

WEEKLY YIELD

Update of Equity & Debt Market

May 3, 2024

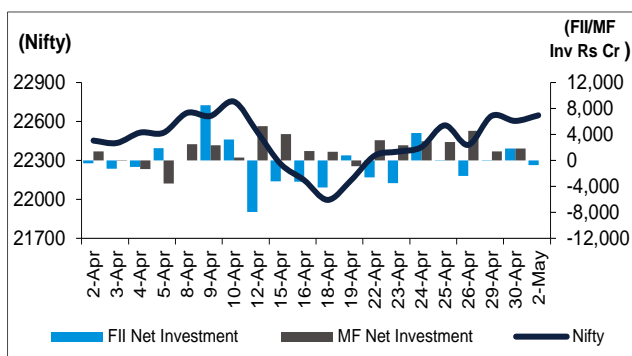


DOMESTIC EQUITY

- Indian equities ended higher this week following a record gross Goods & Services Tax (GST) collection in April 2024. S&P BSE Sensex and Nifty 50 rose 0.20% and 0.25%, respectively.
- More gains were seen after the Federal Reserve, at its policy meet, signalled a lower possibility of rate hikes in the future.
- Most sectors ended higher, with power, auto and banking gaining the most. S&P BSE Power, S&P BSE Auto and S&P BSE Bankex rose 3.33%, 2.42% and 1.47%, respectively.

Broad Indices	Week change%	3 months change%	1 year change%
S&P BSE Sensex	0.20	2.49	20.73
Nifty 50	0.25	2.85	24.25
S&P BSE Midcap	1.99	8.96	64.59
S&P BSE Smallcap	-0.10	2.93	61.85
S&P BSE Bankex	1.47	6.61	13.14
S&P BSE CG	-0.79	11.67	69.28
S&P BSE FMCG	-0.13	-1.48	13.02
S&P BSE IT	-1.51	-10.89	22.82
S&P BSE Healthcare	0.37	5.29	54.36

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks ended lower this week after the Fed kept interest rates steady citing inflationary pressures and on concerns over rising labour costs and falling consumer confidence.
- Britain's FTSE Index rose 0.40% due to strong results from two major companies, with investors also reassured by the Fed's stance on interest rates.
- Asian equities ended higher. Japan's Nikkei Index gained 0.8% on stock-specific buying. However, sentiment during the week remained weak, due to the strong yen and negative trend observed in the US markets.
- Hong Kong's Hang Seng rallied 4.7%, buoyed by optimism over China's stable growth, driven by faster-than-expected expansion in manufacturing activity.
- China's Shanghai Composite rose 0.52% in the holiday-truncated week, buoyed by real estate shares amid speculation that more stimulus measures are likely to be unveiled this week.



DOMESTIC DEBT

Indicators	May 3, 2024	Previous Week	Trend
Call Rate	6.25%	6.50%	↓
3 M CP	7.60%	7.60%	↔
1 Yr CP	7.91%	7.95%	↓
3 M CD	7.19%	7.20%	↓
1 Yr CD	7.68%	7.53%	↑
5 Yr AAA	7.62%	7.62%	↔
1 Yr G-Sec*	7.08%	7.04%	↑
5 Yr G-Sec*	7.16%	7.19%	↓
10 Yr G-Sec*	7.12%	7.20%	↓
USD/INR*	83.43	83.35	↑

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

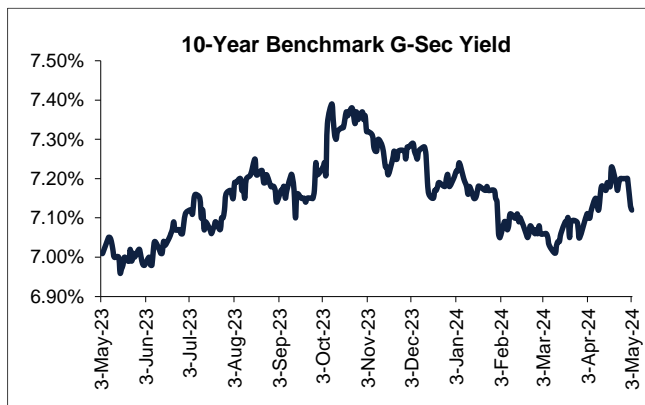
*Weighted Average Yield

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- Government bond prices ended higher in the week ended May 3, 2024. The yield on the 10-year benchmark 7.18% 2033 paper closed at 7.15% on May 3, 2024, compared with 7.19% on April 26, 2024. Meanwhile, the yield on the new 10-year benchmark 7.10% 2034 paper closed at 7.11% on May 3, 2024.
- Bond prices rose due to a fall in US Treasury yields after the US Fed kept its rates unchanged in its latest policy meeting.
- In the debt sale held on May 3, 2024, the RBI auctioned 7.33% GS (Government Security) 2026, 7.23% GS 2039 and 7.34% GS 2064 for a total notified amount of Rs 28,000 crore.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices rose this week after the Fed kept policy rates unchanged in its latest policy meeting.
- The Fed kept the target range for the federal funds rate unchanged at 5.25-5.50% for the sixth consecutive time during its May meeting.
- Yield declined further after policymakers noted that they do not expect to cut rate anytime soon until they have gained greater confidence that inflation is moving sustainably towards its 2% target.
- Earlier in the week, yields witnessed some buying after the data showed labour costs increased more than expected in the first quarter.

- The yield on the 10-year benchmark Treasury bond ended lower at 4.59% on May 2, 2024, compared with 4.66% on April 26, 2024.



