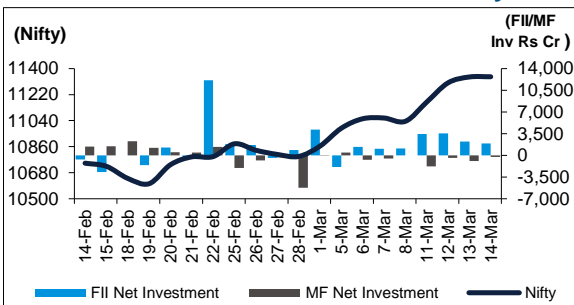


Indian equity benchmark indices' returns

Broad Indices	Mar 15	% change for week	% change for YTD
S&P BSE Sensex	38,024	3.69	5.42
Nifty 50	11,427	3.55	5.19
S&P BSE 100	11,620	3.32	4.11
Nifty 500	9,499	3.13	3.59
S&P BSE Midcap	15,172	2.48	-1.73
S&P BSE SMALLCAP	14,837	2.12	0.89
Sectoral Indices	Mar 15	% change for week	% change for YTD
S&P BSE Realty Index	1,952	6.54	8.56
S&P BSE Bankex	32,915	5.88	8.36
S&P BSE Oil & Gas	14,955	4.51	8.77
S&P BSE CG	18,402	3.60	-2.22
S&P BSE Power	1,982	3.36	-0.88
S&P BSE CD	23,038	3.23	11.32
S&P BSE Healthcare	14,238	1.90	2.26
S&P BSE Auto	19,695	1.88	-5.46
S&P BSE Metal	11,224	1.80	-5.20
S&P BSE IT	15,159	0.84	7.59
S&P BSE FMCG	11,608	0.09	-1.87

Source: BSE, NSE

FI and mutual fund investment vs. Nifty



Source: SEBI, NSE

FI and mutual fund weekly investment

Rs Cr	Mar 8 – Mar 14	
	FI Inv (Equity)	MF Inv (Equity)
Buy	37,871	11,096
Sell	25,573	14,318
Net	12298	-3222
YTD	31,879	5,254

Source: SEBI, NSDL

Domestic macro indicators

Indicators	Current	Previous
Monthly CPI Inflation	2.57% (Feb-19)	1.97% (Jan-19)
Monthly WPI Inflation	2.93% (Feb-19)	2.76% (Jan-19)
IIP	1.70% (Jan-19)	2.40% (Dec-18)
GDP	6.60% (Oct-Dec18)	7.00% (Jul-Sep18)

Source: CRISIL Centre for Economic Research

Indian equity market summary

- Indian equities advanced for the fourth consecutive week. S&P BSE Sensex and Nifty 50 surged nearly 4% each.
- A strong rupee and positive foreign inflows boosted the local benchmarks.
- Market rose further due to gains in shares of some index heavyweights and positive global cues.
- Buying interest in realty, banking, oil and gas, capital goods and power firms brought in more gains in to the market. S&P BSE Realty, S&P BSE Bankex, S&P BSE Oil & Gas, S&P BSE Capital Goods and S&P BSE Power rose about 6.5%, 6%, 4.5%, 3.6% and 3.4%, respectively.
- However, some gains were cut short amid political uncertainty surrounding the Brexit deal.

Other major domestic news

- India's industrial output growth stood at 1.7% in January because of a slowdown in the manufacturing sector; industrial output grew 7.5% in January 2018.
- India's retail inflation rose to four-month high of 2.57% in February, driven by higher food prices; the retail inflation based on Consumer Price Index (CPI) stood at 1.97% in January and 4.44% in February 2018.
- India's annual wholesale price inflation in February accelerated to 2.93%, pushed by a jump in the prices of food and fuel products, after falling to a 10-month low of 2.76% in January.
- India and the US agreed to build six nuclear power plants in India.
- The government sold a 73% stake in Dredging Corporation of India to a consortium of four ports for Rs 1,050 crore.
- The government extended the deadline for the submission of feedback on the draft e-commerce policy by three weeks to March 31.
- The government clarified that no Goods and Services Tax (GST) needs to be paid on the tax collected at source (TCS) under the I-T Act for select items.
- GST Network said businesses registered under GST can now compare the tax liability declared and input-tax credit claimed in their final and summary sales returns forms.
- The Reserve Bank of India (RBI) offered a \$5 billion swap facility to banks to support liquidity before the fiscal-end.
- The RBI allowed importers to raise trade credits of up to \$150 million or equivalent per import transaction under the automatic route.
- The RBI said SBI, ICICI Bank and HDFC Bank will have to comply with additional capital requirement norms by April 1, as the banks remain 'too big to fail' lenders.
- The central bank categorised IDBI Bank as a private sector bank, with effect from January 21, 2019.
- The Securities and Exchange Board of India (SEBI) withdrew the 20% limit on investments by foreign portfolio investors (FPIs) in corporate bonds, in accordance with a circular issued by the RBI.
- The SEBI revised the disclosure requirements for significant beneficial ownership for various listed entities.
- The capital markets regulator came out with the framework and timeline for the counter-offer process.



