

WEEKLY YIELD

Update of Equity & Debt Market

October 11, 2024

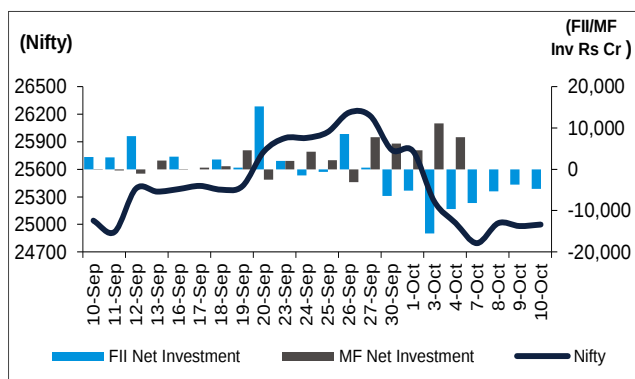


DOMESTIC EQUITY

- Indian equities ended lower this week, as China's aggressive fiscal measures raised concerns about foreign portfolio investments.
- Further fall was witnessed after the central bank revised its inflation projection higher for the third quarter of this fiscal, while maintaining the key rates in its policy meeting as well as due to disappointing quarterly earnings from a major tech firm.
- Most of the sectors ended lower, with metals, fast-moving consumer goods (FMCG) and oil and gas falling the most. BSE Metal, BSE FMCG and BSE Oil & Gas fell 1.84%, 1.73, and 1.15% respectively.

Broad Indices	Week change%	3 months change%	1 year change%
BSE Sensex	-0.38	1.86	22.43
Nifty 50	-0.20	2.67	26.01
BSE Midcap	1.11	1.73	50.31
BSE Smallcap	1.17	4.65	49.07
BSE Bankex	-0.22	-3.02	16.31
BSE CG	1.82	-5.04	49.24
BSE FMCG	-1.73	4.82	19.57
BSE IT	1.10	12.17	30.14
BSE Healthcare	2.02	15.63	57.88

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- Wall Street stocks were up driven by a stronger-than-expected jobs report which eased investor concerns about the weakening economy. However, further gains were limited due to concerns over geopolitical tensions impacting oil prices.
- Britain's FTSE Index declined due to sharp selloff in mining stocks after China held off on economic stimulus measures and escalating global uncertainty.
- Asian equities ended mostly lower. Japan's Nikkei 225 Index rose this week, mostly due to stock-specific gains. However, these gains were limited following a sharp rally in the yen amid stronger-than-expected household spending data.
- Hong Kong's Hang Seng declined due to profit booking after the Chinese government failed to deliver the expected economic stimulus.
- China's Shanghai Composite declined, as investors await further policy announcements from a finance ministry press conference scheduled on Saturday.



DOMESTIC DEBT

Indicators	Oct 11, 2024	Previous Week	Trend
Call Rate	5.85%	6.25%	↓
3 M CP	7.43%	7.60%	↓
1 Yr CP	7.80%	7.80%	↔
3 M CD	7.10%	7.20%	↓
1 Yr CD	7.46%	7.58%	↓
5 Yr AAA	7.31%	7.33%	↓
1 Yr G-Sec*	6.57%	6.59%	↓
5 Yr G-Sec*	6.69%	6.74%	↓
10 Yr G-Sec*	6.79%	6.83%	↓
USD/INR*	84.07	83.97	↓

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

*Weighted Average Yield

- Government bond prices ended higher in the week ended October 11, 2024. The yield on the 10-year benchmark 7.10% 2034 paper closed at 6.79% on

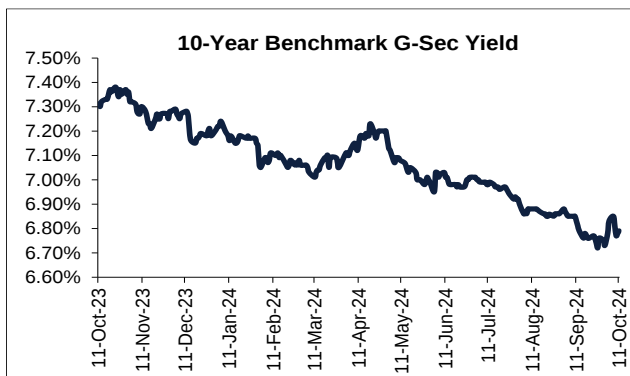
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October 11, 2024, compared with 6.83% on October 04, 2024.

- Bond prices rose following FTSE Russell's decision to include India's sovereign bonds in the Emerging Markets Government Bond Index, also supported the market sentiment.
- Further, a fall in yield reported after the RBI changed its policy stance from accommodative to neutral.
- Meanwhile, in the auction conducted by the central bank on October 10, 2024 the government repurchased Rs 24,453 crore worth of bonds through a buyback auction.
- In the debt sale held on October 11, 2024, the RBI auctioned 7.04% GS (Government Security) 2029 and 7.34% GS 2064 for a total notified amount of Rs 29,000 crore.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices fell during the week after the latest job market numbers along with inflation data trimmed Fed rate cut hopes.
- Yields rose further after the latest Federal Open Market Committee (FOMC) minutes suggested that a "substantial majority" of Fed officials at the September 2024 meeting backed 50 bps rate cut decision. The minutes emphasised that it was important to convey that the move should not be

seen as a sign of a more negative economic outlook.

