WEEKLY YIELD

Update of Equity & Debt Market

Union Mutual Fund

January 2, 2026

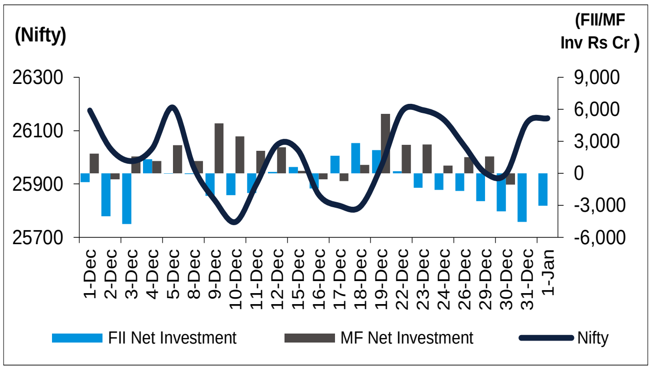
DOMESTIC EQUITY

- Indian equities ended higher in the week shortened by holidays, supported by strong auto sales, optimism around third-quarter earnings and positive global cues. However, gains were capped by persistent foreign institutional investor outflows and fresh government tax on cigarettes. The BSE Sensex and Nifty 50 rose 0.85% and 1.10%, respectively.
- Most of the major sectors ended higher with metal, power and auto gaining the most. The BSE Metal, BSE Power and BSE Auto rose 5.60%, 3.67% and 3.57%, respectively.

Broad Indices	Week change%	3 month change%	1 year change%
BSE Sensex	0.85	5.90	7.28
Nifty 50	1.10	6.01	8.85
BSE Midcap	1.75	4.88	0.95
BSE Smallcap	1.17	-1.66	-7.50
BSE Bankex	2.26	8.14	15.25
BSE CG	1.09	-1.29	-1.55
BSE FMCG	-3.48	-3.60	-7.43
BSE IT	-0.76	10.99	-16.09
BSE Healthcare	0.43	1.13	-3.48

Source: BSE, NSE

Past performance may or may not be sustained in the future.



Source: SEBI, NSE

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GLOBAL EQUITY

- United States (US) stocks declined during the week mainly due to profit booking in technology stocks and concerns over an Artificial Intelligence (AI) bubble.
- Britain's FTSE index closed higher during the week due to gains in banks and commodity-linked stocks. However, a few losses were witnessed due to weakness in precious metal miners and defence stocks.
- Asian equities closed mixed this week. Japan's Nikkei index ended lower, mainly dragged down by profit booking.
- Hong Kong's Hang Seng Index ended higher during the week boosted due to renewed optimism over China's AI sector. However, losses were witnessed due to sharper-than-expected drop in industrial profits in China and profit booking.
- China's Shanghai Composite Index closed higher this week driven by strengthening yuan and fresh Government commitments to boost domestic consumption. Additionally, artificial intelligence-fuelled rally led to further gains. However, few losses were witnessed profit booking at higher level.

DOMESTIC DEBT

Indicators	Jan 2, 2026	Previous Week	Trend
Call Rate	5.35%	4.85%	↑
3 M CP	6.65%	6.43%	↑
1 Yr CP	7.05%	7.07%	↓
3 M CD	6.23%	6.02%	↑
1 Yr CD	6.70%	6.63%	↑
5 Yr AAA	7.16%	6.95%	↑
1 Yr G-Sec*	5.67%	5.54%	↑
5 Yr G-Sec*	6.34%	6.33%	↑
10 Yr G-Sec*	6.61%	6.59%	↑
USD/INR	90.12	89.73	↓

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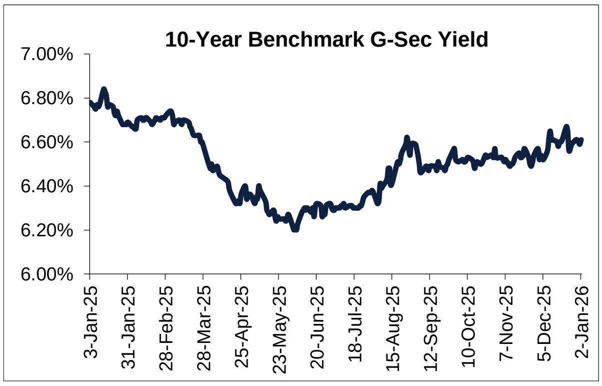
Update of Equity & Debt Market

January 2, 2026

*Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA *Weighted Average Yield.* ***Past performance may or may not be sustained in the future.***

- Government bond prices ended the week lower and the yield on the 10-year benchmark 6.48% government security (GS) 2035 paper closed at 6.61% on January 2, 2026, compared with 6.59% on December 26, 2025.
- Earlier in the week bond prices fell due to the Reserve Bank of India purchases of short-term notes and heavy upcoming state debt supply. It declined further after a weak auction revived supply concerns, with traders wary ahead of the states' January–March 2026 borrowing calendar.
- In the weekly debt sale held on January 2, 2026, the Reserve Bank of India auctioned 6.48 % GS 2035 for a total notified amount of Rs 32,000 crore.
- However, a few gains were witnessed due to improvement in system liquidity and expectations of RBI support through Open Market Operations (OMO's).



