

WEEKLY YIELD

Update of Equity & Debt Market

July 3, 2026



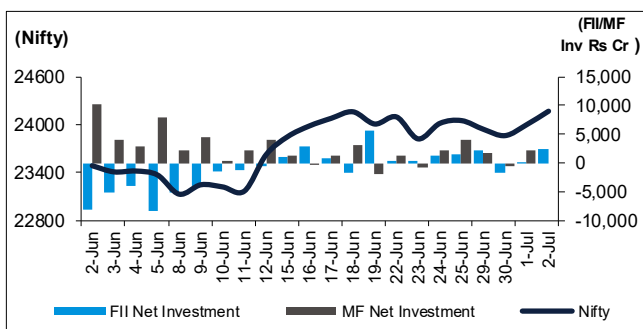
DOMESTIC EQUITY

- Indian equities ended the week higher, driven by positive global cues, softer crude oil prices and growing expectations of a more accommodative global interest-rate environment. Sentiment was further supported by optimism surrounding a potential US–India trade agreement.
- However, the gains were capped by mid-week profit booking. The BSE Sensex and the Nifty 50 advanced 0.86% and 0.89%, respectively.
- Sectoral performance was largely positive during the week. Realty, healthcare and consumer durables stocks outperformed, supported by a favourable interest-rate outlook that improved demand expectations. The BSE Realty, BSE Healthcare and BSE Consumer Durables indices gained 7.81%, 3.14% and 2.24%, respectively.

| Broad Indices | Week change% | 3 month change% | 1 year change% |
|----------------|--------------|-----------------|----------------|
| BSE Sensex | 0.86 | 6.06 | -6.58 |
| Nifty 50 | 0.89 | 6.86 | -4.47 |
| BSE Midcap | 0.80 | 15.57 | 2.44 |
| BSE Smallcap | 1.51 | 25.15 | 3.08 |
| BSE Bankex | -0.23 | 12.83 | 3.26 |
| BSE CG | -2.71 | 18.66 | 9.17 |
| BSE FMCG | 1.56 | 9.02 | -7.40 |
| BSE IT | 0.30 | -8.73 | -29.77 |
| BSE Healthcare | 3.14 | 21.07 | 12.29 |

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 ended higher during this week, as resilient growth expectations and softer labour data in June 2026 strengthened risk appetite and eased fears of a rate cut.
- Britain's FTSE index ended the week higher, supported by improving risk sentiment as softer US labour data boosted expectations of a less restrictive rate environment. Defence and financial stocks benefited from optimism over a ceasefire in West Asia, driving a broad-based rally.
- Japan's Nikkei ended higher this week as weak US nonfarm payroll data eased fears of a Federal Reserve (Fed) rate hike. Improved services activity in June 2026 and strengthening of export-oriented sectors, due to weakness in the yen, also contributed to the rise.
- China's Shanghai Composite closed higher due to strong factory activity in June, resilient demand for high-tech exports and policy support for high-quality development.
- Hong Kong equities ended the week higher, supported by gains in consumer and healthcare stocks. Expectations of a supportive monetary policy backdrop improved investor sentiment.



DOMESTIC DEBT

| Indicators | July 3, 2026 | Previous Week | Trend |
|--------------|--------------|---------------|-------|
| Call Rate | 5.28% | 5.40% | ↓ |
| 3 M CP | 6.65% | 6.85% | ↓ |
| 3 M CD | 6.21% | 6.55% | ↓ |
| 1 Yr CD | 6.95% | 7.20% | ↓ |
| 1 Yr CP | 7.40% | 7.52% | ↓ |
| 1 Yr G-Sec* | 5.72% | 5.69% | ↑ |
| 5 Yr AAA | 7.26% | 7.35% | ↓ |
| 5 Yr G-Sec* | 6.41% | 6.42% | ↓ |
| 10 Yr G-Sec* | 6.71% | 6.79% | ↓ |
| USD/INR | 95.24 | 94.48 | ↓ |

