

WEEKLY YIELD

Update of Equity & Debt Market

October 4, 2024

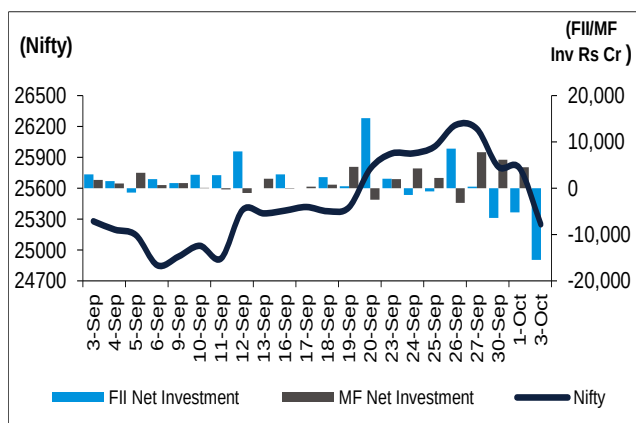


DOMESTIC EQUITY

- Indian equities closed the week sharply lower amid geopolitical tensions and tightening of F&O rules by SEBI. The BSE Sensex and the Nifty 50 ended the week 4.54% and 4.45% lower, respectively.
- Additional losses were seen on account of domestic economic indicators.
- Most sectors ended lower, with realty, auto and capital goods falling the most. BSE Realty, BSE Auto and BSE CG gave up 7.92%, 5.94% and 4.62%, respectively.

Broad Indices	Week change%	3 months change%	1 year change%
BSE Sensex	-4.54	2.05	25.24
Nifty 50	-4.45	2.93	28.70
BSE Midcap	-3.20	1.75	50.29
BSE Smallcap	-2.01	4.04	49.47
BSE Bankex	-4.51	-3.39	18.35
BSE CG	-4.62	-4.98	47.78
BSE FMCG	-3.68	11.03	23.70
BSE IT	-1.01	9.93	31.96
BSE Healthcare	-1.97	15.05	55.52

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks declined this week due to escalating geopolitical tensions in the Middle East. However, these losses were cut short after Fed Reserve Chair Jerome Powell indicated no rush for more rate cuts.
- Britain's FTSE Index closed lower due to a sharp sell-off in mining stocks and escalating tensions in the Middle East.
- Few gains were witnessed following a rally in global oil prices.
- Asian equities ended mixed—Japan's Nikkei Index declined this week as the yen strengthened sharply following the election of monetary policy results.
- Hong Kong's Hang Seng rallied 10.20% this week, going against global peers.
- The market extended its gains for a second week as investors continued to cheer China's massive economic stimulus proposals.
- China's Shanghai Composite rallied 8.06% in the holiday-truncated week after Beijing rolled out further stimulus measures to arrest a slowdown in the economy.



DOMESTIC DEBT

Indicators	Oct 04, 2024	Previous Week	Trend
Call Rate	6.25%	6.50%	↓
3 M CP	7.60%	7.56%	↑
1 Yr CP	7.80%	7.90%	↓
3 M CD	7.20%	7.24%	↓
1 Yr CD	7.58%	7.62%	↓
5 Yr AAA	7.33%	7.33%	↔
1 Yr G-Sec*	6.59%	6.67%	↓
5 Yr G-Sec*	6.74%	6.67%	↑
10 Yr G-Sec*	6.83%	6.76%	↑
USD/INR*	83.97	83.70	↓

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

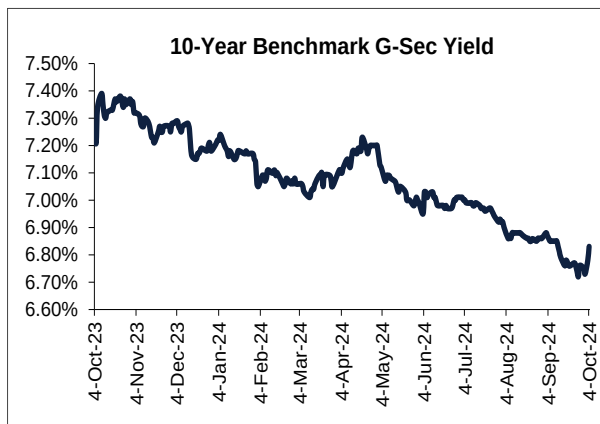
*Weighted Average Yield

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- Government bond prices ended lower in the week ended October 04, 2024. The yield on the 10-year benchmark 7.10% GS (Government Security) 2034 paper closed at 6.83% on October 04, 2024, compared with 6.76% on September 27, 2024.
- Bond prices declined due to a spike in US treasury yields as stable labour market data boosted hopes of slower Fed rate cuts.
- Further gains in yields were cut short by safe haven demand for bonds following escalating geopolitical tensions.
- At the debt sale held on October 04, 2024, the RBI auctioned 7.02% GS 2027, New GS 2034 and 7.46% GS 2073 for a total notified amount of Rs 39,000 crore.



Source: CRISIL Fixed Income Database

claims numbers, boosted hopes the central bank may vote for a smaller rate cut at its November meeting.

- The yield on the 10-year benchmark Treasury bond ended higher at 3.85% on October 04, 2024 compared with 3.75% on September 27, 2024.



