

WEEKLY YIELD

Update of Equity & Debt Market

July 05, 2024

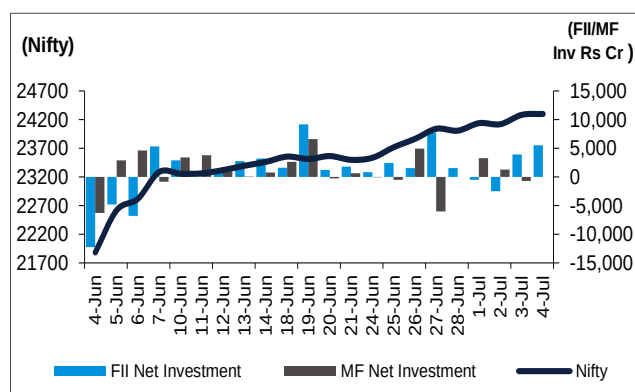


DOMESTIC EQUITY

- Indian equity ended higher for the fifth consecutive week on positive cues amid hopes of rate cuts by the US Federal Reserve (Fed). BSE Sensex and Nifty 50 rose 1.22% and 1.30%, respectively.
- Almost all sectors ended higher with information technology (IT), capital goods (CG) and healthcare gaining the most. BSE IT, BSE CG and BSE healthcare rose 4.15%, 3.88% and 3.06%, respectively.

Broad Indices	Week change%	3 months change%	1 year change%
BSE Sensex	1.22	7.74	22.23
Nifty 50	1.30	8.04	25.39
BSE Midcap	2.77	16.18	63.61
BSE Smallcap	3.88	17.64	64.08
BSE Bankex	1.16	10.52	18.50
BSE CG	3.88	20.27	84.51
BSE FMCG	1.84	7.75	8.66
BSE IT	4.15	6.71	27.87
BSE Healthcare	3.06	7.60	47.94

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks closed higher this week amid hope of rate cuts by the Fed Chair after data pointed to softening of labour market.
- More gains were seen after Fed Chair Jerome Powell acknowledged the progress on inflation and rally in technology shares.
- Britain's FTSE Index rose 0.94%, buoyed by mining stocks, hopes of rate cuts by the Fed and favorable UK parliamentary polls results.
- Asian equities ended mostly lower. Japan's Nikkei Index advanced 3.36%, led by gains in automaker, banking and technology stocks.
- Hong Kong's Hang Seng Index ended higher as positive Chinese manufacturing data eased concerns about the country's economic outlook and weak US data and dovish Fed comments raised expectations of a rate cut by the US central bank.
- China's Shanghai Composite ended lower after weak service sector data raised concerns over the domestic recovery and awaited signals of stimulus in the upcoming policy meetings.



DOMESTIC DEBT

Indicators	Jul 05, 2024	Previous Week	Trend
Call Rate	6.05%	6.25%	↓
3 M CP	7.78%	7.80%	↓
1 Yr CP	7.95%	7.95%	↔
3 M CD	7.12%	7.15%	↓
1 Yr CD	7.62%	7.62%	↔
5 Yr AAA	7.55%	7.55%	↔
1 Yr G-Sec*	6.93%	6.94%	↓
5 Yr G-Sec*	6.99%	7.02%	↓
10 Yr G-Sec*	6.99%	7.01%	↓
USD/INR*	83.48	83.38	↑

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

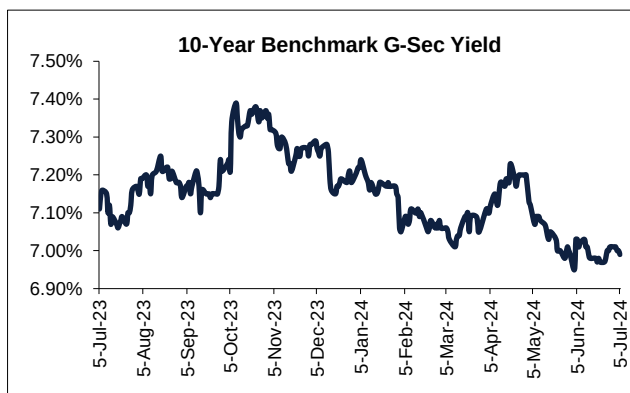
*Weighted Average Yield

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- Government bond prices rose in the week ended July 05, 2024. The yield of the 10-year benchmark 7.10% 2034 paper closed lower at 6.99% on July 05, 2024, compared with 7.01% on June 28, 2024.
- Bond prices rose, due to a fall in the US Treasury yield as weak economic data raised growth concerns.
- Meanwhile, traders awaited key US nonfarm payrolls data for further cues over the Fed's interest rate stance.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices were flat on a holiday truncated week as investors remained worried over the interest rate stance of the Federal Reserve.
- Bond prices gained after the US Personal Consumption Expenditures (PCE) Price Index data were in line with expectations.
- The yields also dipped after growing signs of weakness in manufacturing and the jobs market suggested the US economy was slowing.
- The bond prices came under pressure after the central bank officials raised doubts over easing inflationary pressures.
- Fed Chair, Jerome Powell, said that inflation in the US was slowing again after higher readings earlier

this year, adding that more such evidence would be needed before the Fed would cut interest rates.

