

Weekly Update

Debt Market

For the Week ended 05th August 2016

G-Sec Yield

Type	Current (%)	Change Over (bps)		
		1 Week	1 Month	3 Month
1 Year	6.71	-11.3	-17.1	-28.9
2 Years	6.86	-1.7	-13.0	-28.5
5 Years	7.11	1.2	-16.4	-35.7
10 Years	7.26	-3.9	-25.1	-36.5
15 Years	7.26	-13.8	-44.6	-48.7
20 Years	7.30	-2.8	-37.8	-49.3
30 Years	7.37	-2.2	-32.7	-45.6

Source: CCIL

MIBOR OIS

Type	Current (%)	Change Over (bps)		
		1 Week	1 Month	3 Month
1 Year	6.50	0.96	-0.18	-18.38
2 Years	6.34	0.41	-3.36	-24.01
3 Years	6.38	0.82	-2.32	-21.08
5 Years	6.51	1.25	-3.08	-19.01

Source: CCIL

OIS/G Sec Spread

Type	Current (bps)	Change Over (bps)		
		1 Week	1 Month	3 Month
2 years	-52	-54	-62	-58
5 years	-60	-60	-73	-78

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 05 th August 2016
Gold (\$/Ounce)	1366.47
Silver (\$/Ounce)	19.71
Crude (\$/bbl)	41.92

Source: CCIL

Highlights of the week

- The Government of India conducted the auction of "7.35% Government Stock 2024", "7.61% Government Stock 2030", "7.73% Government Stock 2034" and "8.13% Government Stock 2045" for the notified amounts of 3,000 crore, 8,000 crore, 2,000 crore and 2,000 crore respectively on August 5, 2016. The cut-off yields were set at 7.1727%, 7.2062%, 7.3512% and 7.3623 % respectively.
- Twelve State Governments have offered to sell 5/10 year securities by way of auction for an aggregate amount of 12,250.00 crore (Face Value) on August 8, 2016 (Monday).
- The Central Government, in consultation with RBI, fixed the inflation target for the period beginning from August 5, 2016 and ending on the March 31, 2021, as 4% with the upper tolerance level at 6% and the lower tolerance level at 2%. The Government also notified the statutory and institutionalized framework for monetary policy.
- RBI Governor Raghuram Rajan said India should quickly put in place a monetary policy committee (MPC) to institutionalise decision-making on interest rates and keep the focus on controlling inflation.
- Global Crude oil price of Indian Basket was US\$ 41.92 per bbl on 05.08.2016 compared to US\$ 41.13 per bbl on 29.07.2016.

Currency Indicators

Particular	As on 5th August 2016
Rs/ Dollar	66.81
Rs/ Euro	74.45
Rs/ Pound	87.75

Source: CCIL

Money Market Rates

Type	Current (%)	Change Over (bps)		
		1 Week	1 Month	3 Month
CBLO	5.73	-37.16	-54.71	-102.26
Repo	6.43	-	19.07	-
Call	6.39	44.88	11.67	-5.32

Source: CCIL

Money Market Trade Volumes

Type	Current (Rs In Cr)	Change Over (Rs. Crs)		
		1 Week	1 Month	3 Month
CBLO	49553	12306	71647	11886
Repo	64133	-	52960	-
Call	25489	1904	10453	3076

