

Weekly Update

Debt Market

For the Week ended 15th July 2016

G-Sec Yield

Type	Current (%)	Change Over (bps)		
		1 Week	1 Month	3 Month
1 Year	6.84	-5.8	-14.6	-7.8
2 Years	6.93	-6.7	-21.1	-20.8
5 Years	7.18	-9.1	-32.8	-27.1
10 Years	7.43	-8.7	-24.3	-16.8
15 Years	7.61	-7.5	-18.4	-13.7
20 Years	7.56	-9.8	-26.3	-19.3
30 Years	7.62	-8.1	-25.5	-16.3

Source: CCIL

MIBOR OIS

Type	Current (%)	Change Over (bps)		
		1 Week	1 Month	3 Month
1 Year	6.46	-5.10	-23.11	-21.49
2 Years	6.33	-4.45	-26.59	-23.80
3 Years	6.38	-3.45	-27.56	-23.89
5 Years	6.52	-3.32	-25.78	-17.35

Source: CCIL

OIS/G Sec Spread

Type	Current (bps)	Change Over (bps)		
		1 Week	1 Month	3 Month
2 years	-59	-61	-54	-54
5 years	-65	-71	-72	-75

Source: CCIL

Money Market Operations

Repo Rate under LAF	6.50%
Reverse Repo Rate	6.00%
Cash Reserve Ratio	4.00%
Statutory Liquidity Ratio	21.00%
Marginal Standing Facility	7.00%

Source: RBI

Commodity Trends

Particular	As on 15 th July 2016
Gold (\$/Ounce)	1324.90
Silver (\$/Ounce)	20.22
Crude (\$/bbl)	45.64

Source: CCIL

Highlights of the week

- The Government of India conducted the auction of "7.35% Government Stock 2024", "7.61% Government Stock 2030", "7.50% Government Stock 2034" and "8.17% Government Stock 2044" for the notified amounts of 3,000 crore, 8,000 crore, 2,000 crore and 2,000 crore respectively on July 15, 2016. The cut-off yields were set at 7.3099%, 7.4174%, 7.4911% and 7.6314% respectively.
- RBI conducted auction of 5/10/15 year SDLs worth 12,475.00 crore of for eight State Governments on July 12, 2016. The cut-off yield was set at 7.88% for Andhra Pradesh for 15 years bond and 7.75% for Punjab for 5 year bond. For 10 years it was set at 7.83%, 7.84%, 7.84%, 7.85%, 7.85%, 7.86 and 7.86% for Gujarat, Maharashtra, Tamil Nadu, Andhra Pradesh, Telangana, Uttar Pradesh and West Bengal respectively.
- Reversing 18 months of fall, India's exports posted a modest growth of 1.27% to US\$22.5 billion, raising hopes that the worst may be over. Imports, on the other hand, declined by 7.33% to US\$30.6 billion. As many as 18 of the 30 exporting sectors showed growth in the previous month.
- Global Crude oil price of Indian Basket was US\$ 45.64 per bbl on 15.07.2016 compared to US\$ 47.37 per bbl on 08.07.2016.

Currency Indicators

Particular	As on 15 th July 2016
Rs/ Dollar	67.07
Rs/ Euro	74.60
Rs/ Pound	89.93

Source: CCIL

Money Market Rates

Type	Current (%)	Change Over (bps)		
		1 Week	1 Month	3 Month
CBLO	6.37	62.54	6.04	69.28
Repo	6.37	-18.67	4.96	-4.85
Call	6.33	-10.46	-2.76	-4.83

Source: CCIL

Money Market Trade Volumes

Type	Current (Rs In Cr)	Change Over (Rs. Crs)		
		1 Week	1 Month	3 Month
CBLO	86930	39917	71933	38410
Repo	41827	82391	42564	59963
Call	12529	28527	12355	24175