- The Federal Reserve Bank of New York President, John Williams, said that the level of interest rates that is neutral in its impact on the economy likely has not risen much.
- The yield on the 10-year benchmark Treasury bond ended flat at 4.36% on July 03, 2024.



DOMESTIC NEWS

- India's HSBC Manufacturing Purchasing Managers' Index (PMI) rose to 58.3 in June 2024 from 57.5 in May 2024, while the services PMI rose to 60.5 from 60.2. Composite PMI rose to 60.9 from 60.5.
- The World Bank approved a \$1.5 billion loan to help India accelerate the development of low-carbon energy by promoting a market for green hydrogen as well as electrolyzers and renewable energy.
- The Government has set up a 26-member Committee to decide the base year for Gross Domestic Product (GDP), which will also advise on the compilation and presentation of national accounts.
- The Government kept interest rates on small savings schemes unchanged for the second quarter of fiscal 2025, starting July 01, 2024, making it the second time in seven quarters that rates on the instruments have not been increased.
- The Reserve Bank of India (RBI) stated that the State Governments and Union Territories will raise funds worth Rs 2.64 lakh crore through bond sales in July-September 2024, while the Centre aims to raise Rs 2.60 lakh crore through the sale of Treasury Bills in the second quarter.
- The RBI proposed rationalising regulations that cover export and import transactions with an aim to promote ease of doing business and empower banks to provide more efficient services to their foreign exchange customers.

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- The RBI has asked banks to find ways to bridge the gap between credit and deposit growth and reduce credit-deposit ratio, raising concerns over the persistent higher credit growth than deposit mobilisation, which could pose a risk to business sustainability.
- The Securities and Exchange Board of India (SEBI) has instructed Market Infrastructure Institutions (MIIs), including stock exchanges, to charge all their members uniformly from October 01, 2024 without any discounts based on trading volumes.
- SEBI notified that value of securities held in the demat account shall not exceed Rs 10 lakh for debt and other than debt securities combined at any point of time.
- SEBI has notified an institutional mechanism that requires stockbrokers to put in place systems for detection and prevention of market abuse.
- SEBI drastically cut the face value of debt securities to Rs 10,000 from Rs 1 lakh to boost participation of retail investors in the corporate bond market.
- SEBI mandated email as a default mode of dispatch of Consolidated Account Statement (CAS), which provides an account of securities traded by an investor by depositories and Mutual Fund-Registrar and Transfer Agents.
- SEBI issued new guidelines to streamline operations and enhance the ease of doing business for credit rating agencies.
- US Job Openings rose to 8.140 million in May 2024, followed by a downwardly revised 7.919 million in April 2024.
- US Automatic Data Processing (ADP) Employment Change added 150,000 workers in June 2024, downwardly revised from 157,000 in May 2024.
- US Nonfarm Payroll came at 206,000 in June 2024, compared to 218,000 in May 2024, while unemployment rate rose to 4.1% from 4%.
- US Factory orders for manufactured goods fell by 0.5% on month in May 2024, erasing the downwardly revised 0.4% increase in April 2024.
- Eurozone consumer expectations for inflation edged down to 2.8% in May 2024 compared to 2.9% in April 2024.
- Eurozone's flash annual inflation rate eased to 2.5% in June 2024 compared to 2.6% in May 2024, while flash annual core inflation rate was unchanged at 2.9%.
- China official National Bureau of Statistics (NBS) Manufacturing PMI stood at 49.5 in June 2024, unchanged from May 2024, while Non-Manufacturing PMI was down to 50.5, from 51.1 and Composite PMI Output Index dropped to 50.5 from 51.0.
- The Japanese economy contracted at an annualised rate of 2.9% in the first quarter of 2024, lower than the preliminary reading of a 1.8% fall and after a downwardly revised 0.1% growth in the previous quarter.
- Japan Jibun Bank manufacturing PMI was lower to 50.0 in June 2024, after a final 50.4 in May 2024.



GLOBAL NEWS

- US International Safety Management (ISM) Manufacturing Purchasing Manager's Index (PMI) declined to 48.5 in June 2024, from 48.7 in May 2024 while ISM Services PMI came to 48.8, compared to 53.8.

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DAY	EVENTS
Monday, Jul 08, 2024	US Consumer Inflation Expectations, June
Tuesday, Jul 09, 2024	- US Fed Chair Powell Testimony - Eurozone Consumer Inflation Expectations, May
Wednesday, Jul 10, 2024	- China Inflation Rate, June - China PPI, June - Japan PPI, June - Japan Ecowatcher Survey current, June
Thursday, Jul 11, 2024	- US Inflation, June - US CPI, June - US Monthly Budget Statement June - US Initial Jobless Claims July 06 - UK GDP, May - UK Industrial/Manufacturing Production, May
Friday, Jul 12, 2024	- US PPI, June - US Michigan Inflation Expectations Prel, July - US Michigan Consumer Expectations/Sentiment Prel, July - Japan Industrial production, May - India Inflation Rate, June - India Industrial/manufacturing Production, May - India Forex reserves, July 05

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Source: CRISIL

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