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA
*Weighted Average Yield

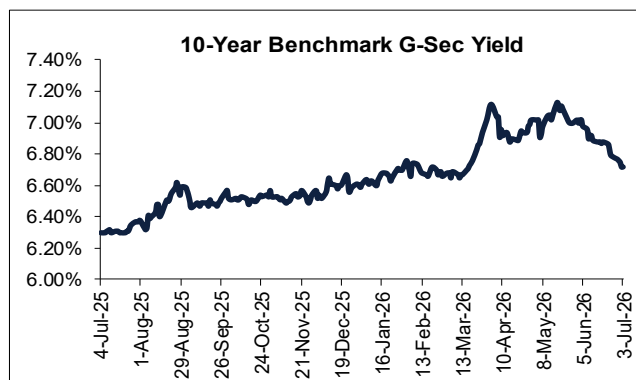
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- The yield on the 10-year benchmark 6.94% GS 2036 paper slid to 6.71% on July 3, 2026, vs 6.79% on June 25, 2026, supported by improving domestic liquidity conditions, easing crude oil prices and sustained foreign demand for the government bonds.
- During the week, bond yields declined as easing short-term funding costs, because of the Reserve Bank of India liquidity-enhancing measures, increased demand for government securities. Lower crude oil prices helped ease concerns over imported inflation, while continued foreign portfolio inflows, aided by expectations of India's inclusion in the Bloomberg Global Aggregate Bond Index, further supported the bond market.
- Although the sharp rise in US Treasury yields, following the stronger-than-expected June 2026 US nonfarm payrolls data, capped further gains towards the end of the week, domestic factors kept the benchmark yield lower on a weekly basis.
- Investors will closely monitor the Government of India's weekly G-sec auction and the minutes of the US Federal Reserve (Fed)'s June 2026 policy meeting to understand the direction of interest rates. Movements in US Treasury yields, crude oil prices and the rupee will also remain key drivers of the Indian debt market.



Source: CRISIL Fixed Income Database

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GLOBAL DEBT

- US 10-year treasury yields rose during the week as investors reassessed the outlook for the Fed's policy amid a series of economic releases that pointed to the resilience of the US economy.
- During the week, yields were initially supported by easing geopolitical tensions in West Asia and the softer-than-expected May 2026 Personal Consumption Expenditures inflation data, which reinforced expectations of moderating inflation.
- However, yields rose after the stronger-than-expected June 2026 ISM Manufacturing PMI indicated continued economic resilience. Fed officials reiterated a cautious approach towards policy easing. Towards the end of the week, the June nonfarm payrolls report and a decline in the month's unemployment rate prompted investors to pare expectations of a rate cut by the Fed in the near term, pushing yields higher.
- The benchmark US 10-year Treasury yield rose to 4.49% on July 2, 2026, from 4.38% on June 26, 2026.



DOMESTIC NEWS

- The HSBC India Services Purchasing Managers' Index (PMI) slid to 57.4 in June 2026 from 58.9 in May 2026, the composite PMI declined to 57.4 from 59.3 and the manufacturing PMI edged lower to 54.2 from 55.0.
- India's goods and services tax (GST) collections rose to Rs 1,94,812 crore in June compared with Rs 1,94,184 crore in May 2026, driven by higher imports and strong economic activity.
- The country's industrial production grew 5.1% in May 2026 vs 4.9% in April 2026.
- India's fiscal deficit widened to Rs 1.6 lakh crores in April-May 2026 from Rs 0.1 lakh crores a year earlier. The deficit reached 9.6% of the full-year target, compared with 0.8% in the year-ago period.

