WEEKLY YIELD

Update of Equity & Debt Market

Union Mutual Fund

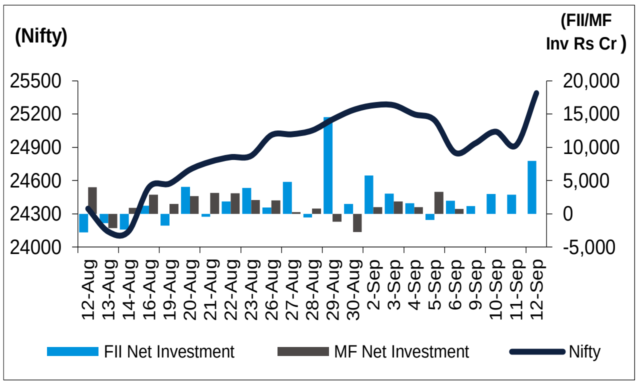
September 13, 2024

DOMESTIC EQUITY

- Indian equities ended higher this week after softer-than-expected US inflation data raised hopes for a rate cut by the Federal Reserve. The BSE Sensex and Nifty 50 rose 2.10% and 2.03%, respectively.
- Additional gains were seen after the government's decision to lower goods and services tax on select cancer drugs.
- Almost all sectors ended higher, with consumer durables (CD), bankex, and power gaining the most. The BSE CD, BSE Bankex and BSE Power rose 4.50%, 2.82% and 2.82%, respectively.

Broad Indices	Week change%	3 months change%	1 year change%
BSE Sensex	2.10	7.92	22.86
Nifty 50	2.03	8.37	26.34
BSE Midcap	1.52	8.18	53.18
BSE Smallcap	2.05	12.73	53.17
BSE Bankex	2.82	3.81	14.21
BSE CG	2.12	0.78	55.44
BSE FMCG	2.57	14.58	25.56
BSE IT	2.66	22.98	33.27
BSE Healthcare	1.94	19.68	55.83

Source: BSE, NSE



Source: SEBI, NSE

GLOBAL EQUITY

- US stocks ended higher this week, coping with last week's weak jobs data as inflation data strengthened expectations of a rate cut by the Fed.
- Gains in the technology sector also supported market sentiments.
- Britain's FTSE index closed higher after US inflation data boosted US Fed rate cut hopes and owing to rise in travel and leisure stocks. These gains were capped by a drop in healthcare and energy stocks.
- Asian equities ended lower. Japan's Nikkei Index rose, tracking the gains in global markets. However, the gains were capped as the Yen strengthened against the dollar, raising concerns of potential negative effects on Japanese equities and global assets.
- Hong Kong's Hang Seng slumped due to weak Chinese inflation data. It further declined as a drop in crude oil prices reignited concerns over global growth.
- China's Shanghai Composite declined as August inflation data raised economic worries. It further declined on escalating US-China trade tensions.

DOMESTIC DEBT

Indicators	Sep 13, 2024	Previous Week	Trend
Call Rate	6.50%	6.25%	↑
3 M CP	7.65%	7.64%	↑
1 Yr CP	7.90%	7.90%	⇔
3 M CD	7.30%	7.26%	↑
1 Yr CD	7.64%	7.66%	↓
5 Yr AAA	7.45%	7.48%	↓
1 Yr G-Sec*	6.70%	6.73%	↓
5 Yr G-Sec*	6.71%	6.75%	↓
10 Yr G-Sec*	6.79%	6.85%	↓
USD/INR*	83.89	83.94	↓