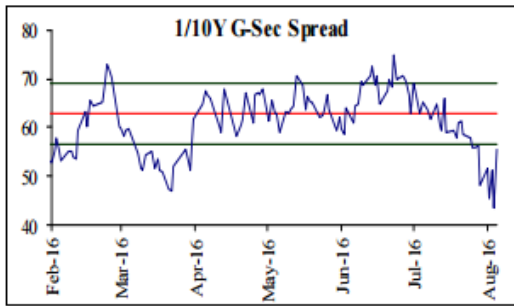
Source: CCIL

Highlights of the week

- The Finance Ministry said that all efforts are being made to roll out GST from April 1, 2017, and allayed fears that it will have an impact on inflation even if the rate is kept at 20%.
- The Rajya Sabha voted to approve the constitutional amendment that will help usher in the GST.
- Chief Economic Adviser Arvind Subramanian said that impact on inflation from GST implementation would be limited as about 54% of the CPI basket will be completely exempt from GST.
- As per S&P Indian state-run banks will need 2.50 lakh crore capital infusion over the next three years to meet Basel-III requirements.
- RBI will announce the Third Bi-monthly Monetary Policy Statement, 2016-17 on Tuesday, August 9, 2016 at 11.00 a.m.
- S&P said supportive monetary and fiscal policies can help India achieve 8% growth in the next three fiscals, but if reforms do not get further momentum then its economic "outperformance" could be short-lived.
- CCIL introduced data dissemination of USD-INR Forwards, USD-INR Currency Options and INR IRS client trades.
- As on July 22, 2016 all the Scheduled Banks' investments (at book value) in the central and state government securities stood at 28,798.42 billion as against 27,078.03 billion in the corresponding period of the previous year.
- The eight core industries with a combined weight of 37.90% in the Index of Industrial Production (IIP) grew 5.20% in June 2016 as compared to growth of 3.10% in June 2015. Cumulative growth for April-June 2016 was 5.40%, as against 2.50% growth in April-June 2015
- Bank of England cut its growth forecast for 2017 to 0.80% and 1.80% in 2018. BoE Governor Mark Carney declared that all elements of the stimulus can be taken further, including another rate cut.
- Reserve Bank of Australia lowered the cash rate by 25 bps to 1.50%, effective August 3, 2016 in a bid to counter disinflation and support the labor market.
- The People's Bank of China said frequent reductions to lenders' reserve requirements would add too much liquidity to the financial system, lead to yuan depreciation expectations fuelling speculative currency trading and also spur declines in borrowing costs.

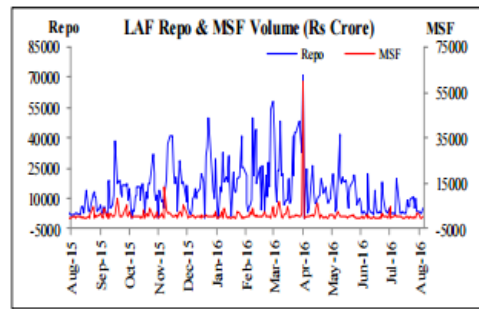
Source: CCIL

G-Sec Markets



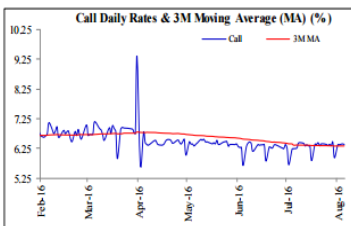
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Liquidity

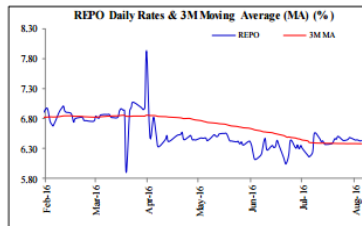


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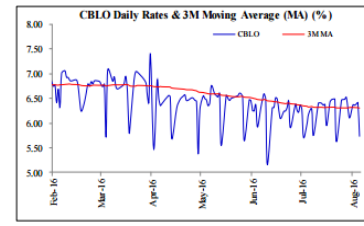
Money Market



Source: CCIL

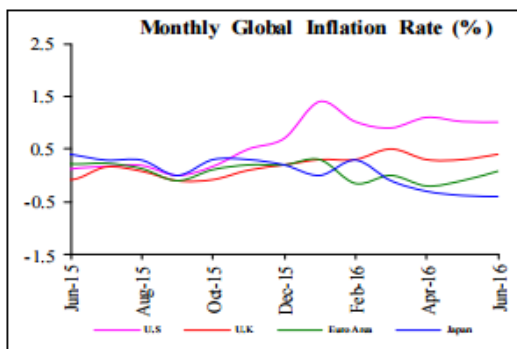


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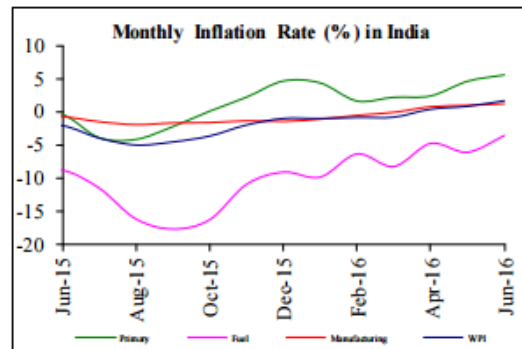


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Macro-Economic Indicators



Source: CCIL



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

Sunil Manocha
MD & CEO
+91 | 9867009713
022 66849900
sunil.manocha@capitalsquare.in

Sushil Kumar Singh
Senior Associate
+91 | 9821059263
022 66849906
sushil.singh@capitalsquare.in