

WEEKLY YIELD

Update of Equity & Debt Market

February 7, 2025

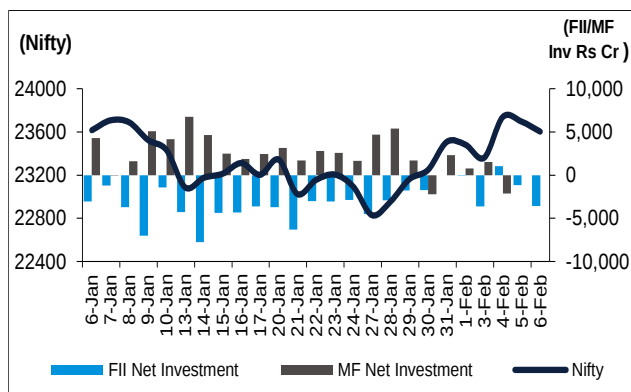


DOMESTIC EQUITY

- Indian equities closed higher this week following the United States (US) decision to suspend tariffs on Canada and Mexico, easing the global trade war. However, some losses were seen after the Reserve Bank of India (RBI) cut interest rates for the first time in five years to boost economic growth. BSE Sensex and Nifty 50 rose 0.46% and 0.22%, respectively.
- Almost all the sectors ended higher, with healthcare, auto and consumer durables gaining the most. BSE Healthcare, BSE Auto and BSE CD rose 3.22%, 2.22% and 2.08%, respectively.

Broad Indices	Week change%	3 months change%	1 year change%
BSE Sensex	0.46	-2.11	7.91
Nifty 50	0.22	-2.64	7.43
BSE Midcap	-0.11	-7.67	7.99
BSE Smallcap	0.41	-10.04	7.92
BSE Bankex	0.92	-4.16	9.37
BSE CG	-5.35	-12.89	8.46
BSE FMCG	-2.45	-6.27	1.26
BSE IT	0.66	1.16	9.49
BSE Healthcare	3.22	-2.16	23.95

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks rose this week, driven by gains in energy stocks after the Government delayed imposing tariffs on Canada and Mexico, easing trade concerns, and recovery in Artificial Intelligence (AI)-related markets.
- Britain's FTSE index rose this week, mainly due to easing US tariff concerns, and a weaker pound after the Bank of England cut rate by 25 bps to 4.5%.
- Asian equities closed mixed. Japan's Nikkei index declined this week, driven by new tariffs announced by the US on Mexico, Canada and China, fuelling global growth worries; and rising optimism over rate hike by the Bank of Japan. Moreover, a stronger yen led to further losses.
- Hong Kong's Hang Seng rose this week owing to gains from AI stocks and as investors awaited additional policy measures from Beijing.
- China's Shanghai Composite Index ended higher this week, mainly due to the strong performance of AI stocks.



DOMESTIC DEBT

Indicators	Feb 7, 2025	Previous Week	Trend
Call Rate	5.75%	6.65%	↓
3 M CP	7.67%	7.87%	↓
1 Yr CP	7.82%	7.90%	↓
3 M CD	7.41%	7.48%	↓
1 Yr CD	7.53%	7.59%	↓
5 Yr AAA	7.24%	7.20%	↑
1 Yr G-Sec*	6.55%	6.57%	↓
5 Yr G-Sec*	6.67%	6.67%	↔
10 Yr G-Sec*	6.70%	6.69%	↑
USD/INR*	87.48	86.64	↓

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

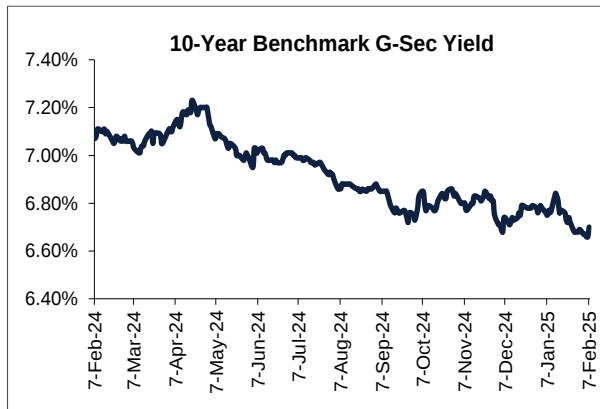
*Weighted Average Yield

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- Government bond prices ended flat in the week ended February 07, 2025. The yield on the 10-year benchmark 6.79% 2034 paper closed at 6.69% on February 07, 2025, unchanged from January 31, 2025.
- Bond prices began the week on a higher note as investors expected the RBI to implement liquidity-boosting measures and cut interest rates in nearly five years.
- The RBI's Monetary Policy Committee (MPC) voted unanimously to cut the policy repo rate by 25 bps to 6.25%.
- In the weekly debt sale held on February 07, 2025, the RBI auctioned 6.92% (government security) 2039 and 7.09% GOI 2054 for a total notified amount of Rs 22,000 crore.



Source: CRISIL Fixed Income Database

- The yield on the 10-year benchmark Treasury bond ended at 4.45% on February 06, 2025, compared with 4.58% on January 31, 2025.



