

Weekly Update

Debt Market

For the Week ended 26th August 2016

G-Sec Yield

Type	Current (%)	Change Over (bps)		
		1 Week	1 Month	3 Month
1 Year	6.74	-2.4	-5.9	-25.8
2 Years	6.88	2.6	-1.3	-26.9
5 Years	7.06	-2.5	-7.2	-41.6
10 Years	7.19	-1.3	-17.0	-48.1
15 Years	7.24	-0.3	-25.7	-52.5
20 Years	7.26	-2.8	-23.9	-56.8
30 Years	7.28	-2.1	-23.0	-58.6

Source: CCIL

MIBOR OIS

Type	Current (%)	Change Over (bps)		
		1 Week	1 Month	3 Month
1 Year	6.57	1.77	6.04	-10.29
2 Years	6.38	1.56	-0.19	-20.04
3 Years	6.39	-0.62	-4.50	-25.75
5 Years	6.50	-0.45	-6.75	-25.73

Source: CCIL

OIS/G Sec Spread

Type	Current (bps)	Change Over (bps)		
		1 Week	1 Month	3 Month
2 years	-50	-48	-51	-56
5 years	-56	-58	-57	-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 26th August 2016
Gold (\$/Ounce)	1323.90
Silver (\$/Ounce)	18.62
Crude (\$/bbl)	46.97

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 "7.72% Government Stock 2055" for the notified amounts of 2,000 crore, 8,000 crore, 2,000 crore and 2,000 crore respectively on August 26, 2016. The cut-off yields were set at 7.1039%, 7.1273%, 7.2403% and 7.2477% respectively.
- Auction of Seventeen State Government Securities for 14,775.00 crore on August 26, 2016. For Andhra Pradesh 400 Cr, Goa 70 Cr, Gujarat 1000 Cr, J&K 400 Cr, Kerala 2300 Cr, Madhya Pradesh 1000 Cr, Maharashtra 2500 Cr, Manipur 100 Cr, Nagaland 75 Cr, Odhisa 500 Cr, Punjab 400 Cr, Rajasthan 500 Cr, Tamil Nadu 1500 Cr, Tripura 230 Cr, Haryana 1000 Cr, Uttar Pradesh 1600 Cr & West Bengal 500 Cr.
- The Reserve Bank of India has announced the auction of 364-day Government of India Treasury Bills for notified amount of Rs 6,000 crore. The auction will be conducted on August 31, 2016 using "Multiple Price Auction" method.
- Global Crude oil price of Indian Basket was US\$ 46.97 per bbl on 26.08.2016 compared to US\$ 48.20 per bbl on 19.08.2016.

Currency Indicators

Particular	As on 26th August 2016
Rs/ Dollar	66.93
Rs/ Euro	75.87
Rs/ Pound	87.97

Source: CCIL

Money Market Rates

Type	Current (%)	Change Over (bps)		
		1 Week	1 Month	3 Month
CBLO	6.44	165.58	-3.49	-7.79
Repo	6.42	1.92	-1.77	0.78
Call	6.38	-1.90	2.85	4.91

Source: CCIL

Money Market Trade Volumes

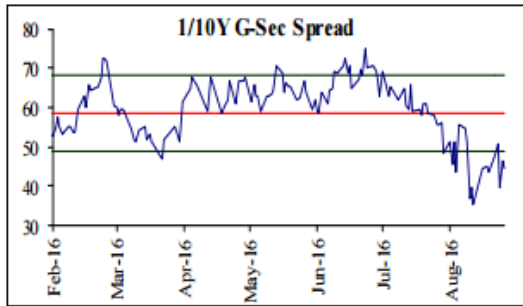
Type	Current (Rs In Cr)	Change Over (Rs. Crs)		
		1 Week	1 Month	3 Month
CBLO	100625	61364	96652	83735
Repo	43182	93152	43082	36461
Call	13335	21231	15705	12381

