

WEEKLY YIELD

Update of Equity & Debt Market

December 13, 2024

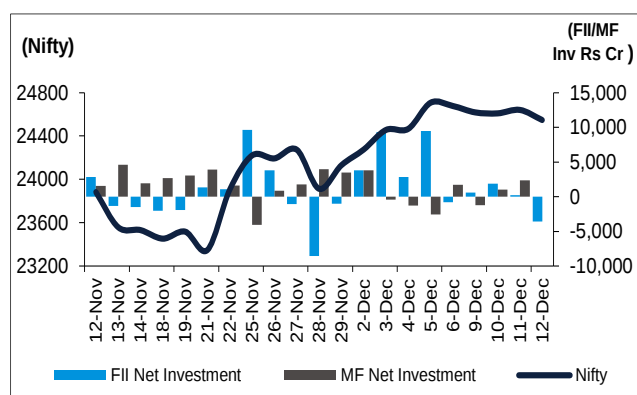


DOMESTIC EQUITY

- Indian equities closed higher this week, supported by the expectations of a US Federal Reserve rate cut and a softer-than-expected domestic inflation data. BSE Sensex and Nifty 50 rose 0.52% and 0.37%, respectively.
- Almost all sectors ended higher with information technology (IT), Consumer Durables (CD) and Realty gaining the most. BSE IT, BSE CD and BSE Realty rose 2.62%, 1.76% and 0.69% respectively.

Broad Indices	Week change%	3 months change%	1 year change%
BSE Sensex	0.52	-0.91	18.03
Nifty 50	0.37	-2.32	18.36
BSE Midcap	0.22	-2.98	33.30
BSE Smallcap	-0.16	-0.30	36.97
BSE Bankex	0.00	3.55	14.57
BSE CG	0.34	0.57	36.13
BSE FMCG	-1.45	-11.94	6.58
BSE IT	2.62	3.87	35.36
BSE Healthcare	-1.03	-0.59	44.93

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks traded mixed during the week, with the Dow Jones Index closing lower, led by a selloff in the shares of the health insurers, as the US lawmakers introduced a bill that expected to affect their profits.
- However, the Nasdaq Index rose due to a rally in technology stocks and hawkish comments from Fed Chair Powell. The index rose further, as the US inflation data raised hopes for a Fed rate cut.
- Britain's FTSE index was flat during the week, as a fall in mining stocks were cut short after the US inflation data raised hopes for a Fed rate cut.
- Asian equities closed mixed, with Japan's Nikkei 225 Index closed higher this week, as economic data from the US boosted expectations that the US Fed may cut rates in its policy meeting due next week.
- Hong Kong's Hang Seng closed lower during the week after a readout from the annual economic work conference dented investors sentiment.
- China's Shanghai Composite Index closed lower this week as the annual economic work conference in China failed to meet investor expectations.



DOMESTIC DEBT

Indicators	Dec 13, 2024	Previous Week	Trend
Call Rate	6.80%	6.24%	↑
3 M CP	7.44%	7.48%	↓
1 Yr CP	7.85%	7.80%	↑
3 M CD	7.20%	7.14%	↑
1 Yr CD	7.58%	7.48%	↑
5 Yr AAA	7.24%	7.24%	↔
1 Yr G-Sec*	6.68%	6.65%	↑
5 Yr G-Sec*	6.66%	6.68%	↓
10 Yr G-Sec*	6.73%	6.74%	↓
USD/INR*	84.79	84.69	↓

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

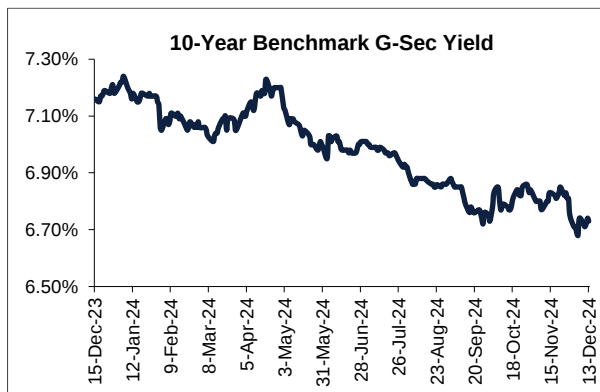
*Weighted Average Yield

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- Government bond prices rose marginally in the week to December 13, 2024. Yield on the 10-year benchmark 6.79% 2034 paper closed at 6.73% on December 13, 2024, compared with 6.75% on December 06, 2024.
- Bond prices ended higher after the weekly bond auction conducted by the central bank witnessed strong demand.
- Earlier during the week, bond prices gained, as a change in the Governor at the RBI is seen aiding monetary policy easing in 2025.
- Further fall in yields were cut short due to a spike in the US Treasury yields, as a slew of latest economic data boosted hopes for a Fed rate cut.
- The RBI kept its key interest rate unchanged but cut banks' Cash Reserve Ratio (CRR) for the first time in over four years, effectively easing monetary conditions as economic growth slows.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices declined during the week, as a slew of economic data raised hopes that the US Federal Reserve may cut its policy rates in its upcoming meeting, due next week.
- Yields gained after November's consumer price index data matched expectations. The inflation comes ahead of the US Fed's final policy meeting of the year next week, where a third-interest rate reduction is expected.

- Yield on the 10-year benchmark Treasury bond closed at 4.32% on December 12, 2024 compared with 4.15% on December 6, 2024.