Source: CRISIL Fixed Income Database

Past performance may or may not be sustained in the future.

GLOBAL DEBT

- US Treasury prices were down during the week weighed down by the latest jobless claims data and due to minutes from the recent December, 2025 Federal Reserve (Fed) meeting.
- Bond prices declined after the new US jobless claims, the last major economic data before the New Year, came in lower than forecasts. Initial jobless claims for the week ended December 27 2025 came in at 199,000, the Labor Department reported. That's down 16,000 from the previous week's upwardly revised level of 215,000.
- The prices fell also after the Fed's minutes from its highly divisive meeting earlier this month showed a vote to lower interest rates again appeared to be a closer call. The move brought the federal funds target range down to 3.50-3.75%.
- The yield on the 10-year benchmark Treasury bond ended at 4.18% on December 31, 2025 compared with 4.14% from December 26, 2025.

DOMESTIC NEWS

- India industrial production grew 6.7% in November 2025, accelerating from the upwardly revised 0.5% in October. 2025
- The Centre's fiscal deficit reached Rs 9.76 lakh crore by the end of November 2025, 62.3% of the total budget target for the current fiscal.
- Gross Goods and Services Tax (GST) collection rose 6.1% on-year to Rs 1.74 lakh crore in December 2025 on slow growth in revenue from domestic sales following the sweeping tax cuts. In December 2024, the figure was Rs 1.64 lakh crore.
- India HSBC Manufacturing Purchasing Managers' Index (PMI) dropped to 55.0 in December 2025, compared to 56.6 in November 2025.
- In its Financial Stability Report published in December, the Reserve Bank of India (RBI) said that despite the near-term risks largely from external uncertainties, the Indian economy and its financial system have adequate buffers to withstand adverse shocks.
- The Government has imposed a three-year import tariff of 11-12% on some steel products.
- It amended the rules to streamline approvals for opening coal and lignite mines.

- It decided to keep interest rates on small savings schemes unchanged for January-March 2026, extending the status quo for another three months.
- It launched a Rs 4,531 crore market access support scheme to help exporters participate in international fairs and exhibitions.
- The Cabinet Committee on Economic Affairs approved a significant investment of Rs 20,668 crore for two major highway projects, the Nashik-Solapur-Akkalkot Corridor and the widening of National Highway-326.
- According to an RBI report, Indian banks' asset quality improved to a multi-decadal low at the end of September 2025.
- The central bank flagged structural pressures in the insurance sector, saying premium growth is being increasingly driven by high-cost distribution-led strategies of insurance companies rather than operating efficiency.
- Governor Sanjay Malhotra asked the Reserve Bank of India staff to persist with regulatory calibrations and sharpen supervision in the new year.
- As per the financial stability report, India's household debt climbed to 41.3% of gross domestic product (GDP) at the end of March 2025.
- The Securities and Exchange Board of India (SEBI) announced a set of reforms covering the issuance of duplicate securities and the basic services demat account (BSDA) framework in a move aimed at easing investor compliance and streamlining market processes.

GLOBAL NEWS

- US Pending Home Sales increased 2.60% in November 2025 compared to a -0.4% decline in the previous month.
- US Dallas Fed general business activity index for Texas manufacturing fell 0.5 points to -10.9 in December 2025 compared to -10.4 in the previous month.
- US House Price Index decreased to 1.7% in October 2025 compared to 1.8% in September 2025.
- US Chicago PMI increased to 43.50 in December 2025 compared to 36.30 in November 2025.
- US Dallas Fed Services Index declined to -3.3 in December 2025 compared to -2.3 in November 2025.
- China NBS Composite PMI Output Index edged up to 50.7 in December 2025 compared to 49.7 in November 2025.
- China official NBS Manufacturing PMI unexpectedly rose to 50.1 in December 2025 compared to 49.2 in November 2025 while the official NBS Non-Manufacturing PMI edged up to 50.2 from 49.5.
- China Total Industrial Profits edged up 0.1% to CNY 6.63 trillion in January–November 2025, easing from a 1.9% increase in the first ten months.

DAY	EVENTS
Monday, January 5, 2026	• US ISM Manufacturing PMI, December • China RatingDog Services/Composite PMI Final, December
Tuesday, January 6, 2026	• US S&P Global Composite/services PMI Final, December • Eurozone HCOB Construction/services PMI Final, December • UK S&P Global Construction/services PMI, December • India HSBC Composite/Services PMI Final December
Wednesday, January 7, 2026	• US ISM Services PMI December • US JOLTs jobs opening, November • US ADP Employment Change, December • Eurozone Inflation Rate YoY Flash December • Japan S&P Global Composite/Services PMI Final December • India Fiscal Year GDP Growth Prel 2026-25
Thursday, January 8, 2026	• US Balance of Trade, October • US Exports/ Import October • UK Halifax House Price Index, December • Eurozone PPI, November
Friday, January 9, 2026	• US Non-Farm Payrolls, December • US Unemployment Rate, December • Eurozone Retail Sales, November • China Inflation Rate, December • China PPI, December • India Foreign Exchange Reserves, January/02

Source: CRISIL

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