DOMESTIC NEWS

- The output of India's eight core sectors contracted 1.8% on-year in August 2024, compared with a 6.1% growth in July 2024.
- The HSBC India Manufacturing Purchasing Managers' Index (PMI) fell to 56.5 in September 2024 compared with 57.5 in August 2024.
- Retail inflation for industrial workers inched up to 2.44% in August 2024 as against 2.15% in July 2024.
- Goods and Services Tax (GST) collection grew 6.5% to Rs 1.73 lakh crore in September 2024.
- Current account deficit grew marginally to \$9.7 billion (1.1% of the GDP) in Q1 FY 2024-25 from \$8.9 billion (1.0% of the GDP) in Q1 FY 2023-24. This was against a surplus of \$4.6 billion (0.5% of the GDP) in Q4 FY2023-24.
- India's fiscal deficit for the first five months of Fiscal Year (FY 2024-25) through August 2024 stood at Rs 4.35 lakh crore, or 27% of annual estimates, as per government data.
- The Cabinet approved a productivity-linked bonus of Rs 2,029 crore for railway employees.
- The Cabinet approved Phase II of the Chennai Metro Rail Project, which will consist of three corridors featuring 128 stations along 118.9 km of new lines.
- The Centre has released draft guidelines for tariff migration, allowing concessionaires to switch to a market-based tariff regime.



GLOBAL DEBT

- US Treasuries declined during the week following hawkish comments from key Federal Reserve policymakers and upbeat economic data.
- Bond prices declined earlier this week after Federal Reserve Chair Jerome Powell said rate cuts may lie ahead, but the central bank is not on a predetermined path.
- Yields rose further during the week after upbeat Automatic Data Processing (ADP) employment data, coupled with strong services and initial jobless

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- The Government has notified changes to the GST law, allowing authorities to waive some interest and penalties on past tax demands.
- The Reserve Bank of India's (RBI's) Committee on MIBOR Benchmark has suggested that Financial Benchmarks India Limited develop and publish a benchmark based on the secured money market, referred to as the Secured Overnight Rupee Rate.
- Securities and Exchange Board of India (SEBI) has approved an increase in the number of scrips eligible for trading to the top 500 under the T+0 settlement cycle.
- SEBI has tightened rules for equity derivatives trading by raising the entry barrier and making it more costly to trade in the asset class, despite a pushback from investors.
- SEBI will impose an additional extreme loss margin (ELM) of 2% for short options contracts, effective November 20, 2024.
- SEBI has instructed stock exchanges to monitor position limits for equity index derivatives on an intraday basis.
- SEBI has approved a new asset class, allowing high-net-worth investors to invest in riskier regulated products.
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- The lowest since February 2021, compared to 2.5% in July 2024 while core PCE price index edged higher to 2.7% from 2.6%.
- US added 143,000 workers to their payrolls in September 2024, the most in three months, following an upwardly revised 103,000 in August 2024.
- US ISM Manufacturing PMI was at 47.2 in September 2024, the same as in August 2024 while services PMI soared to 54.9, from 51.5.
- US S&P Global US Composite PMI was revised lower to 54 in September 2024, compared to 54.6 in August 2024, while Services PMI was revised lower to 55.2 in September 2024, slightly down from 55.7 in August 2024.
- Eurozone annual flash inflation rate eased to 1.8% in September 2024 compared to 2.2% in August 2024, while the core flash inflation to 2.7% from 2.8%.
- Eurozone HCOB Eurozone Manufacturing PMI edged down to 45 in September 2024 compared to 45.8 in the previous two months.
- Eurozone Consumer Inflation Expectations fell to 10.9 in September 2024 from 11.3 in the previous month.
- UK S&P Global Services PMI decreased to 52.4 in September 2024 from 53.7 in August 2024 while S&P Global Composite PMI fell to 52.6 from 53.8 while Manufacturing PMI fell to 51.5 compared to 52.5.
- UK Nationwide House Price Index rose by 3.2% on year in September 2024, accelerating from a 2.4% increase in August 2024.
- China's central bank lowered borrowing costs of the Standing Lending Facility (SLF) by 20 basis points across all tenors. Accordingly, it trimmed the overnight rate to 2.35%, and the seven-day and one-month rates were lowered to 2.50% and 2.85%, respectively.



GLOBAL NEWS

- The US economy added 254,000 jobs in September 2024 much higher than an upwardly revised 159,000 in August 2024 while unemployment rate fell to 4.1%, the lowest in three months, down from 4.2%.
- UK economy expanded 0.7% on year in the Q2 of 2024, revised lower from 0.9% in the first estimate, but remaining the highest growth rate since Q3 2022 while it expanded 0.5% on quarter in Q2 2024 below 0.6% in the first estimate and 0.7% in Q1 2024.
- US Personal Consumption Expenditures (PCE) price index increased 2.2% on year in August 2024,

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DAY	EVENTS
Monday, Oct 7, 2024	• Eurozone Retail Sales, August • UK Halifax House Price Index, September • Japan Coincident index Pre, August • Japan Leading Economic Index Prel, August
Tuesday, Oct 8, 2024	• US NFIB Business Optimism Index, September • US Balance of Trade, August • US Imports/Exports, August • Japan Household spending, August
Wednesday, Oct 9, 2024	• US FOMC Minutes • India RBI Interest Rate Decision
Thursday, Oct 10, 2024	• US Inflation, September • US CPI, September • US Initial Jobless Claims, October 05 • Japan Ecowatcher Survey current, September • Japan PPI, September
Friday, Oct 11, 2024	• US PPI/Core PPI, September • US Michigan Consumer Sentiment Prel, October • UK GDP, August • UK Industrial/Manufacturing Production, August • UK Balance of trade, August • UK Construction Output August • India Industrial/manufacturing Production, August • India Foreign Exchange Reserves, October 04

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Source: CRISIL

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