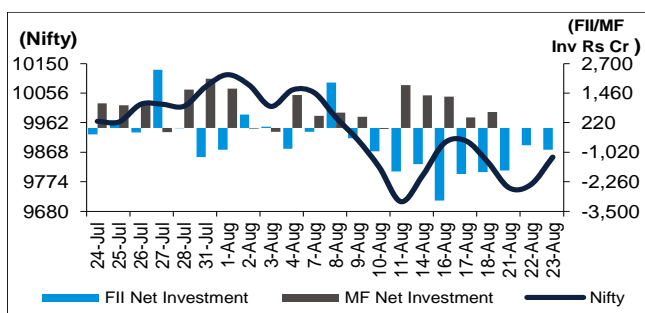


DOMESTIC EQUITY

- Indian equity indices carried on with the past week's positive trend. S&P BSE Sensex and Nifty 50 rose about 0.2% each.
- Buying interest in shares of healthcare, banking and metal counters supported the market. S&P BSE Healthcare, S&P BSE Bankex and S&P BSE Metal were the topmost sectoral gainers – up around 2.2%, 1% and 1%, respectively.
- Sentiment also strengthened due to strong quarterly earnings of major mining companies in Europe and buying by domestic institutional investors (DIIs).
- Further gains were, however, restrained due to a pullback in the shares of power, consumer durables, auto and IT firms; S&P BSE Power (biggest sectoral decliner), S&P BSE Consumer Durables, S&P BSE Auto and S&P BSE Information Technology lost 1.8%, 1.6%, 1% and 0.6%, respectively.
- Caution ahead of an economic summit of leading central bankers at Jackson Hole, Wyoming, in the US also chipped off some gains from the market.

Broad Indices	Week change%	3 month change%	1 year change%
S&P BSE Sensex	0.23	4.27	12.60
Nifty 50	0.20	5.30	13.95
S&P BSE Midcap	0.29	8.65	17.11
S&P BSE Smallcap	0.18	7.49	25.02
S&P BSE Bankex	0.99	7.37	23.62
S&P BSE CG	-0.34	0.73	14.88
S&P BSE FMCG	-0.57	2.16	15.30
S&P BSE IT	-0.60	-1.11	-5.98
S&P BSE Healthcare	2.23	-5.13	-18.49

Source: BSE, NSE



Source: SEBI, NSE

GLOBAL EQUITY

- US stocks advanced, thanks to a rally in technology and healthcare shares.
- The markets were weak earlier on concerns about the Trump administration's ability to implement its pro-growth agenda and on caution ahead of the Jackson Hole event.
- Britain's FTSE rose 0.8%, aided by shares of mining firms and as a fall in pound benefitted exporter shares.
- Asia Pacific indices posted mixed performance. Japan's Nikkei (worst performer) fell 0.6% amid worries about Trump administration's ability to implement its pro-growth agenda and as a strong yen weighed on exporters.
- Hong Kong's Hang Seng jumped 1.7% in the holiday-shortened week, following gains in shares of energy, telecom, financial and property firms.
- China's Shanghai Composite ended little changed amid profit booking.

DOMESTIC DEBT

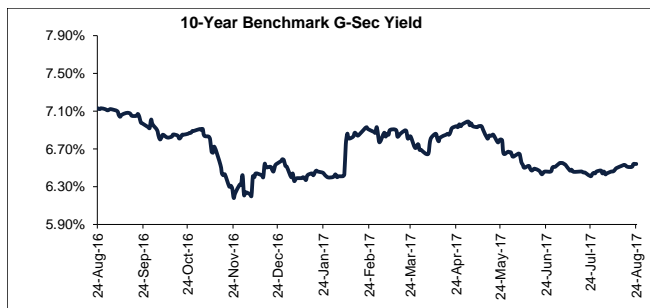
Indicators	Aug 24, 2017	Previous Week	Trend
Call Rate	5.80%	5.80%	↔
3 M CP	6.54%	6.47%	↑
1 Yr CP	7.00%	7.05%	↓
3 M CD	6.16%	6.16%	↔
1 Yr CD	6.47%	6.47%	↔
5 Yr AAA	7.07%	7.05%	↑
1 Yr G-Sec	6.29%	6.30%	↓
5 Yr G-Sec	6.50%	6.49%	↑
10 Yr G-Sec	6.54%	6.51%	↑
USD/INR	64.03	64.14	↓

Source: CRISIL Fixed Income Database, RBI

- Government bond prices weakened, with the yield on the 10-year benchmark 6.79% 2027 paper settling at 6.54% on August 24, 2017 compared with 6.51% on August 18, 2017.
- Trading remained lacklustre during most of the week as market players avoided building heavy positions,

noting the supply of dated securities (state-development bonds and gilts) up for sale.

- Among other cues, market players remained cautious ahead of the annual US economic policy symposium at Jackson Hole, Wyoming, which will be attended by global central bank heads.
- Announcements made at the symposium are likely to provide information regarding the trajectory of interest rates in major global economies.
- Uncertainty ahead of the extended weekend kept most market participants on the sidelines in the last session.



