

# Weekly Update

## Debt Market

**For the Week ended 12<sup>th</sup> August 2016**

### G-Sec Yield

Type	Current (%)	Change Over (bps)		
		1 Week	1 Month	3 Month
1 Year	6.82	11.4	5.2	-12.6
2 Years	6.86	0.5	-5.7	-24.7
5 Years	7.05	-6.0	-11.6	-41.4
10 Years	7.17	-8.8	-25.2	-45.9
15 Years	7.21	-5.8	-40.8	-47.6
20 Years	7.20	-9.5	-38.5	-56.1
30 Years	7.24	-13.3	-38.4	-57.2

Source: CCIL

### MIBOR OIS

Type	Current (%)	Change Over (bps)		
		1 Week	1 Month	3 Month
1 Year	6.54	4.10	10.77	-16.03
2 Years	6.36	2.65	4.18	-24.00
3 Years	6.40	1.51	4.59	-24.03
5 Years	6.51	0.42	0.95	-22.30

Source: CCIL

### OIS/G Sec Spread

Type	Current (bps)	Change Over (bps)		
		1 Week	1 Month	3 Month
2 years	-50	-52	-60	-50
5 years	-54	-60	-66	-72

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 12 <sup>th</sup> August 2016
Gold (\$/Ounce)	1349.94
Silver (\$/Ounce)	20.16
Crude (\$/bbl)	43.51

Source: CCIL

### Highlights of the week

- The Government of India conducted the auction of "7.68% Government Stock 2023", "7.59% Government Stock 2026", "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 August 12, 2016. The cut-off yields were set at 7.0923%, 7.0971%, 7.1958% and 7.2485% respectively.
- RBI conducted auction of SDLs worth 13,575.00 crore of for twelve State Governments on August 8, 2016. The cut-off yield for the 5-year SDLs was set at 7.50% for Odisha and 7.52% for Punjab respectively. For the 10-year SDLs it was set at 7.60% for Gujarat, 7.61% for Kerala, 7.62% for Madhya Pradesh, Tamil Nadu and Telangana, 7.63% for Andhra Pradesh, Uttar Pradesh and West Bengal and 7.69% for Manipur, respectively.
- The Index of Industrial Production (IIP) grew 2.10% in June 2016 against 4.20% growth in June 2015. The IIP grew 0.60% in April-June 2016 as against growth of 3.30% in April-June 2015.
- RBI Governor Raghuram Rajan said the impact of GST on inflation will be limited, but it can help increase productivity and boost the GDP.
- Global Crude oil price of Indian Basket was US\$ 43.51 per bbl on 12.08.2016 compared to US\$ 41.13 per bbl on 05.08.2016.

### Currency Indicators

Particular	As on 12 <sup>th</sup> August 2016
Rs/ Dollar	66.83
Rs/ Euro	74.46
Rs/ Pound	86.63

Source: CCIL

### Money Market Rates

Type	Current (%)	Change Over (bps)		
		1 Week	1 Month	3 Month
CBLO	6.42	-15.32	4.80	-13.25
Repo	6.50	-	13.31	-5.10
Call	6.43	-25.80	9.32	1.73

Source: CCIL

### Money Market Trade Volumes

Type	Current (Rs In Cr)	Change Over (Rs. Crs)		
		1 Week	1 Month	3 Month
CBLO	114831	9411	86930	81010
Repo	50853	-	41827	38716
Call	14070	1448	12529	13048