DOMESTIC NEWS

- India's annual inflation rate eased to 5.48% in November 2024 compared with 6.21% in October 2024.
- Industrial production increased 3.5% on-year in October 2024, following a 3.1% rise in the previous month.
- The All-India Consumer Price Index for Agricultural Labourers (CPI-AL) and Rural Labourers (CPI-RL) eased to 5.96% and 6%, respectively, in October 2024 from 6.36% and 6.39% in September 2024.
- S&P Global Ratings said the Indian economy is set for "resilient growth" in 2025 and projected the inflation pressure to recede, leading to "modest" easing in the RBI's monetary policy.
- The Asian Development Bank lowered India's growth forecast for this fiscal to 6.5% from 7% it had projected earlier, after the economy slowed down in the second quarter of financial year 2024-25.
- The Cabinet approved the 26.463-km Rithala-Kundli corridor of the Delhi Metro Phase-IV project with a total outlay of Rs 6,230 crore.
- The Lok Sabha passed the Railways (Amendment) Bill, 2024, granting statutory powers to the Railway Board and enabling the Government to determine its composition.
- The Union Cabinet approved projects worth around Rs 16,000 crore, which will result in extending Delhi's metro connectivity and establishing more government-aided schools in the country.
- The Finance Ministry said that the Gross Non-Performing Assets (NPAs) of Public Sector Banks (PSBs) declined to a decadal low of 3.12% at the end of September 2024 from a peak of 14.98% in March 2018 on measures such as the 4Rs --

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recognition, recapitalisation, resolution, and reform -- taken by the Government.

- The Government mandated the use of locally made solar cells from 2026 to curb imports.
- The Government appointed Mr. Sanjay Malhotra as the new Governor of the Reserve Bank of India (RBI), effective December 11, 2024.
- The Securities and Exchange Board of India (SEBI) expanded its scope to include the top 500 stocks in the T+0 cycle to enhance the efficiency of the optional same-day settlement cycle.
- SEBI proposed leveraging the DigiLocker platform to streamline the process of claiming unclaimed assets of deceased investors.
- The capital markets regulator revised the guidelines for clearing corporations and depositories to ensure robust capacity planning and real-time performance monitoring of their critical IT systems.
- SEBI proposed a regulatory framework to enable retail investors to participate in algorithmic trading, while outlining the roles and responsibilities of stock brokers and exchanges.



GLOBAL NEWS

- US unemployment rate went up to 4.2% in November 2024 from 4.1% in the prior month.
- US wholesale inventories rose by 0.2% to \$905 billion in October 2024 from a 0.2% decrease in September 2024.
- US consumer inflation expectations increased to 3% in November 2024 compared to 2.9% in October 2024.
- US NFIB Small Business Optimism Index jumped to 101.7 in November 2024 compared to 93.7 in October 2024.
- The European Central Bank cut interest rates for the fourth time by 25 bps to 3.15% in December 2024.

- The Eurozone Gross Domestic Product (GDP) expanded 0.9% on-year in Q3 2024, compared to a downwardly revised 0.5% rise in Q2 while it expanded 0.4% on quarter in the three months to September 2024, the strongest growth rate in two years, following a 0.2% rise in Q2.
- UK Halifax House Price Index increased 4.8% in November 2024, compared to an upwardly revised 4% rise in October 2024.
- UK GfK Consumer Confidence Index rose by 1 point to -17 in December 2024 compared to -18 in November 2024.
- China Inflation Rate fell to 0.2% in November 2024 from 0.3% in the prior month.
- China's producer prices dropped by 2.5% on-year in November 2024, following a 2.9% fall in October 2024.
- China's trade surplus surged to USD 97.44 billion in November 2024 from USD 69.45 billion in the same period a year earlier.
- Japan Producer prices increased by 3.7% in November 2024, compared to an upwardly revised 3.6% growth in October 2024.
- Japan coincident economic indicators index rose to 116.5 in October 2024 compared to a final 114.0 in September 2024, while the leading economic indicators index declined to 108.6 from a downwardly revised 108.9.
- Japan economy expanded by 0.3% in Q3 2024, following a downwardly revised 0.5% increase in Q2.
- Japan Economy Watchers Survey rose to 49.4 in November 2024, compared to 47.5 in October 2024 while Economy Watchers Survey Outlook increased to 49.40 from 48.30.

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DAY	EVENTS
Monday, Dec 16, 2024	• US NY Empire State Manufacturing Index, December • China Industrial Production, November • India WPI inflation, November • India Balance of Trade, November
Tuesday, Dec 17, 2024	• US Retail Sales, November • US Industrial/Manufacturing production, November • UK Unemployment Rate, October
Wednesday, Dec 18, 2024	• US Building Permits, November • US Housing Starts, November • Eurozone Inflation Rate, November • Eurozone CPI, November • UK Inflation Rate, November • UK PPI Output/Input, November • UK Retail Prices Index, November • Japan Balance of Trade, November
Thursday, Dec 19, 2024	• US Philadelphia Fed Manufacturing Index, December • US Fed Interest Rate Decision • US GDP Growth Rate Q3 • US PCE Prices Index, Q3 • US Initial Jobless Claims December 14 • US Existing Homes sales, November • UK BoE Interest Rate Decision • Japan BoJ Interest Rate Decision
Friday, Dec 20, 2024	• US Export/Import Prices, November • Eurozone Industrial Production, October • UK GfK Consumer Confidence, December • Japan Industrial Production, October • India Foreign Exchange Reserves, December 06

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Source: CRISIL

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