Source: CCIL

Highlights of the week

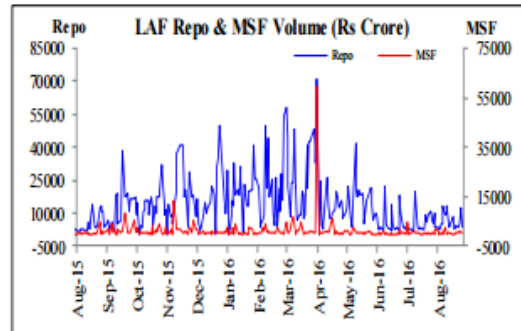
- Dr. Urjit R Patel has been appointed as the new Governor of RBI for a period of three years with effect from September 4, 2016.
- RBI permitted brokers registered with SEBI and authorised as market makers in corporate bond market to undertake repo/reverse repo contracts in corporate debt securities.
- Sovereign Gold Bonds (issued on February 8, 2016 and March 29, 2016, respectively) shall be eligible for trading on the stock exchanges from August 29, 2016 (Monday).
- As on August 5, 2016 all the Scheduled Banks' investments (at book value) in the central and state government securities stood at 29,694.64 billion as against 27,363.84 billion in the corresponding period of the previous year.
- RBI identified State Bank of India (SBI) and ICICI Bank as Domestic Systemically Important Banks (D-SIBs) in 2016 and retained their bucketing structure as in 2015.
- RBI published the report of the working group on corporate bond market in India.
- RBI issued Master Directions for Non-Banking Financial Companies.
- RBI issued Master Directions for exemptions from the provisions of RBI Act, 1934
- RBI notified the Master Circular on collection of direct taxes OLTAS.
- RBI notified the revised reporting format for Financial Literacy Centres.
- RBI notified the fixed timings for broadcasting of auction results and allotment of GoI dated securities and T-Bills.
- RBI Governor Dr. Raghuram G. Rajan explained the rationale behind the measures announced by the central bank for liberalising while strengthening domestic bond markets.
- RBI deputy governor SS Mundra said that RBI is weighing a proposal that would force all banks to attach a risk weight for their exposure to central and state governments adding that time has come for the government to reduce its stake in banks while remaining a large shareholder.
- Moody's Investors Service said continued reforms to enhance business environment and moderate inflation will help India achieve robust growth but cautioned that rising contingent liability risks in the banking sector could affect its credit quality. It expects GDP growth around 7.50% for next two years.
- Real GDP in the US increased at an annual rate of 1.10% in the second quarter of 2016 as per the second estimate vs 1.20% in the advance estimate. In the first quarter, real GDP increased 0.80%.
- Fed Chair Janet Yellen said the case for raising interest rates had "strengthened" but did not provide the timeline. Fed vice-chairman Stanley Fischer said an increase was a possibility in September.
- Federal Reserve Vice Chairman Stanley Fischer signaled that a 2016 rate hike is still under consideration as the economy is already close to meeting the Fed's goals and growth will gain steam.
- Goldman Sachs maintained its GDP growth forecast of 7.90% for this fiscal.

G-Sec Markets



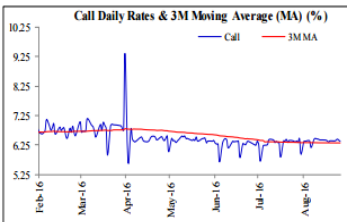
Source: CCIL

Liquidity

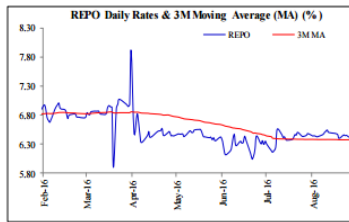


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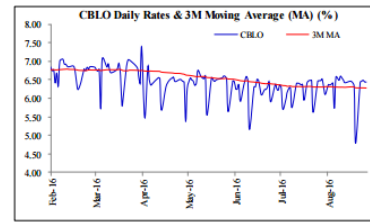
Money Market



Source: CCIL

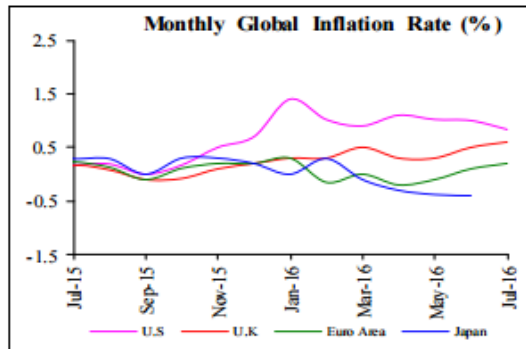


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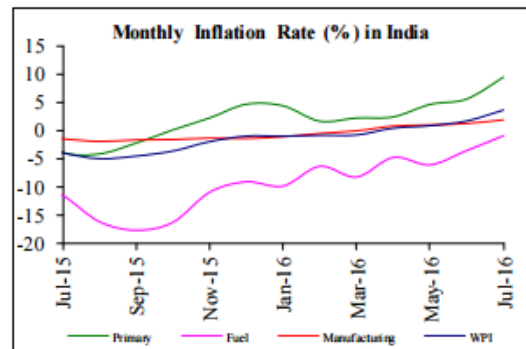


Source: CCIL

Macro-Economic Indicators



Source: CCIL



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