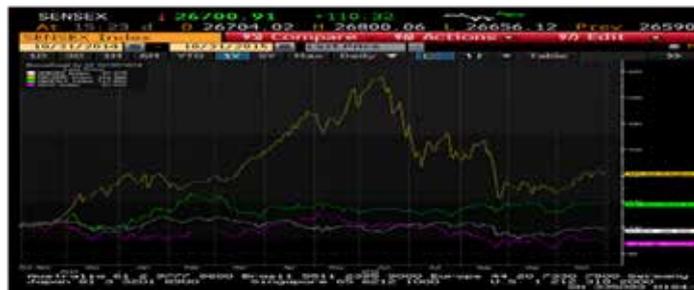


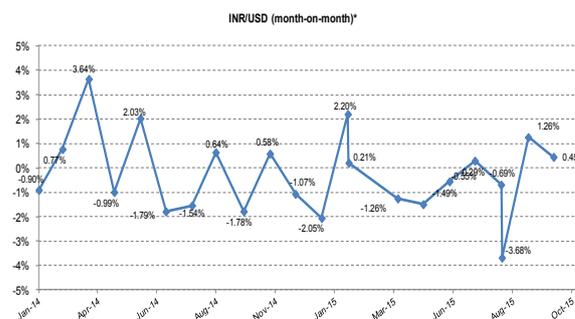
1-year BRICs performance comparison*

India's SENSEX emerged 3rd amongst the BRICS (1-year)



In descending order (from 31st Oct 2014 to 31st Oct 2015): **SHCOMP** (Shanghai Composite Index), **INDXCF(MICE)**, **BSE SENSEX** (Bombay Stock Exchange Index) & **IBOVESPA** (Brasil Sao Paulo Stock Exchange Index).

INR/USD chart (from Jan 2014 to Oct 2015)**



* Source: Bloomberg

** S&P

India world's 7th most valued 'nation brand'

India has moved up one position to become the world's seventh most valued 'nation brand', with an increase of 32 per cent in its brand value to \$2.1 billion. Among BRICS nations, India is the only country to have witnessed an increase in its brand value with all others - Brazil, Russia, China and South Africa - seeing a dip in their respective brand valuations

FPIs net inflow hits 7-month high of USD 3.44 Billion in October

Foreign investors pumped in over USD 3.44 billion in the Indian capital markets in October, the highest in seven months, buoyed by RBI's rate cut and positive macroeconomic numbers. Investor appetite turned positive after Reserve Bank Governor Raghuram Rajan last month pulled off a surprise by announcing a bigger-than-expected policy rate cut of 50 bps to 6.75 per cent

Moody's changes outlook on India's banking system to stable .

Global ratings agency Moody's Investors Service said that it has changed its outlook for India's banking system to stable from negative because of the gradual improvement in the operating environment for Indian banks. The stable outlook is based on assessment of five drivers: operating environment (improving); asset risk and capital (stable); funding and liquidity (stable); profitability and efficiency (stable); and government Support (stable). On the operating environment, the ratings agency expects that India will record GDP growth of around 7.5% in 2015 and 2016. Growth has been supported by low inflation and the gradual implementation of structural reforms.

India most attractive investment destination: EY survey

India has been ranked the most attractive investment destination in the world for the next three years, according to the EY survey. Ready, set, grow: EY's 2015 India attractiveness survey conducted during March and April 2015, includes the views of more than 500 decision-makers from multinational organizations across sectors including industrials, automotive, consumer products, life sciences, infrastructure, technology, financial services and others. It finds major gains in perception in comparison to the findings of the 2014 survey in key areas such as macroeconomic stability (up from 70% in 2014 to 76% in 2015), political and social stability (up from 59% in 2014 to 74% in 2015); relaxation in FDI policy (up from 60% in 2014 to 68% in 2015); and the government's efforts to ease doing business (up from 57% in 2014 to 67% in 2015). Among India's most attractive features for doing business, investors rated its vast domestic market and availability of labor as most appealing.

People's Bank of China (PBOC) Invests in Indian Government Bonds for the First Time

China's central bank invested in Indian bonds for the first time after the government eased curbs on foreign investors. The People's Bank of China is registered with the Securities and Exchange Board of India as a foreign portfolio investor and it is expected to have bought bonds worth \$500 million.

India Eases Bond Curbs for Foreigners

India relaxed curbs on foreign ownership of its debt, giving global funds more access to Asia's best-performing bond market. The limit on foreign institutional holdings of government notes will be denominated in rupees instead of dollars and the cap will be raised in phases to 5 percent of outstanding debt by March 2018. The Finance Ministry estimates current overseas ownership is about 3.8 percent, and the central bank said the increase will help attract \$18.2 billion of additional investment.

CPI & Inflation

A sequential rise in price momentum led to Sep CPI level at 4.41% YoY from 3.74% seen in Aug. The core inflation inched up to 4.34% from 4.13% seen in Aug. The gains derived so far from a favorable base wane off completely hereon and the numbers ahead are likely to mark a northward trajectory. The Sep reading was broadly in line with consensus expectations. The Aug reading witnessed a marginal upward revision to 3.74% from the provisional estimate of 3.66%. The price momentum was seen rising 0.5% MoM compared to 1% seen in Aug. The sequential uptick was largely driven by vegetables (2.9% MoM) and pulses (4.2% MoM). Pulses inflation has been stubborn for quite some time. Greater imports of pulses, higher MSP prices assigned to encourage sowing, higher pulse sowing seen upto Sep end seem to be helping contain a sharper rise. The services inflation was contained by a contraction seen in the transport segment due to lower prices of petrol and diesel. Services such as health and personal care marked an uptick. While services inflation does not indicate price pressures, food prices could play spoilt sport. We expect inflation to remain within RBI's comfort levels

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