- The yield on the 10-year benchmark Treasury bond ended higher at 4.09% on October 10, 2024, compared with 3.98% on October 04, 2024.



DOMESTIC NEWS

- The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) maintained the repo rate under its Liquidity Adjustment Facility (LAF) at 6.50% for the 10th consecutive time at its policy review meeting.
- The MPC also decided to adopt a 'neutral' monetary policy stance and to remain focused on achieving a durable alignment of inflation with its target while supporting growth.
- The RBI projected India's real gross domestic product to expand 7.2% in Fiscal Year (FY25) and 7.3% in Q1FY26, with overall risks considered to be evenly balanced.
- The Apex Bank maintained its Consumer Price Index (CPI) inflation projection for fiscal 2025 at 4.5%.
- India's Industrial Production slowed down to -0.10% in August 2024, compared with 4.8% rise in July 2024.
- India HSBC Services Purchasing Managers' Index (PMI) slowed down to 57.7 in September 2024 from 60.9 in August 2024, while composite PMI eased to 58.3 from 60.7.
- The World Bank raised India's economic growth forecast for fiscal 2025 to 7% on year, up from April's estimate of 6.6%, helped by a rebound in agricultural output and increased private consumption.
- India reduced the local remedies period for UAE investors from five years to three years under the new Bilateral Investment Treaty (BIT).

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- The Union Cabinet approved the development of National Maritime Heritage Complex (NMHC) in Lothal, Gujarat.
- The Cabinet gave nod to the continuation of the universal supply of Fortified Rice under all schemes of the Government, including Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) and other welfare schemes in its present form, from July 2024 to December 2028.
- The Union Cabinet has approved the construction of 2,280 km of roads in the border areas of Rajasthan and Punjab, with an investment of Rs 4,406 crore.
- The Reserve Bank of India (RBI) entered into a currency swap agreement with the Maldives Monetary Authority (MMA) under the South Asian Association for Regional Cooperation (SAARC) Currency Swap Framework for 2024-2027.
- The RBI also announced a beneficiary account name look-up facility to enable remitters in Real Time Gross Settlement (RTGS) and National Electronic Funds Transfer (NEFT) to verify the name of the beneficiary account holder before initiating funds transfer.
- The Securities and Exchange Board of India (SEBI) extended the deadline to implement guidelines mandating the direct pay-out of securities to clients' demat accounts to November 11, 2024.
- The SEBI increased the minimum contract size in index derivatives to Rs 15 lakh from the current Rs 5 lakh, making options trading costlier.
- US CPI increased to 315.30 points in September 2024 from 314.80 points in August 2024.
- US wholesale inventories rose by 0.1% on month to \$904.8 billion in August 2024, slightly below the advance estimate of a 0.2% rise and following a revised 0.2% increase in the prior month.
- Eurozone HCOB Construction PMI rose to 42.1 in September 2024 compared to 41.4 in the previous month.
- Eurozone retail sales increased 0.8% in August 2024 compared to a 0.1% decrease in July 2024.
- UK S&P Global Construction PMI soared to 57.2 in September 2024 from 53.6 in August 2024.
- UK Halifax House Price Index increased 4.7% on year in September 2024, following a 4.3% rise in August 2024.
- China's central bank said it would start accepting applications from financial institutions to join a newly created funding scheme, initially worth 500 billion yuan (\$70.62 billion), to aid the capital market.
- Japan's current account surplus increased to 3,803.6 billion yen in August 2024 from 2,293.8 billion yen in the same month a year earlier.
- Japan Producer prices increased 2.8% on-year in September 2024 compared with 2.6% growth in August 2024.
- Japan bank loans increased 2.7% on-year in September 2024 compared to a 3% gain in August 2024.
- The World Bank raised its growth forecast for South Asia to 6.4% in 2024 from an earlier estimate of 6.0%, citing the strength of domestic demand in India and quicker recoveries in crisis-hit countries such as Sri Lanka and Pakistan.



GLOBAL NEWS

- US annual inflation rate eased to 2.4% in September 2024 compared to 2.5% in August 2024 while core inflation rose marginally to 3.3% from 3.2%.
- US trade deficit narrowed to \$70.4 bn in August 2024, the lowest in five months, from an upwardly revised \$78.9 bn in July 2024.

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DAY	EVENTS
Monday, Oct 14, 2024	• US Consumer Inflation Expectations, September • India Inflation Rate, September • India WPI inflation, September
Tuesday, Oct 15, 2024	• US NY Empire State Manufacturing Index, October • Eurozone Industrial production, August • UK Unemployment Rate, August • China PBoC 1-Year MLF Announcement • India Balance of Trade, September
Wednesday, Oct 16, 2024	• UK Inflation Rate, September • UK PPI Output/Input, September • UK Retail Prices Index, September
Thursday, Oct 17, 2024	• US Retail Sales, September • US Industrial/Manufacturing production, September • US NAHB Housing Market Index, October • US Initial Jobless Claims, October 12 • Eurozone Inflation Rate, September • Eurozone CPI, September • Eurozone Balance of Trade, August • Eurozone ECB Interest Rate Decision
Friday, Oct 18, 2024	• US Building Permits, September • US Housing Starts, September • UK Retail Sales, September • China GDP Growth Rate, Q3 • China Industrial Production, September • China Unemployment Rate, September • Japan Inflation Rate, September

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Source: CRISIL

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