Source: CCIL

Highlights of the week

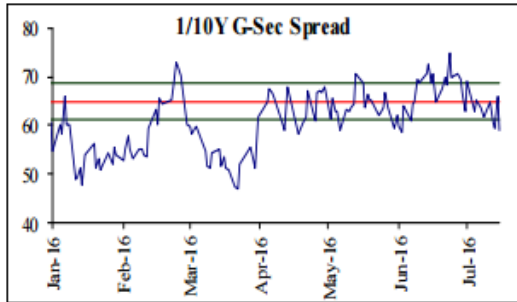
- In the first ever 'masala bond' issue, housing finance major HDFC has raised Rs 3,000 crore through these rupee-denominated bonds that got over-subscribed by 4.3 times.
- Power Grid Corporation first corporate bond sale on electronic trading platform at NSE on Wednesday (13th July 2016).
- Rating agency Crisil's reported that India's GDP is expected to grow by 7.9% in FY17 as against 7.6% in FY16 if "monsoon is normal and global situation does not deteriorate from here.
- The Index of Industrial Production (IIP) rose 1.2% in May from a year earlier against -1.3% (revised) in April. Manufacturing output grew a marginal 0.7% in May. Electricity generation was up 4.7%, while mining output rose 1.3%.
- India's Consumer Price Index (CPI) rose 5.77% in June as compared to 5.76% rise in May 2016.
- The wholesale price index (WPI) rose 1.62% year-over-year in June, faster than the 0.79% stable of rate of increase in May.
- Government of India is going to issue the fourth tranche of Sovereign Gold Bonds. Applications for the bond will be accepted from July 18, 2016 to July 22, 2016 and will be issued on August 5, 2016.
- The Japanese government cut its year to March 2017 CPI forecast to up 0.4% from 1.2%. It also cut its fiscal year GDP growth forecast to 0.9% from 1.7%.
- Theresa May is appointed as the 13th Prime Minister of U.K., replacing David Cameron.
- The Bank of England kept benchmark interest rate unchanged at 0.5%.
- Malaysia's central bank reduced its overnight policy rate to 3.00% from 3.25%.
- The euro exports decreased by 1.9% in May from April and imports fell 1.5%. Therefore, trade surplus declined to EUR 24.5 billion in May from EUR 25.4 billion in April.

SPREAD ANALYSIS OF CORPORATE BONDS FOR THIS WEEK

CORPORATE BOND SPREAD ANALYSIS

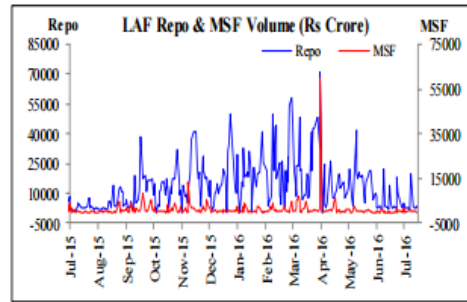
Maturity Buckets	Average AAA Spread (bps)
<=1 year	101.30
> 1 year -<=2 years	122.90
> 2 years -<=3 years	81.84
>3 years -<=5 years	87.96
>5 years-<=7 years	104.14
> 7 years	28.42

G-Sec Markets



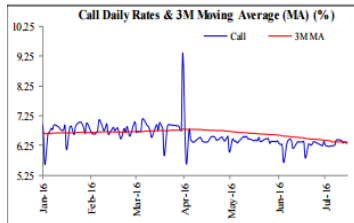
Source: CCIL

Liquidity

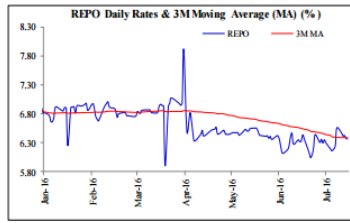


Source: CCIL

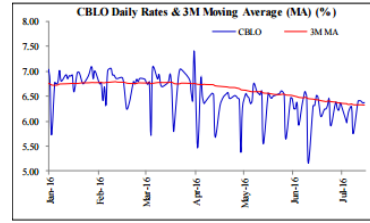
Money Market



Source: CCIL

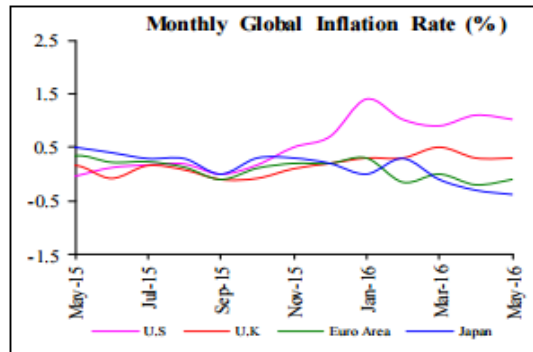


Source: CCIL

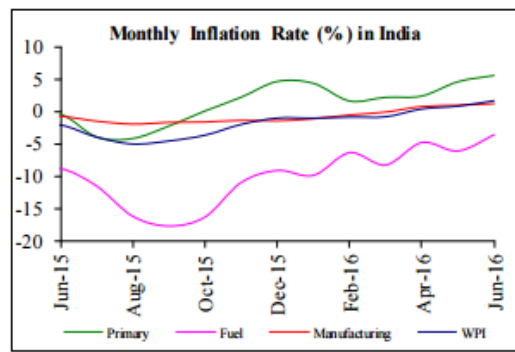


Source: CCIL

Macro-Economic Indicators



Source: CCIL



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