WEEKLY YIELD

Update of Equity & Debt Market

Union Mutual Fund

September 05, 2025

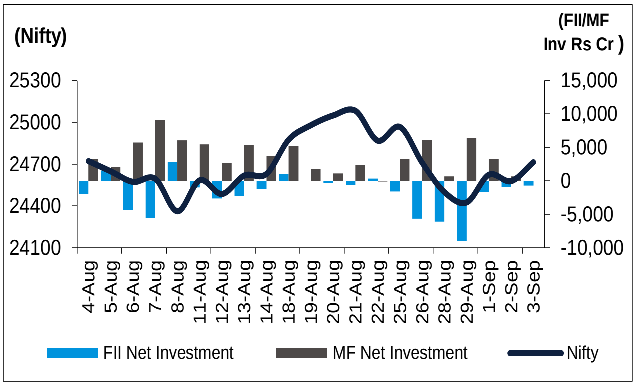
DOMESTIC EQUITY

- Indian equity closed higher this week, lifted by upbeat Gross Domestic Product (GDP) data for the first quarter and optimism around Goods and Services Tax (GST) reforms. However, there were some losses due to profit booking and foreign fund outflows. The BSE Sensex and the Nifty 50 rose 1.13% and 1.29%, respectively.
- Almost all the sectors closed higher, with metals, autos and consumer durables (CD) gaining the most. The BSE Metal, BSE Auto and BSE CD rose 5.84%, 5.22% and 2.90%, respectively.

Broad Indices	Week change%	3 month change%	1 year change%
BSE Sensex	1.13	-0.90	-1.81
Nifty 50	1.29	-0.04	-1.61
BSE Midcap	1.83	-0.48	-7.60
BSE Smallcap	2.53	-0.86	-6.67
BSE Bankex	0.79	-3.62	3.56
BSE CG	2.19	-5.85	-7.63
BSE FMCG	0.62	1.48	-10.85
BSE IT	-1.13	-7.19	-21.37
BSE Healthcare	1.45	2.80	1.52

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 closed higher this week as investors assessed the latest labour market data and focused on the non-farm payroll numbers that are expected to be released on Friday. Fed rate cut hopes led to further gains.
- Britain's FTSE index ended higher this week, boosted by banking and healthcare stocks. However, financial stocks fell amid reports that the government may impose a windfall tax on banks.
- Asian equities had a mixed performance this week. Japan's Nikkei index ended higher during this week on hopes of Fed rate cut this month.
- Hong Kong's Hang Seng Index ended higher during this week as major companies reported upbeat earnings and on optimism over Federal Reserve rate cut.
- China's Shanghai Composite Index closed lower during this week due to sell-off in technology shares.

DOMESTIC DEBT

Indicators	Sep 5, 2025	Previous Week	Trend
Call Rate	5.00%	5.45%	↓
3 M CP	6.45%	6.35%	↑
1 Yr CP	6.80%	6.74%	↑
3 M CD	5.81%	5.79%	↑
1 Yr CD	6.38%	6.36%	↑
5 Yr AAA	6.94%	6.89%	↑
1 Yr G-Sec*	5.64%	5.62%	↑
5 Yr G-Sec*	6.22%	6.35%	↓
10 Yr G-Sec*	6.46%	6.59%	↓
USD/INR*	88.32	87.85	↓

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

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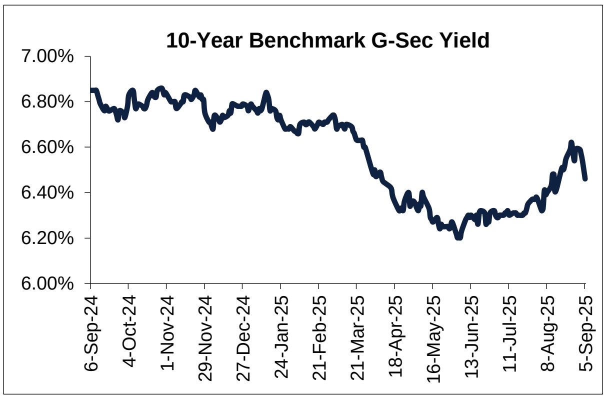
- Government bond prices were up in the week ended September 5, 2025. The yield of the 10-year benchmark 6.33% 2035 paper closed at 6.47% on September 5, 2025, against 6.54% on August 29, 2025.
- Bond prices rose amid hopes that the Reserve Bank of India may ease debt oversupply woes by reducing auction size in the second half of fiscal 2026. It rose after the GST revenue loss was estimated to be much lower than feared, easing fiscal concerns.
- In the weekly debt sale held on September 5 2025, the Reserve Bank of India auctioned 6.28% GS (Government Security) 2032 and 7.09% GS 2074 for an notified amount of Rs 25,000 crore.



Source: CRISIL Fixed Income Database

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

GLOBAL DEBT

- US Treasury prices were higher during the week due to dismal jobs data.
- Bond prices rose after the US Labor Department's closely watched Job Openings and Labor Turnover Survey showed that job openings in the country fell 176,000 to 7.18 million in July 2025 from 7.36 million in June 2025. Prices rose further after Automatic Data Processing (ADP) employment data showed that the US added 54,000 jobs in August 2025, following an upwardly revised 106,000 in July 2025.
- However, the prices fell earlier in the week after a US court ruled that most tariffs imposed by the US administration were illegal, triggering concerns that the Government may have to refund billions of dollars that have already been collected as trade duties.
- The yield on the 10-year benchmark Treasury bond closed at 4.17% on September 4, 2025, vs 4.23% on August 29, 2025.

