

Fixed Income

The contraction of systemic liquidity, inflationary concerns and a hawkish RBI commentary through its “Minutes of the Monetary Policy Meeting” were some of the factors that weighed on the debt markets sentiments during the week gone by. The entire yield curve made an upward shift. The shorter end of the curve moved up in the range of 3bps to 21bps for varying securities and maturities. The longer end also maintained an upward bias; the 10yr benchmark yield hardened by 5bps during the week and closed at 7.77%. Global bond yields remained volatile during the week.

Equity

The domestic equity markets remained upbeat during the week gone by on the back of firm global cues. The Sensex and Nifty reported gains of 1.61% and 1.21% respectively for the week. The Nifty Midcap 100 and Smallcap 100 moved in divergent directions, as the former reported gains of 1.08% whereas latter corrected by 0.51%. Metal was the worst performing sector for the week; Pharma, Banking and Auto were the best performing ones. The US markets closed flattish on Friday. Asian markets were trading in the positive during the morning trade with easing of geopolitical concerns. With global cues remaining positive, domestic markets made a firm start to the last trading session of the month. The market breadth was positive with 1032 stocks advancing against 549 declining ones. Key results for the day are Ceat, DHFL, HDFC, Hindustan Zinc and Kotak Bank

Money Market Rates

		27-Apr-18	26-Apr-18	1 Week ago	1 Month ago	3 Month ago	6 Month ago
Call Rate		6.15	5.80	5.95	5.25	5.90	5.80
Treasury Bills	3 Months	6.19	6.19	6.12	6.09	6.40	6.09
	6 Months	6.24	6.27	6.30	6.26	6.43	6.14
	12 Months	6.46	6.50	6.48	6.47	6.51	6.21
CD	3 Months	7.05	7.05	6.84	7.08	7.20	6.18
	6 Months	7.05	7.32	6.95	7.21	7.13	6.43
	12 Months	7.35	7.50	7.40	7.37	7.18	6.58
CP	3 Months	7.48	7.48	7.30	7.33	7.80	6.48
	6 Months	7.70	7.70	7.68	7.78	7.90	6.70
	12 Months	7.88	7.88	7.85	7.90	7.93	6.90

G-sec & Corporate Bond Rates

Benchmark/Spreads		27-Apr-18	26-Apr-18	1 Week ago	1 Month ago	3 Month ago	6 Month ago
10 year G-Sec		7.77	7.76	7.72	7.40	7.31	6.81
10 year Corp. AAA		8.48	8.46	8.41	8.17	7.98	7.66
10 year Corp AA		9.05	9.03	8.99	8.64	8.48	8.18
Credit Spread (in Bps)	AAA	71	70	69	77	67	86
	AA	128	128	127	124	117	137
Yield Spread (in Bps)	5 – 1 Yrs.	132	128	121	93	79	51
	10 – 1 Yrs.	131	126	124	93	80	60

Global Bond Yields

Country Benchmarks	27-Apr-18	26-Apr-18	1 Week ago	1 Month ago	3 Month ago	6 Month ago
US 10 year	2.96	2.98	2.96	2.78	2.62	2.41
UK 10 year	1.45	1.50	1.48	1.37	1.41	1.35
Germany 10 year	0.57	0.59	0.59	0.50	0.61	0.38
Japan 10 year	0.06	0.06	0.06	0.04	0.09	0.07

Credit Spread Analysis (in Bps)						
	Govt.	AAA PSU	AAA Corp	AA+	AA	AA-
3 Months	6.11	136	138	156	177	187
6 Months	6.33	137	139	158	178	188
1 Years	6.70	106	111	129	150	183
2 Years	7.33	69	74	95	117	149
3 Years	7.57	63	61	83	106	143
4 Years	7.79	62	52	74	96	130
5 Years	7.78	57	49	80	100	131
6 Years	7.89	41	39	71	92	121
7 Years	7.83	53	43	75	99	127
8 Years	7.82	50	50	78	102	120
9 Years	7.87	50	55	81	105	125
10 Years	7.77	59	82	105	128	147

Liquidity Update in Rs. Crs.					
Net Outstanding in LAF	26-Apr-18	25-Apr-18	1 Week ago	1 Month ago	3 Month ago
	18,037	-393	56,289	-67,729	-12,320