Indian debt market indicators

Indicators	Mar 15	Previous Week	Trend
Call Rate	6.25%	6.05%	↑
3 M CP	7.60%	7.70%	↓
1 Yr CP	8.15%	8.60%	↓
3 M CD	7.16%	7.34%	↓
1 Yr CD	7.45%	7.59%	↓
3 Yr AAA	7.68%	7.93%	↓
5 Yr AAA	7.85%	8.10%	↓
1 Yr G-Sec	6.52%	6.56%	↓
3 Yr G-Sec	6.63%	6.73%	↓
5 Yr G-Sec	6.95%	7.03%	↓
10 Yr G-Sec	7.50%	7.53%	↓
Forex Reserves	\$ 402.04 bn (Mar 8)	\$ 401.78 bn (Mar 1)	↑

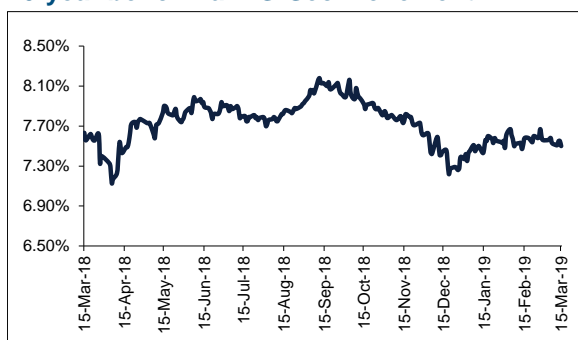
Source: CRISIL Fixed Income Database, RBI

Corporate bond spreads over G-Sec

Spreads		AAA	AA+	AA	AA-	A+
Mar 15 2019	3 Yr	0.90%	1.09%	1.45%	1.73%	2.02%
	5 Yr	0.78%	1.05%	1.41%	1.70%	2.09%
	10 Yr	0.73%	1.09%	1.48%	1.94%	2.28%
Previous Week	3 Yr	1.08%	1.27%	1.63%	1.91%	2.20%
	5 Yr	0.94%	1.21%	1.57%	1.86%	2.25%
	10 Yr	0.77%	1.13%	1.52%	1.98%	2.32%

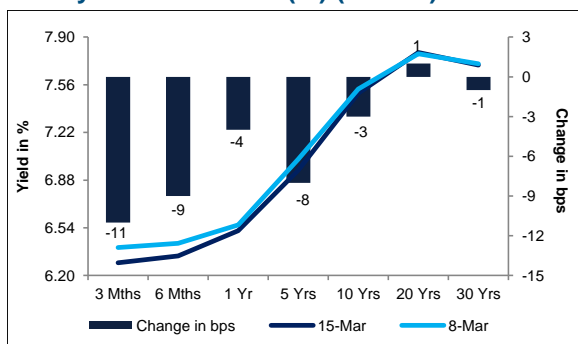
Source: CRISIL Fixed Income Database

10-year benchmark G-Sec movement



Source: CRISIL Fixed Income Database

India yield curve shift (%) (W-o-W)



Source: CRISIL Fixed Income Database

Indian debt market summary

- The interbank call money rate settled at 6.25% on March 15, compared with 6.05% on March 8.
- Overall systemic liquidity remained in deficit during the week.
- Government bond prices ended higher. Yield on the 10-year benchmark 7.17% 2028 paper settled at 7.50% on March 15, compared with 7.53% on March 8. Yield on the 10-year 7.26% 2029 paper settled at 7.34% on March 15, compared with 7.37% on March 8.
- Hopes that the latest retail inflation figures will be benign spurred bond buying early in the week. Low inflation provides the RBI with more head room to ease monetary policy in the coming months.
- Hopes were dashed after data showed a slight increase in inflation in February, thereby putting prices under some pressure.
- The central bank's announcement that it would infuse liquidity through foreign-exchange swaps later this month, amid easing expectation of more bond purchase auctions by the central bank also erased some gains.
- Firm demand for debt at the weekly gilt sale supported prices in the last session. The RBI sold the 7.00% 2021 paper, the 8.24% 2027 paper, the 7.95% 2032 paper, the 7.40% 2035 paper, and the 8.17% 2044 paper for a total notified Rs 17,000 crore.
- In the open-market bond purchase auction, the central bank bought back five dated securities for a total notified Rs 12,500 crore.
- In the state development bond auction, states raised a notified Rs 19,019 crore through debt sales.
- The rupee advanced against the US dollar, aided by a rally in domestic equities.
- Weaker-than-expected US non-farm payrolls data also enhanced sentiment for the local unit.
- Intermittent dollar demand from state-owned banks on behalf of oil importers erased some rupee gains.
- Dollar demand from some banks, following the central bank's decision to conduct foreign-exchange swaps to infuse rupee liquidity, also put the rupee under pressure.