DOMESTIC NEWS

- The Centre's fiscal deficit for the first four months of fiscal 2026 widened to 29.9% of the budget estimates (BE) or Rs 4.7 trillion vs 17.2% of the BE or Rs 2.8 trillion for April-July fiscal 2025, according to government data.
- The Hongkong and Shanghai Banking Corporation (HSBC) India Manufacturing Purchasing Managers' Index (PMI) rose to 59.3 in August 2025 from 59.1 in July 2025, the Services PMI climbed to 62.5 from 60.5 and the Composite PMI edged up to 63.2 from 61.1.
- Data from the Reserve Bank of India (RBI) showed that the current account deficit stood at $2.4 billion, or 0.2% of GDP, in the first quarter of fiscal 2026, compared with a surplus of $13.5 billion, or 1.3% of GDP, in the preceding quarter.
- The GST collection in August rose 6.5% on-year to Rs 1.86 trillion due to an increase in domestic sales.
- Crisil has maintained India's GDP forecast for fiscal 2026 at 6.5%, even as it sees downside risks emerging from the US tariffs.
- The Goods and Services Tax (GST) Council approved a major overhaul of the indirect tax regime, replacing the four-tier structure of 5%, 12%, 18% and 28% with a simplified two-rate system of

5% and 18%, and introducing a special 40% slab for select items, with effect from September 22, 2025.

- Essential food items will be tax free and various everyday food products and drinks will be taxed at 5% instead of 18%.
- Individual life and health insurance policies will become tax free.
- The government has formed a committee to address tax and export clearance issues faced by manufacturing units, amid the high tariffs imposed by the US.
- Japan Bank for International Cooperation (JBIC) and private banks plan to invest around $408 million in a bamboo-to-biofuel refinery in Assam, marking Japan's largest clean-energy investment in northeast India.
- The finance ministry has issued a notification paving the way for quick implementation of 100% foreign investment in the insurance sector, once the notification receives parliament approval.
- A Reserve Bank of India bulletin states that mutual funds (MFs) are increasingly becoming a preferred alternative to traditional bank deposits as an investment avenue, particularly among India's aspirational middle class.
- Reserve Bank of India Deputy Governor M Rajeshwar Rao emphasised that banking services, including digital platforms, are designed for public convenience and must be used responsibly.
- The Securities and Exchange Board of India (SEBI) has rolled out a comprehensive framework to monitor intraday positions in equity index derivatives in an effort to curb the risks posed by oversized exposures while preserving liquidity and orderly functioning of the market.

GLOBAL NEWS

- US Personal Consumption Expenditures (PCE) prices increased 2.6% year-on-year in July 2025, the same as in June 2025 while the core PCE price index rose by 2.9% compared to 2.8%.
- US nonfarm payrolls rose by 22,000 in August 2025, compared to an upwardly revised 79,000 in July 2025.
- US ISM manufacturing PMI increased to 48.7 in August 2025 from 48.0 in July 2025 and Services PMI rose to 52 from 50.1.
- US Job openings fell by 176,000 to 7.18 million in July 2025 compared to 7.36 million in June 2025.
- US added 54,000 jobs in August 2025, following an upwardly revised 106,000 in July 2025.
- The US trade gap widened sharply to $78.3 billion in July 2025, the highest in four months, compared to a revised $59.1 billion gap in June 2025.
- Eurozone Retail Sales in the increased 2.20% in July 2025 compared to 3.5% in June 2025.
- Eurozone Hamburg Commercial Bank (HCOB) Services PMI fell to 50.5 in August 2025, compared to 51.0 in July 2025 while the HCOB Composite PMI inched higher to 51 from 50.9.
- Eurozone Producer Prices rose 0.2% year-over-year in July 2025, compared to a 0.6% increase in June 2025.
- Eurozone annual inflation rate rose to 2.1% in August 2025, compared to 2.0% in July 2025 while the annual core inflation rate unchanged at 2.3% for the fourth consecutive time in August 2025.
- Eurozone consumer inflation expectations were unchanged at 2.6% in July 2025 from the previous month.
- Eurozone HCOB Manufacturing PMI rose to 50.7 in August 2025 compared to 49.8 July 2025.
- Eurozone unemployment rate fell to 6.2% in July 2025, compared to 6.3% in June 2025.
- UK S&P Global Manufacturing PMI fell to 47 in August 2025 compared to 48 in July 2025.
- China Caixin Manufacturing PMI rose to 50.5 in August 2025 compared to 49.5 in July 2025.

DAY	EVENTS
Monday, September 8, 2025	• US Consumer Inflation Expectations, August • China export/import, August • Japan GDP Growth Rate QoQ Final Q2
Tuesday, September 9, 2025	• US NFIB Business Optimism Index, August
Wednesday, September 10, 2025	• US PPI, August • China PPI, August • China Inflation Rate, August
Thursday, September 11, 2025	• US Inflation Rate, August • US Initial Jobless Claims, Sep/06 2025 • US CPI, August • Eurozone ECB Interest Rate Decision • Japan PPI, August
Friday, September 12, 2025	• UK GDP, July • UK Industrial Production Final, July • Japan Industrial Production Final, July • India Inflation Rate, August • India Foreign Exchange Reserves, Sep/05 2025

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Source: CRISIL

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