Source: CRISIL Fixed Income Database

GLOBAL DEBT

- US treasury prices ended higher in the week ended August 23, 2017 due to political uncertainty in the US and ongoing tensions between US and North Korea.
- Bond price rose as high-level personnel changes in the Washington raised worries about whether the law makers will be able to pass key fiscal measures aimed at boosting growth.
- Meanwhile, Fitch Ratings said that a failure by US officials to raise the federal debt ceiling in a timely manner would prompt it to review the US sovereign rating, with potentially negative implications.
- Demand for the bonds boosted further after US President Donald Trump said that he would be willing to risk a government shutdown to secure funding for a border wall, raising fears that a battle to raise the debt ceiling could delay payments on some bonds.
- Investors also remained cautious ahead of the annual central banking conference in Jackson Hole, Wyoming.

- The yield on the 10-year benchmark bond fell to 2.17% on August 23, 2017 from 2.20% on August 17, 2017.
- Further gains were however capped after reports showed that U.S. consumer sentiment improved to its strongest level in seven months in August 2017.
- Intermittent gains in the equities market also reduced safety buying of US debt.

DOMESTIC NEWS

- Foreign Direct Investment (FDI) into India grew by 37% to \$10.4 billion during the first quarter of the current fiscal, compared with \$7.59 billion during the same quarter of the last fiscal.
- Financial Stability & Development Council (FSDC) said India has macro-economic stability today on the back of improvement in its macro-economic fundamentals and structural reforms with the launch of the Goods and Services Tax (GST).
- The Cabinet approved setting up of an alternative mechanism for fast-tracking merger of public sector banks.
- The cabinet increased the 'creamy layer' ceiling for the Other Backward Classes (OBC) category to Rs 8 lakh per annum from the existing Rs 6 lakh for central government jobs.
- Government may soon allow 100% FDI in defence manufacturing.
- Government got Rs 42000 crore tax in first filing under the GST.
- Government said banks importing gold and precious metals will have to pay 3% tax under GST, which can be claimed as input tax credit.
- Finance Ministry clarified that the rate of GST applicable on selling of advertisement space in print media would depend on the terms of the contract between the newspaper, advertisement agency and the client.
- Finance Ministry is planning to sell more of its Specified Undertaking of the Unit Trust of India (SUUTI) holdings separately this year.

- Finance Ministry imposed a definitive anti-dumping duty on certain "textured toughened (tempered) glass" imports from China.
- Government brought in new rules for buying power from grid-linked solar power projects.
- Reserve Bank of India (RBI) identified 40 more large defaulters where banks will push for an early resolution.
- Securities & Exchange Board of India (SEBI) Chief said the Insolvency and Bankruptcy Code will help boost investor confidence and encourage fund flows into the corporate bonds market.
- SEBI said it will stick to its December deadline for linking Aadhaar with electronic-Know Your Customer (e-KYC) for trading accounts; also said it has got help from the Telecom Regulatory Authority of India (TRAI) to check fraudulent bulk SMSes on stock tips.
- US new home sales tumbled 9.4% to a seasonally adjusted annual rate of 571,000 units in July 2017 compared to June 2017's revised 630,000.
- US existing home sales fell 1.3% to a seasonally adjusted annual rate of 5.44 million units in July 2017; June 2017's sales pace was revised slightly lower to 5.51 million units.
- US manufacturing purchasing managers' index (PMI) was 52.5 in August 2017 compared to 53.3 in July 2017, while services PMI was 56.9 in August 2017 compared to 54.7 in July 2017.
- The UK economy expanded 1.7% in Q2 2017 compared to 2% growth in Q1 2017.
- Eurozone manufacturing PMI rose to 57.4 in August 2017 from 56.6 in July 2017, while services activity fell to 54.9 in August 2017 from 55.4 in July 2017.
- Eurozone indicator of economic sentiment declined to 10.0 in August 2017 from 17.5 in July 2017.
- China's new property prices grew 0.4% in July 2017, compared with a 0.7% gain in June 2017.
- Japan's Nikkei flash manufacturing PMI rose to a three-month high of 52.8 in August 2017 from 52.1 in July 2017.

GLOBAL NEWS

DAY	ECONOMIC EVENTS IN THE WEEK AHEAD
Monday August 28, 2017	<ul style="list-style-type: none"> • US Advance Goods Trade Balance, July 2017 • Japan's Unemployment Rate, July 2017
Tuesday August 29, 2017	<ul style="list-style-type: none"> • US Consumer Confidence, August 2017 • US S&P Case-Shiller Home Price Index (HPI), June 2017
Wednesday August 30, 2017	<ul style="list-style-type: none"> • US GDP (Second Estimate), Q2 2017 • US ADP Employment Report, August 2017 • US Personal Consumption, Q2 2017 • UK GfK Consumer Confidence Survey, August 2017 • China's Official Manufacturing & Non-Manufacturing PMI, August 2017 • Japan's Industrial Production, July 2017
Thursday August 31, 2017	<ul style="list-style-type: none"> • US Personal Income and Spending, July 2017 • US Pending Home Sales Index, July 2017

- Eurozone Consumer Price Index Estimate, August 2017
- China's Caixin Manufacturing PMI, August 2017
- Japan's Nikkei Manufacturing PMI, August 2017
- India's GDP estimate, April-June 2017
- India's Government Finances, June 2017
- India's Core Sector Growth, June 2017

Friday September 1, 2017

- US Non-Farm Payrolls & Unemployment Rate, August 2017
- US Markit Manufacturing PMI, August 2017
- US' University of Michigan Sentiment Index, August 2017
- Eurozone Markit Manufacturing PMI, August 2017
- UK Markit Manufacturing PMI, August 2017
- India Nikkei Manufacturing PMI, August 2017

Source: CRISIL

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