Currencies vs the rupee

Currency	Mar 15	Week ago	3 months ago	1 year ago
USD	69.09	70.15	71.89	64.93
GBP	91.62	91.79	90.41	90.72
Euro	78.22	78.68	81.21	80.32
100 Yen	61.95	63.04	63.31	61.27

Source: RBI, Financial websites



Global equity benchmark indices' returns

Country / Region	Indices	Mar 15	% change for week	% change for YTD
The US	DJIA*	25,710	1.02	10.21
	Nasdaq Composite*	7,631	3.01	15.01
	Russell 3000 Growth*	1,212	2.59	14.08
The UK	FTSE 100*	7,185	1.14	6.80
France	CAC 40*	5,350	1.61	13.09
Germany	XetraDax*	11,587	-0.12	9.74
Japan	Nikkei 225	21,451	2.02	7.18
Singapore	Straits Times	3,200	0.13	4.28
Hong Kong	Hang Seng	29,012	2.78	12.25
China	Shanghai Comp	3,022	1.75	21.17

Source: Websites of respective stock exchanges *As on Mar 14

Macro indicators

Indicators	Current	Previous
US Industrial Production	0.1% (Feb 2019)	-0.4% (Jan 2019)
US Retail Sales	0.2% (Jan 2019)	-1.6% (Dec 2018)
US Business Inventories	0.6% (Dec 2018)	0% (Nov 2018)
UK GDP	1.3% (Q4 2018)	1.6% (Q3 2018)
Eurozone Industrial Production	1.4% (Jan 2019)	-0.9% (Dec 2018)

Source: Financial Websites

Major global bond yields

Indicators	Mar 15	Mar 8
US 10-Year*	2.63	2.63
UK 10-Year*	1.22	1.19
German 10-Year*	0.09	0.07
Japan 10-Year	-0.03	-0.03

Source: Financial Websites * As on Mar 14

Commodity prices

Commodity	Mar 15	% change for week	% change for YTD
NYMEX Crude Oil (\$ per barrel)*	58.61	4.53	29.07
Brent Crude Oil (\$ per barrel)*	67.23	2.27	24.96
Gold (\$ per ounce)	1295.55	-0.09	1.08
Silver (\$ per ounce)	1523.50	0.79	-1.49

Source: Respective commodity exchanges, LBMA *Data as of Mar 14

Global market summary

- Most global equities ended in the green, mainly on signs of progress in US-China trade talks. US Treasury prices ended flat amid volatility due to weak US monthly jobs data and concerns about the Brexit deal. Crude oil prices advanced, following an unexpected decline in US crude inventories and a bigger-than-expected drop in gasoline inventories.
- US stocks posted strong performance, boosted by a rally in shares of technology and healthcare firms and some positive domestic economic data.
 - US retail sales rose 0.2% in January; data for December was revised down to show retail sales dropping 1.6%.
 - US durable goods orders climbed 0.4% in January, after spiking an upwardly revised 1.3% in December.
- More gains were prevented, following downbeat monthly jobs and housing data and on concerns about global economic growth.
 - US non-farm payrolls rose just 20,000 in February, while the unemployment rate fell to 3.8%.
 - US new home sales plunged by 6.9% to an annual rate of 607,000 in January from a revised rate of 652,000 in December.
- Britain's FTSE rose about 1%, due to gains in shares of mining, oil and financial firms and as a fall in the pound propped up exporters' shares.
- Further rally was prevented because of worries about the global economy.
- Other European markets ended mixed, as earlier gains in banking stocks were cut short by uncertainty surrounding the Brexit. France's CAC 40 rose 1.6%, while Germany's Xetra DAX fell 0.1%.
- Asian equities posted robust performance. Japan's Nikkei 225 index jumped 2%, as a weaker yen buoyed the exporter-heavy benchmark.
- Hong Kong's Hang Seng index jumped nearly 3% on bargain buying on signs of progress in the US-China trade talks and as China pledged more measures to boost its slowing economic growth.
- China's Shanghai Composite rose 1.8%, as Beijing and Washington appeared to edge closer to a trade deal and after the Chinese government officials vowed more measures to boost slowing economic growth.
 - China's consumer price index (CPI) rose 1.5% from a year earlier in February, compared with the 1.7% increase in January, while producer price index (PPI) rose 0.1% year-on-year in February, same as that in January.
 - China's industrial output rose 5.3% in January-February, compared with December's 5.7%.
 - China's fixed-asset investment grew 6.1% in the first two months of this year, up slightly from 5.9% in 2018.
 - China's retail sales rose 8.2% in January-February from a year earlier, same as that in December.

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Registered Office: Franklin Templeton Asset Management (India) Pvt Ltd.
Indiabulls Finance Centre, Tower 2, 12th and 13th Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai 400 013

 service@franklintempleton.com

 **Investors:**
1800 425 4255, 1800 258 4255

Distributors:
1800 425 9100, 1800 258 9100

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