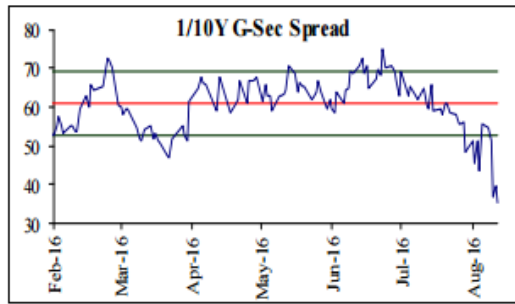
Source: CCIL

### Highlights of the week

- Provisional annual inflation rates based on all India general CPI Rural, Urban and Combined for July 2016 on point to point basis are 6.66%, 5.39% and 6.07% (6.29%, 5.26% and 5.77% in July 2015). Inflation rates (final) for Rural, Urban and Combined for June 2016 are 4.35%.
- India's exports declined 6.84% in July 2016 to \$21.69 billion from \$23.28 billion in July 2015. Imports fell 19.03% to \$29.45 billion from \$36.37 billion. The overall trade deficit for April-July 2016 was estimated at US\$10.80 billion which was 63.38% lower than the deficit of US\$29.49 billion during April-July 2015.
- Dispelling fears that GST will fuel inflation, Prime Minister Narendra Modi said the government and the RBI have agreed to maintain an inflation target of 4%.
- The 559th meeting of the Central Board of the RBI was held on Thursday, August 11, 2016 at Mumbai. The Board approved the transfer of surplus of the RBI for the year 2015-16 amounting to 658.76 billion to the Government of India.
- Direct tax collections upto July 2016 indicate net revenue collections of 1.59 lakh crore, a growth of 24.01% over corresponding period in FY16 and 18.82% of the Budget Estimates of direct taxes in FY17.
- Indirect tax collections upto July 2016 indicate net revenue collections of 2,71,719 crore a growth of 29.90% over the corresponding period and 34.90% of the Budget Estimates of indirect taxes.
- With a view to further front-loading the provision of liquidity, RBI scheduled an open market purchase auction on August 11, 2016.
- India's mutual fund sector hit a milestone of 15.18 lakh crore in assets under management in July.
- RBI intends to smooth the supply of durable liquidity over the year using asset purchases and sales as needed, and progressively lower the average ex ante liquidity deficit in the system to a position closer to neutrality.
- The GVA growth projection for 2016-17 was retained at 7.60%, with risks facing the economy at this juncture evenly balanced around it.
- Reserve Bank of New Zealand reduced the Official Cash Rate by 25 bps to 2.0% and highlighted the need for further policy easing as it struggles to head off the dangers of deflation.
- China's trade surplus widened to \$52.30 billion in July amid sluggish exports reflecting tepid global demand, while deteriorating imports raise concern domestic conditions may be weakening anew.
- Bank of Korea holding the seven-day repurchase rate at 1.25% deferred further policy action until a clearer picture of the economy's path emerged.
- China's foreign-exchange reserves declined marginally by \$4.10 billion to \$3.20 trillion in July.

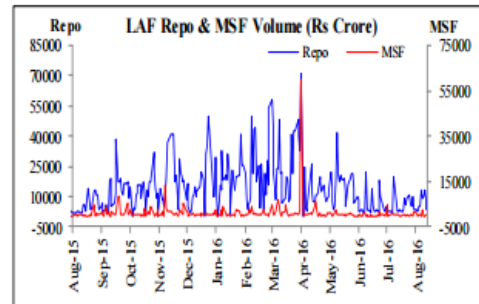
Source: CCIL

**G-Sec Markets**



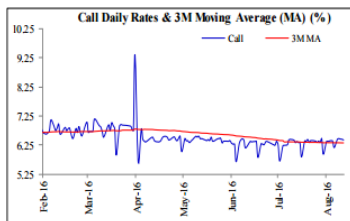
Source: CCIL

**Liquidity**

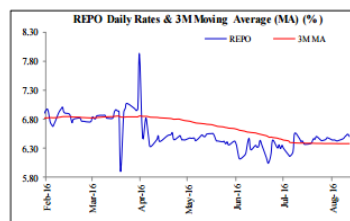


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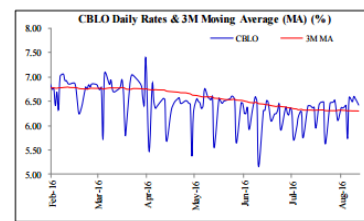
**Money Market**



Source: CCIL

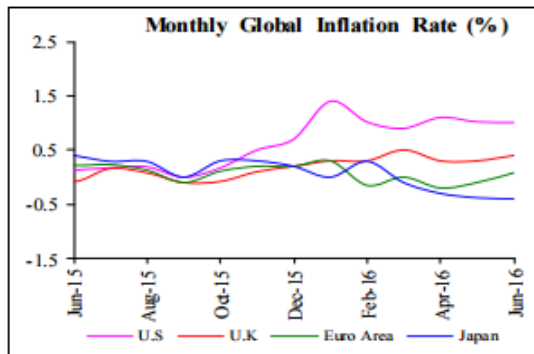


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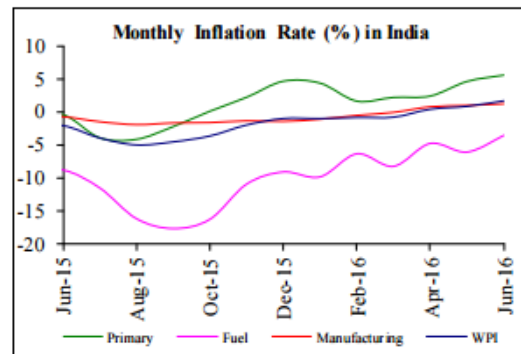


Source: CCIL

**Macro-Economic Indicators**



Source: CCIL



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**CapitalSquare Advisors Pvt. Ltd.**  
209, Aarpee Centre, 2<sup>nd</sup> Floor, CTS 70,  
MIDC Road no 11, Andheri (E), Mumbai - 400 093

**Sunil Manocha**  
MD & CEO  
+91 | 9867009713  
022 66849900  
[sunil.manocha@capitalsquare.in](mailto:sunil.manocha@capitalsquare.in)

**Sushil Kumar Singh**  
Senior Associate  
+91 | 9821059263  
022 66849906  
[sushil.singh@capitalsquare.in](mailto:sushil.singh@capitalsquare.in)