DOMESTIC NEWS

- India's core sector growth slows to 5.2% on year in March 2024 compared with upward revision of 7.1% in February 2024.
- India HSBC manufacturing Purchasing Managers' Index moderated to 58.8 in April 2024 from a 16-year high of 59.1 in March 2024.
- Government gross Goods and Services Tax (GST) collection crossed the Rs 2 lakh crore mark, reaching a record Rs 2.1 lakh crore in April 2024, up 12.4% on year.
- International Monetary Fund said that Indian economy is likely to expand 6.8% in the current fiscal as public investment remains the primary growth driver.
- Organisation for Economic Co-operation and Development, revised India's Fiscal Year 2024-25 (FY25) growth forecast upward to 6.6% from 6.2% projected earlier.
- The Reserve Bank of India (RBI) said the limits for Foreign Portfolio Investment (FPI) investment in government securities, state development loans and corporate bonds will remain unchanged at 6%, 2% and 15%, respectively, of outstanding stocks of securities for the current fiscal.
- RBI's report showed that India's services exports declined 1.3% in March to \$30 billion while imports fell by 2.1% to \$16.61 billion.
- RBI working paper highlighted that the equity markets are impacted more by the expectations of future monetary policy than the policy rate surprises on the day of announcement of the policy by the central bank.
- National Council of Applied Economic Research's (NCAER's) April 2024 Monthly Economic Review (MER) emphasizes the Indian economy's robust

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performance, citing a 16-year high in the Purchasing Manager's Index (PMI) for manufacturing and record Unified Payments Interface (UPI) transactions.

- Government revised Windfall tax on domestically produced crude oil to Rs 8,400 per tonne, down from Rs 9,600 per tonne and the export duty on petrol diesel and aviation turbine fuel (ATF) will continue to be nil.
- Reserve Bank of India (RBI) directed regulated entities to review their lending practices in line with fair practice code.
- RBI proposed a revised regulatory framework for Electronic Trading Platforms (ETPs).
- The Reserve Bank of India (RBI) said 97.76% of the Rs 2000 denomination banknotes have returned to the banking system, and only Rs 7,961 crore worth of the withdrawn notes are still with the public.
- RBI issued frequently asked questions (FAQs) on guidelines for default loss guarantee (DLG) in digital lending.
- Securities and Exchange Board of India (SEBI) announced the framework for administration and supervision of research analysts (RAs) and investment advisers (IAs) by the proposed new supervisory bodies.
- SEBI declared a list of changes to private placement memorandums that AIFs can report directly.



GLOBAL NEWS

- The Federal Reserve kept the target range for the federal funds rate unchanged at 5.25%-5.50% during its May 2024 meeting for the sixth consecutive time.
- US economy added 175,000 jobs in April 2024, a deceleration compared to the upwardly revised 315,000 jobs added in March 2024. While unemployment rate edged up to 3.9% from 3.8%.
- The US personal consumption expenditure (PCE) Price Index increased to 2.70% on year in March 2024 from 2.50% in February 2024. On monthly basis, the index remained unchanged at 0.3%.
- The US core PCE price index was unchanged at 2.8%, while on monthly basis also the index remained unchanged at 0.3%.
- The US personal income rose by 0.5% on month in March 2024, accelerating from a 0.3% rise in February 2024, while personal spending was unchanged at 0.8%.
- US Automatic Data Processing (ADP) Employment Change added 192,000 workers to their payrolls in April 2024, following 208,000 in March 2024
- US JOLTs Job Openings declined to 8.488 million in March 2024, from 8.813 million in February 2024.
- The Eurozone's Gross Domestic Product (GDP) expanded by 0.4% from the corresponding quarter of the previous year and gaining traction following two quarters of 0.1% growth.
- Eurozone annual inflation rate came at 2.4% in April 2024, unchanged from March 2024, while annual core inflation rate fell to 2.7%, from 2.9%.
- Eurozone consumer confidence indicator rose to -14.7 on month in April 2024 from -14.9 in March 2024.
- Eurozone consumer inflation expectations fell to 11.6 in April 2024, the lowest this year, following the 12.3 recorded in the earlier month.
- China Caixin General Manufacturing PMI increased to 51.4 in April 2024 compared to 51.1 in the previous month.
- Japan's unemployment rate was unchanged at 2.6% in March 2024, the same pace as in the prior month.
- Japan Retail sales rose 1.2% in March 2024 compared to upward revision of 4.7% gain in February 2024.
- Japan Industrial Production decreased 6.7% on year in March 2024, compared to fall of 3.9% in April 2024.
- Japan Jibun Bank Manufacturing PMI came at 49.6 in April 2024, up from 48.2 in March 2024.

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DAY	EVENTS
Monday, May 6, 2024	<ul style="list-style-type: none"> • Eurozone HCOB Composite/Services PMI, April • Eurozone PPI, March • China Caixin Services/Composite PMI, April • India HSBC Composite/Services PMI, April
Tuesday, May 7, 2024	<ul style="list-style-type: none"> • Eurozone Retail Sales, April • Eurozone Consumer Inflation Expectations, March • Eurozone HCOB Construction PMI, April • UK S&P Global Construction PMI April • UK Halifax House Price Index, April • Japan Jibun Bank Services/Composite PMI, April
Wednesday, May 8, 2024	<ul style="list-style-type: none"> • US Wholesale Inventories, March
Thursday, May 9, 2024	<ul style="list-style-type: none"> • US Initial Jobless Claims, May 04 • UK Bank of England Interest Rate Decision • UK RICS House Price Balance, April • China Trade Balance, April • Japan household spending, March • Japan PPI, March
Friday, May 10, 2024	<ul style="list-style-type: none"> • UK GDP, March • UK GDP Growth Rate QoQ Prel, Q1 • UK Industrial/Manufacturing Production, March • Japan Coincident/ Leading Economic Index Prel, March • India Industrial/manufacturing Production, March • India Foreign Exchange Reserves May 03

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Source: CRISIL

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