

## DEBT MARKETS

- Bond market activity remained lackluster during the shortened trading week, on lack of fresh triggers.
- The larger than expected rise in inflation during July has dampened sentiment a bit. Prices are finding support however in global bond prices. 10 year US treasury notes yielded 2.17% a two month low.
- Revival of monsoon in the past week or so has raised expectations of healthy sowing activity in the agricultural sector. The monsoon had stalled in the early part of August leading to rainfall falling to 94% of long term average for the month.
- The CSO will release GDP figures for the quarter ended June 2017 later this week. The data would likely drive bond market sentiment in the coming weeks.
- The benchmark 10 year government bond closed the week trading at a yield of 6.54%, a rise of 3 basis points from the closing levels of the previous week.
- Yield on 10 year AAA PSU bond traded at approx.. 7.38%, indicating that spreads over gilts have contracted marginally.
- One year CDs yielded about 6.50%, indicating a rise of 3 basis point in yield level from last week's close.

### Fund Manager Comments

The feature of the coming week will be the GDP data release due Thursday evening. Comments by the US Federal Reserve Chair Janet Yellen and other central bankers at their annual Jackson Hole conference is also likely to take centre stage as analysts look for clues to likely monetary policy action in the near future. We expect subdued activity in the bond markets to continue.

### Yield Movement

- Yields on 10 year benchmark government bonds continue to trade in the range of 6.50% - 6.54%.



- The BSE 30 Share Sensex increased by 71.38 points or 0.23% to settle at 31,596.06 in the week ended Friday, 24th August 2017. The S&P Nifty increased by 19.65 points or 0.20%, to settle at 9,857.05 in the week. Continuing the bull run for the second consecutive week, key Indian equity indices – the Sensex and the Nifty50 – closed with minimal gains as short covering in healthcare and banking stocks coupled with continuous purchasing activities by domestic institutional investors (DIIs) kept market sentiment afloat.
- Global stock markets stabilized after two turbulent weeks as geopolitical worries eased in Asia and caution prevailed on the day the annual Jackson Hole gathering of central bankers gets underway. However, US President Donald Trump's threat to shut down the U.S. government, if Congress doesn't fund his campaign pledge to build a wall on the Mexican border dented the confidence of the market participation to some extent. The US dollar edged up against other major currencies after falling on worries about a possible U.S. government shutdown.
- In a bid to improve the health of Public Sector Banks (PSBs), the government has decided to set up an Alternative Mechanism to oversee the proposals for consolidation of state owned banks. The decision would facilitate consolidation among the Nationalised Banks to create strong and competitive banks. The move aims at meeting the credit needs of the growing Indian economy and building capacity in the PSB space to raise resources without dependence on the state exchequer.

## Taurus Benchmark Indices Movement

Indices	24/8/2017	18/8/2017	Points change	% change
S&P BSE Sensex	31596.06	31524.68	71.38	0.23%
Nifty 50	9857.05	9837.40	19.65	0.20%
S&P BSE 100	10237.18	10216.53	20.65	0.20%
S&P BSE 200	4294.72	4289.48	5.24	0.12%
Nifty Free Float Midcap 100	17963.95	18044.50	-80.55	-0.45%

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

	Equity	Debt
FPIs (21/08/2017 - 24/08/2017)	-5281.52	3775.53
Mfs (17/08/2017 - 23/08/2017)	3290.00	8052.90

Source : FPI - CDSL  
Source : MF - SEBI

Any information contained herein is for informational purpose only and does not constitute advice or offer to sell/purchase units of the schemes of Taurus Mutual Fund. Information gathered and provided in this document is believed to be from reliable sources and the Fund does not warrant the accuracy and/or completeness of any information. Taurus AMC disclaims any liability for actions taken by anyone on the basis of the opinions contained herein. The material contained herein cannot be reproduced, distributed or quoted anywhere without express written consent of Taurus AMC.

**Mutual Fund Investments are subject to market risks, read all Scheme related Documents carefully.**