DOMESTIC NEWS

- The Hong Kong and Shanghai Banking Corporation (HSBC) India Composite Purchasing Manager's Index (PMI) edged down to 57.7 in January 2025 from 59.2 in December 2024, while the HSBC Services PMI declined to 56.5 from 59.3.
- The MPC of the Reserve Bank of India (RBI) voted unanimously to cut the policy repo rate by 25 basis points (bps) to 6.25%.
- Accordingly, the standing deposit facility, marginal standing facility and bank rates changed to 6.00%, 6.50% and 6.50%, respectively. The MPC maintained a neutral stance, prioritising inflation stability while supporting growth.
- The RBI expects healthy rabi prospects and recovery in industrial activity to support economic growth next fiscal year. Considering these factors, Gross Domestic Product (GDP) growth for next year is projected at 6.7%, with Q1 at 6.7%, Q2 at 7.0%, and Q3 and Q4 at 6.5% each, aiming to balance the risks evenly.
- According to a Crisil report, India's economy is expected to grow 6.5% in fiscal 2026, slightly higher than the 6.4% growth estimated for the ongoing fiscal (2025).
- The Ministry of Finance requested expenditure proposals for the final batch of supplementary demands for grants for fiscal 2025 from various ministries.
- Finance Minister Nirmala Sitharaman addressed the RBI's central board on February 08, 2025, and highlighted the key points of the Budget FY26, including significant income tax relief to boost demand.
- The RBI's \$5 billion 6-month dollar/rupee buy-sell swap auction was oversubscribed five-fold, with the



GLOBAL DEBT

- US Treasury prices rose this week as investors sought safe-haven assets amid lingering worries over the global trade war.
- Bond prices witnessed a sharp rally after the US government announced a new batch of tariffs on China, Mexico and Canada. However, by the end of the week, these gains were curbed after the government announced it would not increase debt issuance and amid fresh signs of a solid labour market.

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central bank receiving bids totalling \$25.59 billion from 253 participants.

- The Securities and Exchange Board of India (SEBI) has extended the suspension of trading in derivative contracts for seven agricultural commodities until March 31, 2025.
- SEBI facilitated the participation of retail investors in algorithmic trading (algo trading), which aims to provide advantages of faster order execution and improved liquidity.



GLOBAL NEWS

- US added 183,000 workers to their payrolls in January 2025, higher than an upwardly revised 176,000 in December 2024.
- US non-farm payrolls added 1,43,000 jobs in January 2025, well below an upwardly revised 3,07,000 gains in December 2024.
- US PCE Price Index rose to 2.6% in December 2024 compared to 2.4% in November 2024.
- US S&P Global Manufacturing PMI rose in January 2025 to 51.2 compared to 49.4 in December 2024 while services PMI Final fell 52.9 compared to 56.8.
- US ISM Manufacturing PMI for the US rose to 50.9 in January 2025 from a downwardly revised 49.2 in December 2024 while services PMI declined to 52.8 from a downwardly revised 54.
- Eurozone retail sales rose by 1.9% year-on-year in December 2024 compared to revised 1.6% increase in November 2024.
- Eurozone HCOB Manufacturing PMI edged up to 46.6 in January 2025 compared to 45.1 in December 2024 while composite PMI rose to 50.2 compared to 49.6 and services PMI fell 51.3 from 51.6.
- Eurozone Producer Prices were unchanged in December of 2024 at 0% compared to -1.2% in November 2024.
- Eurozone flash annual inflation rate edged up to 2.5% in January 2025 from 2.4% in December 2024 while core inflation was unchanged at 2.7%.
- Eurozone Consumer Inflation Expectations increased in December 2024 compared to November 2024.
- UK S&P Global Construction PMI fell sharply to 48.1 in January 2025 compared to 53.3 in December 2024.
- Bank of England cut its Bank Rate by 25bps to 4.5% in February 2025 compared to 4.75% in January 2025.
- UK S&P Global Manufacturing PMI stood up at 48.3 in January 2025 from December's 11-month low of 47.0 while services PMI fell to 50.8 from 51.1 and composite PMI rose to 50.6 from 50.4.
- China Caixin Manufacturing PMI declined to 50.1 in January 2025 compared from 50.5 in December 2024. Services PMI declined to 51.0 compared to 52.2 and composite PMI edged down to 51.1 from 51.4.
- Japan Jibun Bank Services PMI rose to 53.0 in January 2025, compared to 50.9 in December 2024 and Jibun Bank Composite PMI edged up to 51.1 from 50.5.
- Japan Jibun Bank Manufacturing PMI fell to 48.7 in January 2025 compared to 49.6 last December 2024.
- Japan unemployment rate declined to 2.4% in December 2024 compared to 2.5% in November 2024.
- Japan retail sales increased to 3.7% in December 2024 compared to 2.8% in November 2024.

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DAY	EVENTS
Monday, Feb 10, 2025	• US Consumer Inflation Expectations, January • Japan Bank Lending , January
Tuesday, Feb 11, 2025	• US NFIB Business Optimism Index, January
Wednesday, Feb 12, 2025	• US Inflation Rate YoY, January • US CPI, January • India Industrial Production, December • India Inflation Rate, January • India Manufacturing Production, December
Thursday, Feb 13, 2025	• US PPI, January • US Initial Jobless Claims February/08 • Eurozone Industrial Production, December • UK GDP YoY, December • UK Balance of Trade, December
Friday, Feb 14, 2025	• US Export Prices , January • US Import Prices, January • US Retail Sales, January • US Industrial Production YoY, January • US Manufacturing Production YoY, January • Eurozone GDP Growth Rate QoQ 2nd Est Q4 • UK Industrial Production , December • UK Manufacturing Production , December • India WPI Inflation , January • India Balance of Trade, January • India Foreign Exchange Reserves, February 7

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Source: CRISIL

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