

Fixed Income

The liquidity surplus remained comfortable and above the Rs. 3 lakh crore mark on the first day of the week. The shorter end of the curve remained stable yesterday. The longer end of the curve hardened in yesterday's trade; the 10yr sovereign benchmark moved up by 2bps to close at 6.46%. The global bond yields remained stable yesterday, post the spike witnessed on Friday.

Equity

The domestic markets corrected marginally yesterday. The Sensex and Nifty registered losses of 0.16% and 0.09% respectively yesterday. The Midcap 100 and Smallcap 100 outperformed their larger peers with positive returns of 1.12% and 1.52% respectively. IT was the worst performing sector for the day with losses of 0.74%. Metal was the best performing one with gains of 1.18%. The US markets continue to march upwards; Dow recorded gains for straight ninth trading session and made new highs. The Asian markets traded weak during the morning session, ignoring the lead of US markets. The domestic markets opened in the green but quickly gave up all the gains and slipped in the negative zone. Metal stocks continued their rally. The market breadth too was negative, as 1305 stocks declined as against 609 advancing ones. The key results for today are Ashiana Housing, Bank of India, Chambal Fertilisers, Future Retail, Glaxo SmithKline, Jagran, Muthoot Finance, Tata Chemical and Team Lease.

Money Market Rates

		07-Aug-17	04-Aug-17	1 Week ago	1 Month ago	3 Month ago	6 Month ago
Call Rate		6.00	5.80	6.08	6.05	6.25	6.25
Treasury Bills	3 Months	6.09	6.09	6.13	6.27	6.23	6.10
	6 Months	6.17	6.13	6.21	6.32	6.36	6.13
	12 Months	6.18	6.18	6.24	6.33	6.46	6.14
CD	3 Months	6.19	6.18	6.18	6.33	6.35	6.33
	6 Months	6.33	6.50	6.53	6.43	6.55	6.50
	12 Months	6.53	6.53	6.57	6.68	6.80	6.50
CP	3 Months	6.57	6.55	6.60	6.67	6.78	6.99
	6 Months	6.74	6.76	6.75	6.92	7.05	7.27
	12 Months	6.94	6.94	6.94	7.18	7.26	7.43

G-sec & Corporate Bond Rates

		07-Aug-17	04-Aug-17	1 Week ago	1 Month ago	3 Month ago	6 Month ago
Benchmark/Spreads							
10 year G-Sec		6.46	6.44	6.47	6.53	6.93	6.41
10 year Corp. AAA		7.46	7.44	7.46	7.60	8.17	7.36
10 year Corp AA		7.95	7.93	7.96	8.29	8.70	7.89
Credit Spread (in Bps)	AAA	100	100	99	106	124	94
	AA	149	149	149	176	177	148
Yield Spread (in Bps)	5 – 1 Yrs.	27	26	32	33	43	32
	10 – 1 Yrs.	28	27	23	20	47	28

Global Bond Yields

	07-Aug-17	04-Aug-17	1 Week ago	1 Month ago	3 Month ago	6 Month ago
Country Benchmarks						
US 10 year	2.25	2.26	2.29	2.39	2.39	2.41
UK 10 year	1.14	1.18	1.23	1.31	1.15	1.32
Germany 10 year	0.46	0.47	0.54	0.57	0.42	0.37
Japan 10 year	0.07	0.07	0.08	0.09	0.03	0.11

Credit Spread Analysis (in Bps)

	Govt	AAA PSU	AAA Corp	AA+	AA	AA-
3 Months	6.09	44	54	69	92	102
6 Months	6.17	43	53	68	91	102
1 Years	6.19	44	54	69	92	105
2 Years	6.28	60	74	87	111	127
3 Years	6.32	64	81	93	119	138
4 Years	6.41	61	77	91	118	146
5 Years	6.45	63	78	94	122	170
6 Years	6.58	57	70	87	115	191
7 Years	6.66	56	67	83	111	198
8 Years	6.75	48	65	78	106	218
9 Years	6.66	60	84	96	123	236
10 Years	6.46	92	114	123	149	263

Liquidity Update in Rs. Crs.