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

**Weighted Average Yield*

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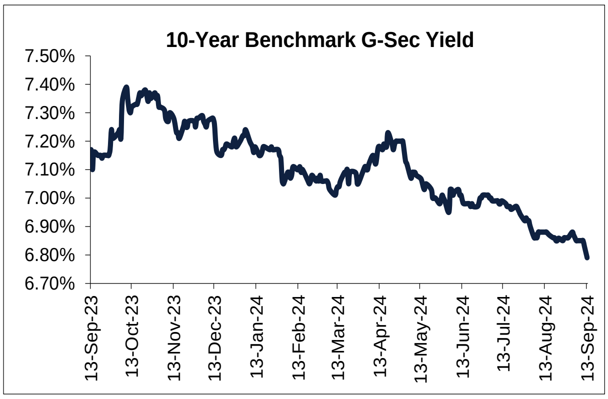
- Government bond prices were higher in the week ended September 13, 2024. The yield of the 10-year benchmark 7.10% 2034 paper closed at 6.79% on September 13, 2024, compared with 6.85% on September 06, 2024.
- Bond prices rose owing to a sharp fall in the US Treasury yield and global crude oil prices. Expectations of policy easing from China also elevated bond prices.
- Bond prices also rose on expectations of lower supply after the RBI cancelled treasury bill auctions due in September 2024, which will further boost banking system liquidity.
- In the debt sale held on September 13, 2024, the RBI auctioned 7.02% GS (Government Security) 2031 and 7.46% GS 2073 for a total notified amount of Rs 22,000 crore.



Source: *CRISIL Fixed Income Database*

GLOBAL DEBT

- US Treasury prices rose sharply during the week as a slew of upbeat economic data boosted hopes that the US Federal Reserve would cut rates in its meeting next week.
- Yield declined after the US Consumer Price Index and Producer Price Index suggested inflationary pressures are easing.
- Uncertainty around the US presidential election also elevated safe haven bond prices.
- The yield on the 10-year benchmark Treasury bond ended lower at 3.68% on September 12, 2024, compared with 3.72% on September 06, 2024.

DOMESTIC NEWS

- India's annual inflation rate increased to 3.65% in August 2024 from 3.60% in July 2024.
- India's industrial output rose to 4.8% in July 2024, compared with a 4.7% growth in the previous month, while manufacturing production increased 4.60% compared with 2.6%.
- Reserve Bank of India (RBI) Governor Shaktikanta Das has emphasised the importance of addressing the 'last mile' in disinflation, a critical step in reducing inflation further.
- India and the United Arab Emirates (UAE) signed a Memorandum of Understanding (MoU) to collaborate on the operation and maintenance of nuclear plants.
- The Union Cabinet approved the extension of the Ayushman Bharat health cover to all citizens aged 70 and above, at a cost of Rs 1.02 lakh crore.
- The Union Cabinet approved the fourth phase of the flagship rural roads programme, the Pradhan Mantri Gram Sadak Yojana, with an estimated outlay of Rs 70,125 crore spread over the next five years starting from Fiscal Year 2025 (FY25).
- The Union Cabinet approved outlay of Rs 12,461 crore to support the development of 31,350 MW hydropower projects over the next eight years.
- The Government notified a uniform marketing code for the medical devices industry to curb unethical practices.
- Finance Minister Nirmala Sitharaman said that the Union Government is implementing various schemes to encourage the growth and development of the Micro, Small and Medium Enterprises (MSME) sector.

- The Ministry of Finance modified the compounding rules for offences under the Foreign Exchange Management Act (FEMA) by raising the monetary limits for adjudications by RBI officials and allowing online payments.
- RBI Deputy Governor M Rajeshwar Rao asked the National Bank for Financing Infrastructure and Development (NaBFID) to develop a sustainable business model not dependent on government support.
- Securities and Exchange Board of India (SEBI) approved amendments to the memorandum of association of the National Stock Exchange (NSE), allowing a 10-fold increase in authorised share capital.
- SEBI allowed securities funded through cash collateral to be considered as maintenance margin for margin trading facility (MTF).
- SEBI modified the reporting timeline for entities with listed commercial papers to disclose their payment obligations within one working day of the due date.

