmark 6.97% 2026 paper settled at 6.72% on November 11 2016 as against 6.84% on November 4 2016.

- Prices surged in the week on the back of the government's move to take Rs 500 and Rs 1,000 denomination notes out of circulation.
- Bonds also received a sharp boost prior to the US presidential election outcome, as market players expected Democratic Party nominee Hilary Clinton to win.
- Expectation of benign consumer inflation figures also aided gilts.
- Some gains were erased on sporadic profit sales and owing to a sharp rise in US bond yields in the last session.
- Sentiment was dented slightly owing to lower-than-expected cut-offs at the government's bond repurchase auction and weekly debt sale.
- The rupee weakness in the last few sessions further weighed on gilt prices.



Source: CRISIL Fixed Income Database

GLOBAL DEBT

- US treasury prices fell sharply in the week ended November 10, 2016 led by expectation that President-elect Donald Trump would adopt a range of stimulative economic policies, including tax cuts and increased infrastructure spending.
- The yield on the 10-year benchmark bond rose above 2% mark for the first time since January 2016 to settle at 2.12% on November 10, 2016 from 1.81% on November 3, 2016.
- Bond market onset the week with fall in prices as risk appetite improved after the Federal Bureau of Investigation cleared Democratic presidential candidate Hillary Clinton of any wrongdoing in the use of a private email server.
- Surprise victory of Donald Trump led to short-lived rise in bond prices but soon it was reversed as investors rushed to wager that expansive fiscal spending under a Donald Trump administration will mean higher bond yields in coming years due to rising supply of treasuries and eventually inflation.

DOMESTIC NEWS

- Industrial output growth in the country rose by 0.7% in September 2016, buoyed by the electricity and manufacturing sectors, after declining by 0.7% in August 2016.
- Prime Minister Narendra Modi announced that Rs 500 and Rs 1000 currency notes will cease to be legal tender in a move to clamp down on black money and counterfeit notes.
- Finance Minister Arun Jaitley said nobody would be questioned over smaller deposits of less than Rs 2.5 lakh made using older defunct notes.
- Government said cash withdrawal restrictions will be eased once the supply of new, hard-to-fake Rs 500 and Rs 2000 currency notes improves and a stockpile of lower denomination notes is created.
- According to Central Board of Direct Taxes (CBDT), Rs 3.77 lakh crore was collected in direct taxes during the April 2016 - October 2016 period, up 10.6% than the collections in the same period a year ago; indirect tax revenue stood at Rs 4.85 lakh crore during April 2016 – October 2016, up 26.7% from a year earlier.
- India and UK to set up a working group on trade.
- Ministry of Defence approved a new blacklisting policy to lay down the guidelines for suspension of firms that resort to unscrupulous means to get big-ticket deals; also cleared projects worth over Rs 82000 crore for purchase of fighter aircraft, choppers, missiles and mini drones.
- The Centre plans to allow 100% Foreign Direct Investment (FDI) in e-commerce, with 'Make in India' rider.

- The Goods & Services Tax (GST) Council failed to agree on the sharing of administrative powers under the new tax regime.
- Government mandated the use of over 20% indigenous components in mobile devices and 40% in telecom equipment made in India for companies seeking 3% interest subsidy on exports.
- Government launched Pradhan Mantri Yuva Yojana aimed at scaling up an ecosystem of entrepreneurship for youngsters.
- Reserve Bank of India (RBI) eased provisioning norms for loans restructuring under the Scheme for Sustainable Structuring of Stressed Assets (S4A).
- RBI said all statutory liquidity ratio (SLR)-eligible government bonds, state development loans and treasury bills will now be eligible to be used for repo and reverse repo transactions with the central bank.
- RBI issued draft guidelines on how Indian subsidiaries of multinational companies can hedge their currency exposure risk in the country.
- Securities and Exchange Board of India (SEBI) extended the deadline till November 30, 2016 for public comments on proposed norms to regulate trading tips, including through social media platforms.
- According to Association of Mutual Funds in India (AMFI) data, mutual fund industry's average assets under management rose to an all-time high of Rs

16.28 lakh crore in October 2016, from Rs 15.8 lakh crore in September 2016.

GLOBAL NEWS

- US trade gap narrowed 9.9% to \$36.4 billion in September 2016; August 2016 trade deficit was revised slightly down to \$40.5 billion.
- US consumer credit rose by a seasonally adjusted \$19.29 billion in September 2016, compared with \$26.8 billion in August 2016.
- Eurozone Sentix investor confidence index rose to 13.1 in November 2016 from 8.5 in October 2016.
- UK industrial output fell 0.4% month-on-month in September 2016, repeating its performance in August 2016.
- China's trade surplus widened to \$49.06 billion in October 2016 from \$41.99 billion in September 2016.
- China's consumer price index rose 2.1% in October 2016 from a year earlier, compared with a 1.9% increase in September 2016.
- Japan current index of Economy Watchers' survey climbed to 46.2 in October 2016 from 44.8 in September 2016; the outlook index also rose to 49.0 in October 2016 from 48.5 in the preceding month.

DAY	ECONOMIC EVENTS IN THE WEEK AHEAD
Monday, November 14, 2016	<ul style="list-style-type: none"> • Eurozone Industrial Production, September 2016 • China's Industrial Production, October 2016 • Japan's GDP (Preliminary), Q3 2016 • Japan's Industrial Production, September 2016
Tuesday, November 15, 2016	<ul style="list-style-type: none"> • US Retail Sales, October 2016 • US Business Inventories, September 2016 • Eurozone GDP, Q3 2016 • UK Consumer Price Index, October 2016 • India's Consumer Price Index Combined Inflation, October 2016

Wednesday, November 16, 2016	<ul style="list-style-type: none"> • US Industrial Production & Capacity Utilisation, October 2016 • US NAHB Housing Market Index, November 2016 • UK ILO Unemployment Rate, September 2016
Thursday, November 17, 2016	<ul style="list-style-type: none"> • US Housing Starts & Building Permits, October 2016 • US Consumer Price Index, October 2016 • US Initial Jobless Claims, November 12, 2016 • Eurozone Consumer Price Index, October 2016 • UK Retail Sales, October 2016
Friday, November 18, 2016	<ul style="list-style-type: none"> • US Leading Indicators, October 2016

Source: CRISIL

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