Net Outstanding in LAF	07-Aug-17	04-Aug-17	1 Week ago	1 Month ago	3 Month ago
	3,02,745	3,37,594	2,81,768	3,50,998	3,38,270

Equity Market Update

Index	07-Aug-17	1 Day Change	1 Week Change	1 Month Change	3 Month Change	6 Month Change
Sensex	32,274	-0.16%	-0.74%	2.91%	7.84%	13.48%
Nifty	10,057	-0.09%	-0.20%	4.05%	7.98%	14.28%
Nifty Mid-Cap 100	18,570	1.12%	0.30%	2.58%	2.24%	14.82%
Nifty Small 100	7,786	1.52%	-0.19%	3.31%	3.16%	17.40%
Auto	11,159	0.19%	1.42%	4.01%	9.76%	11.24%
Bank	24,906	0.32%	-0.79%	6.21%	9.40%	22.26%
FMCG	25,609	0.22%	-0.53%	-6.76%	9.24%	11.81%
IT	10,679	-0.74%	-0.72%	5.86%	4.60%	6.48%
Metal	3,341	1.18%	2.49%	8.20%	17.05%	7.09%
Pharma	9,229	-0.30%	-2.61%	-5.09%	-7.90%	-13.83%

PE Valuation

	07-Aug-17	04-Aug-17	1 Week ago	1 Month ago	3 Month ago	6 Month ago
Nifty PE	23.37	23.39	23.42	22.46	21.03	20.81
Nifty Midcap PE	31.80	31.45	31.70	31.46	30.18	27.13
Nifty Midcap Vs Large Cap (Premium/Discount)	36.06%	34.43%	35.38%	40.08%	43.53%	30.37%

Institutional Flows in Equities in Rs. Crs.

	Latest	MTD	YTD	2016
FII	-869	-1,165	57,231	18,783
MF	-25	1,626	52,573	47,244
DII	308	2094	28,221	37,112

Institutional Flows in Debt in Rs. Crs.

	Latest	MTD	YTD	2016
FII	1,515	6,231	1,19,550	-44,297
MF	318	2,780	2,30,711	3,27,881

Currency Update

Currency	07-Aug-17	04-Aug-17	1 Week ago	1 Month ago	3 Month ago	6 Month ago
\$/INR	63.81	63.58	64.19	64.60	64.31	67.22
Euro/\$	1.18	1.18	1.18	1.14	1.09	1.08
\$/Yen	110.75	110.69	110.26	113.92	113.26	111.74
GBP/\$	1.30	1.30	1.32	1.29	1.29	1.25
\$/Renminbi	6.72	6.73	6.73	6.81	6.90	6.86

Commodities Update

Index/Commodity	07-Aug-17	04-Aug-17	1 Week ago	1 Month ago	3 Month ago	6 Month ago
WTI Crude \$/Barrel	49.39	49.58	50.17	44.23	46.43	53.01
Gold \$/Troy Ounce	1,257.90	1,258.77	1,269.44	1,213.15	1,226.27	1,235.41
Silver \$/Troy Ounce	16.28	16.27	16.83	15.62	16.23	17.74
Copper \$/MT	6,384.25	6,347.75	6,336.25	5,804.00	5,461.75	5,835.75
Baltic Dry Index	1,032	1,032	946	822	1,001	735

Government Borrowing (Rs. Cr.)

Budgeted G-Sec Gross Borrowings for FY18	5,80,000
Budgeted G-Sec Net Borrowings for FY18	4,23,226
Budgeted Redemptions for FY18	1,39,758
G-Sec Gross Borrowings till Date	2,64,000
G-Sec Gross Borrowing Completed (%)	45.52%
Maturities till date	92,555
Net G-Sec Borrowings till date	1,71,445
Buyback till date	0
364 Day T-Bill Gross Borrowings till date	54,000
SDL auction till date	98,212
OMO Purchases till date	0
OMO Sales till date	30,010

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*	20	21	28-Jun-17

Economic Indicators

Indicator/Ratios	As on	Latest	Previous
CPI	30-Jun-17	1.54	2.18
WPI	30-Jun-17	0.9	2.17
IIP	31-May-17	1.7	2.8
Eight Core Inds.	30-Jun-17	0.42	4.05
Exports USD Million (a)	30-Jun-17	23563	24015
Imports USD Million (b)	30-Jun-17	36522	37856
Trade Deficit (a-b)	30-Jun-17	-12960	-13842
Mfg PMI	31-Jul-17	47.9	50.9
Services PMI	31-Jul-17	45.9	53.1
M3 Growth	21-Jul-17	7.1	7.2
Credit Growth	21-Jul-17	6.19	6.06
Deposit Growth	21-Jul-17	10.43	10.74
Credit Deposit Ratio	21-Jul-17	72.36	72.34
Incremental Credit Deposit Ratio	21-Jul-17	115.5	129.34

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