GLOBAL NEWS

- US inflation rate slowed for a fifth consecutive month to 2.5% in August 2024, the lowest since February 2021, from 2.9% in July 2024, while core consumer price inflation rate stood at an over three-year low of 3.2%.
- US Producer Price Index (PPI) increased 1.7% on-year in August 2024, easing from a downwardly revised 2.1% gain in July 2024, while core producer inflation ticked up to 2.4% on-year in August 2024, after a downwardly revised 2.3% in July 2024.
- US consumer inflation expectations for the year ahead were unchanged at 3% in August 2024, the same as in July 2024 and June 2024.
- US National Federation of Independent Business (NFIB) Small Business Optimism Index decreased to 91.2 in August 2024, the lowest in three months, compared to 93.7 in July 2024.
- Eurozone Gross Domestic Product (GDP) expanded 0.6% year-on-year in the second quarter of 2024, compared to growth of 0.5% in the previous quarter.
- The European Central Bank (ECB) cut the deposit facility rate by 25 bps to 3.5% from 3.75% to ease monetary policy restrictions. Also, the interest rates on the main refinancing operations and the marginal lending facility were lowered to 3.65% and 3.90% from 4.25% and 4.5%, respectively.
- UK economy expanded 1.2% on year in July 2024, higher than 0.7% in June 2024.
- UK industrial production fell 1.2% on year in July 2024 compared to a 1.4% decline in June 2024 while manufacturing production decreased 1.3% from a 1.5% fall.
- UK trade deficit surged to GBP 7.51 billion in July 2024 compared to GBP 5.32 billion in June 2024.
- UK construction output declined 1.6% on-year in July 2024 from a 1.7% decline in the previous month.
- UK Halifax House Price Index increased 4.3% on year in August 2024, following an upwardly revised 2.4% rise in July 2024.
- UK unemployment rate fell to 4.1% in July 2024 compared to 4.2% in June 2024.
- China's annual inflation rate edged up to 0.6% in August 2024 from 0.5% in June 2024.
- China Trade surplus surged to $91.02 billion in July 2024 compared with $84.65 billion in June 2024 with exports rising 8.7% compared with 7% growth, while imports declined 0.5% compared with a 7.2% rise.
- The Japanese economy expanded 2.9% on year in Q2 2024 from a marginally revised 2.4% contraction in Q1 2024 while it grew by 0.7% on quarter from contraction of 0.6% in the previous quarter.

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DAY	EVENTS
Monday, Sep 16, 2024	• US NY Empire State Manufacturing Index, September • Eurozone Balance of Trade, July • India WPI inflation, August • India Balance of Trade, August
Tuesday, Sep 17, 2024	• US Industrial/Manufacturing production, August • US Retail Sales, August • US NAHB Housing Market Index, September • Eurozone ZEW Economic Sentiment Index, September
Wednesday, Sep 18, 2024	• US Fed Interest Rate Decision • US Building Permits, August • US Housing Starts, August • Eurozone Inflation Rate, August • Eurozone CPI, August • UK Inflation Rate, August • UK PPI Output/Input, August • UK Retail Prices Index, August • Japan Balance of Trade, August
Thursday, Sep 19, 2024	• US Philadelphia Fed Manufacturing Index, September • US Philly Fed CAPEX Index, September • US Existing Homes sales, August • US Initial Jobless Claims, September 14 • UK Bank of England Interest Rate Decision
Friday, Sep 20, 2024	• Eurozone Consumer Confidence Flash, September • UK GfK Consumer Confidence, September • UK Retail Sales, August • China Loan Prime Rate 1Y/5Y, September • Japan Inflation Rate, August • Japan Bank of Japan Interest Rate Decision • India Foreign Exchange Reserves, September 13

Source: CRISIL

Statutory Details: Constitution: Union Mutual Fund has been set up as a Trust under the Indian Trusts Act,1882; Sponsors: Union Bank of India and Dai-ichi Life Holdings, Inc.; Trustee: Union Trustee Company Private Limited, [Corporate Identity Number (CIN): U65923MH2009PTC198198], a company incorporated under the Companies Act, 1956 with a limited liability; Investment Manager: Union Asset Management Company Private Limited, [Corporate Identity Number (CIN): U65923MH2009PTC198201], a company incorporated under the Companies Act, 1956 with a limited liability. Registered Office: Unit 503, 5th Floor, Leela Business Park, Andheri Kurla Road, Andheri (East), Mumbai - 400059.Toll Free No. 18002002268/ 18005722268 · Non Toll Free. 022-67483333 · Fax No: 022-67483402 · Website: www.unionmf.com · Email: investorcare@unionmf.com