Equity Market Update						
Index	27-Apr-18	1 Day Change	1 Week Change	1 Month Change	3 Month Change	6 Month Change
Sensex	34,970	0.74%	1.61%	6.07%	-3.00%	5.47%
Nifty	10,692	0.70%	1.21%	5.72%	-3.41%	3.58%
Nifty Mid-Cap 100	20,121	0.67%	1.08%	7.27%	-6.22%	4.03%
Nifty Small 100	8,279	0.50%	-0.51%	6.25%	-10.32%	-1.11%
Auto	11,582	0.41%	1.24%	7.03%	0.64%	2.33%
Bank	25,395	1.53%	1.81%	4.66%	-7.47%	2.23%
FMCG	28,434	0.32%	1.15%	8.83%	2.59%	10.14%
IT	13,795	-1.65%	-0.83%	10.26%	5.16%	27.00%
Metal	3,764	0.71%	-3.28%	7.15%	-8.98%	-4.60%
Pharma	8,987	1.02%	1.90%	7.53%	-7.62%	-6.87%

PE Valuation						
	27-Apr-18	26-Apr-18	1 Week ago	1 Month ago	3 Month ago	6 Month ago
Nifty PE	23.21	23.05	22.93	21.74	23.79	23.40
Nifty Midcap PE	38.80	38.54	38.31	40.43	46.75	45.34
Nifty Midcap Vs Large Cap (Premium/Discount)	67.19%	67.23%	67.08%	85.97%	96.51%	93.77%

Institutional Flows in Equities in Rs. Crs.					Institutional Flows in Debt in Rs. Crs.				
	Latest	MTD	YTD	2017		Latest	MTD	YTD	2017
FII*	-759	-6,053	8,313	52,885	FII	-2,264	-12,117	-10,750	1,48,483
MF	579	9,436	43,895	1,18,572	MF	-3,278	24,418	1,18,295	3,81,127
DII*	634	8,249	33,155	90,835	*latest is provisional				

Currency Update						
Currency	27-Apr-18	26-Apr-18	1 Week ago	1 Month ago	3 Month ago	6 Month ago
\$/INR	66.66	66.76	66.11	65.18	63.54	64.82
Euro/\$	1.21	1.21	1.23	1.23	1.24	1.16
\$/Yen	109.05	109.30	107.66	106.85	109.41	113.67
GBP/\$	1.38	1.39	1.40	1.41	1.41	1.31
\$/Renminbi	6.33	6.34	6.30	6.30	6.33	6.65

Commodities Update

Index/Commodity	27-Apr-18	26-Apr-18	1 Week ago	1 Month ago	3 Month ago	6 Month ago
Brent Crude \$/Barrel	73.85	74.10	73.63	68.83	69.86	60.34
Gold \$/Troy Ounce	1,323.35	1,316.92	1,335.60	1,325.06	1,348.01	1,273.88
Silver \$/Troy Ounce	16.51	16.52	17.12	16.30	17.30	16.87
Copper \$/MT	6,758.75	6,928.50	6,951.00	6,633.50	7,100.75	6,800.50
Baltic Dry Index	1,375	1,375	1,281	1,080	1,217	1,546

Government Borrowing (Rs. Cr.)

Budgeted G-Sec Gross Borrowings for FY19	6,05,539
Budgeted G-Sec Net Borrowings for FY19	4,62,061
Budgeted Redemptions for FY19	1,43,478
G-Sec Gross Borrowings till Date	48,000
G-Sec Gross Borrowing Completed (%)	7.93%
Maturities till date	71,438
Net G-Sec Borrowings till date	-23,438
Buyback till date	0
364 Day T-Bill Gross Borrowings till date	16,000
SDL auction till date	31,728
OMO Purchases till date	0
OMO Sales till date	0

Policy Rates

Name	Latest	Previous	Last Change
Repo	6	6.25	02-Aug-17
Rev Repo	5.75	6	02-Aug-17
MSF	6.25	6.5	02-Aug-17
CRR	4	4.25	08-Feb-13
SLR*	19.5	20	14-Oct-17

Economic Indicators

Indicator/Ratios	As on	Latest	Previous
CPI	31-Mar-18	4.28	4.44
WPI	31-Mar-18	2.47	2.48
IIP	28-Feb-18	7.1	7.4
Eight Core Inds.	28-Feb-18	5.3	6.12
Exports USD Million (a)	31-Mar-18	29109	25834
Imports USD Million (b)	31-Mar-18	42801	37814
Trade Deficit (a-b)	31-Mar-18	-13692	-11979
Mfg PMI	31-Mar-18	51	52.1
Services PMI	31-Mar-18	50.3	47.8
M3 Growth	13-Apr-18	10.5	9.6
Credit Growth	13-Apr-18	11.53	10.32
Deposit Growth	13-Apr-18	7.97	6.67
Credit Deposit Ratio	13-Apr-18	74.52	75.39
Incremental Credit Deposit Ratio	30-Mar-18	112.76	131.63

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