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- The government has launched the FCRA 2.0 portal and e-OCI (e-overseas citizen of India) card services to improve ease of compliance and service delivery for foreign-funded entities and overseas citizens.
- The Reserve Bank of India (RBI) has from July 1 introduced stricter norms on banks' exposure to real estate and capital markets, including limits on third-party collateral usage and explicit lending caps, to enhance financial stability and reduce systemic risks.
- The new Reserve Bank of India norms for stockbrokers and proprietary trading mandate full collateral and restricting leverage, which could impact liquidity and trading volumes in derivatives markets.
- Reserve Bank of India proposed a series of measures aimed at improving liquidity and participation in the term money market, while also seeking to streamline rules governing secondary market transactions in government securities.
- Securities and Exchange Board of India (SEBI) has proposed significant governance reforms for alternative investment funds (AIFs), aiming to standardize investor consent, strengthen oversight of conflict-of-interest transactions, and introduce a uniform 75% approval threshold for key decisions, thereby enhancing transparency, consistency, and investor protection.
- Securities and Exchange Board of India has formed an expert panel to review the debenture trustee framework and strengthen investor protection while improving market efficiency.
- US Dallas Fed Manufacturing Index was flat at 0 in June 2026, compared to 0.4 in May 2026. US Dallas Fed Services Index rose to 2.9 in June 2026 compared to a 7.7 drop in May 2026.
- US ISM Manufacturing PMI decreased to 53.3 in June 2026 compared to 54.0 in May 2026.
- US House Price Index increased to 2.0% in April 2026 compared to 1.8% in March 2026.
- Eurozone S&P Global Manufacturing PMI eased to 51.4 in June 2026 compared to 51.6 in May 2026.
- Eurozone consumer price inflation dropped to 2.8% in June 2026, compared to 3.2% in May 2026 while the core consumer inflation rate dropped to 2.4% in June of 2026 from 2.6%.
- Eurozone Economic Sentiment Indicator rose to 95.0 in June 2026 compared to 93.7 in May 2026 while the industrial confidence indicator eased to -7.7 from -7.9 and the services sentiment edged up to 3.2 from 2.6.
- UK S&P Global Manufacturing PMI declined to 52.5 in June 2026 compared to 53.9 in May 2026.
- The British economy grew 0.9% year-on-year in quarter one (Q1) 2026, matching the pace recorded in the previous quarter.
- China RatingDog Manufacturing PMI inched down to 51.7 in June 2026 compared to 51.8 in May 2026.
- China RatingDog Services PMI declined to 54.1 in June 2026 from May 2026 three-month high of 54.4 while Composite PMI eased to 53.6 from 54.
- China NBS General PMI inched up to 50.6 in June 2026 compared to 50.5 in May 2026.
- China official NBS Manufacturing PMI increased to 50.3 in June 2026 compared to 50.0 in May 2026 while the official NBS Non-Manufacturing PMI rose to 50.2 from 50.1.
- Japan Industrial Production decreased 1.7% in May 2026 compared to a 2% rise in April 2026.
- Japan S&P Global Manufacturing PMI edged up to 54.8 in June 2026 compared to 54.5 in May 2026.



GLOBAL NEWS

- US Non-Farm Payrolls (NFP) increased 57,000 jobs added in June 2026, compared with a downwardly revised 129,000 jobs in May 2026.
- US unemployment rate declined to 4.2% in June 2026 compared to 4.3% in May 2026.

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| DAY | |
|-------------------------|--|
| Monday, July 6, 2026 | <ul style="list-style-type: none"> • US S&P Global Composite / Services PMI Final, June 2026 • US ISM Services PMI, June 2026 • Eurozone S&P Global Construction PMI, June 2026 • Eurozone PPI, May 2026 • Eurozone Retail Sales, May 2026 |
| Tuesday, July 7, 2026 | <ul style="list-style-type: none"> • US Balance of Trade, May 2026 • US Imports / Exports, May 2026 • US Consumer Inflation Expectations, June 2026 • US ADP Employment Change Weekly • UK Halifax House Price Index, June 2026 • Japan Coincident Index Prel, May 2026 • India GDP Q4, June 2026 |
| Wednesday, July 8, 2026 | <ul style="list-style-type: none"> • US FOMC Minutes • Japan Current Account, May 2026 |
| Thursday, July 9, 2026 | <ul style="list-style-type: none"> • US Initial Jobless Claims, July/04 2026 • US Existing Home Sales, May 2026 • UK RICS House Price Balance, June 2026 • China Inflation Rate, June 2026 • China PPI, June 2026 |
| Friday, July 10, 2026 | <ul style="list-style-type: none"> • Japan PPI, May 2026 • India Foreign Exchange Reserves, July/03 2026 |

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Source: CRISIL

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