

DEBT MARKETS

- CPI based inflation for October 2018 came in at 3.31% vs 3.77% seen last month. This inflation print is a 13 month low, and is also well below RBI's target of 4%. Core CPI inflation was however higher at 6.18% vs 5.81% seen last month.
- WPI based inflation for October 2018, however, came in at 5.28% vs 5.13% in the previous month. Core WPI inflation also rose to 5.15% from the 4.88% print seen last month.
- YoY growth in the index of industrial production (IIP) came in at 4.5% for September 2018.
- India's trade deficit widened to USD 17.13 Bn in October compared to USD 14.61 Bn a year ago. Trade deficit in the April-October period widened to USD 111.46 billion as against USD 91.28 Bn a year ago. Imports rose 17.62% to USD 44.11 Bn while exports jumped 17.82% to USD 26.98 Bn in October

Yield Movement

- The benchmark 10 year government bond closed the week trading at a yield of 7.82%, up by 6 basis points from the closing levels of the previous week.
- Yield on 10 year AAA PSU bond traded at approx. 8.70%, a rise of 5 basis points from the previous week.
- One year CDs yielded about 8.15%, down by 15 basis points from the previous week.

Fund Manager Comments

All eyes are now fixed on the crucial RBI board meeting to be held on Monday, Nov 19, 2018. It is expected that the govt nominees on the board would push for relaxation in capital adequacy guidelines and also easing liquidity conditions, especially for NBFCs. Most market participants expect the RBI top brass and the government to compromise and find some sort of a middle path to resolve their differences.



EQUITY MARKETS

Sensex and Nifty went up by 299 pts. (0.80%) and 97 pts. (0.90%) to close at 35,457 and 10,682 respectively.

India's exports for the month of October rose by 17.9% to \$27.0bn, while imports rose 17.6% to \$44.1bn. Consequently trade deficit came in at \$17.1bn compared with \$14.0bn in the previous month. Sharp jump in oil imports was the main reason for rise in trade deficit. With fall in crude price, trade deficit should come off in the next few months to some extent.

Wholesale prices in India hit a four-month high at 5.28% in October from 5.13% in September, mainly due to increase in contribution from fuel and manufacturing

articles. An uptick in prices of paddy, wheat is mainly due to the government's decision to hike the minimum support price (MSP) 1.5 times the cost of production for the kharif crops. Primary inflation eased to 1.79% from 2.97% with food inflation -1.49% vs -0.2%. Fuel inflation rose to 18.4% from 16.6% while manufactured inflation rose to 4.49% from 4.22% in the previous month. The deflation in prices of food articles although good for controlling overall inflation, is detrimental to the income of farmers.

India's Index of Industrial Production (IIP) grew marginally at 4.5% in September as against 4.3% in August.

Taurus Benchmark Indices Movement

Indices	16-11-18	09-11-18	Points change	% change
S&P BSE Sensex	35457.16	35158.55	298.61	0.85%
Nifty 50	10682.20	10585.20	97.00	0.92%
S&P BSE 100	10946.32	10871.29	75.03	0.69%
S&P BSE 200	4559.65	4531.80	27.85	0.61%
Nifty Midcap 100	17507.85	17605.50	-97.65	-0.55%

Weekly FPI and MF net flows (₹ in crs.)

	Equity	Debt
FPIs (12/11/2018 - 16/11/2018)	2713.63	129.38
MFs (09/11/2018 - 14/11/2018)	-261.96	11191.54

Source : FPI - CDSL
Source : MF - SEBI

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