

# WEEKLY YIELD

## Update of Equity & Debt Market

January 17, 2025

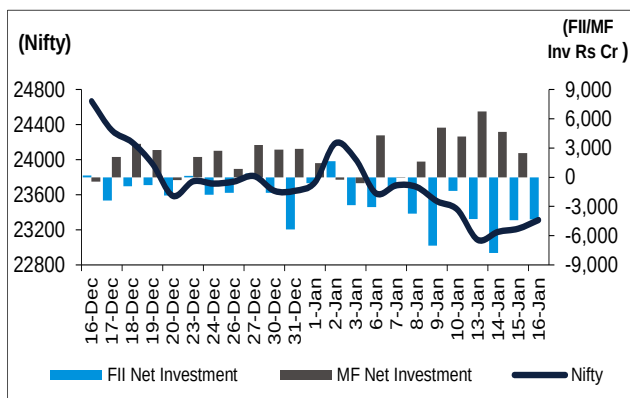


### DOMESTIC EQUITY

- Indian equity markets closed lower due to mixed corporate earnings and renewed hopes of Fed rate cuts, following United States (US) inflation data. BSE Sensex and Nifty 50 indices fell 0.98% and 0.97%, respectively.
- Almost all the sectors ended lower with IT, Consumer Durables (CD) and Realty losing the most. BSE IT, BSE CD and BSE Realty fell 5.41%, 2.76% and 2.54% respectively.

| Broad Indices  | Week change% | 3 months change% | 1 year change% |
|----------------|--------------|------------------|----------------|
| BSE Sensex     | -0.98        | -5.42            | 7.16           |
| Nifty 50       | -0.97        | -6.25            | 7.56           |
| BSE Midcap     | -1.08        | -8.53            | 16.39          |
| BSE Smallcap   | -0.78        | -7.56            | 18.99          |
| BSE Bankex     | -0.69        | -5.73            | 5.57           |
| BSE CG         | 1.47         | -9.24            | 15.73          |
| BSE FMCG       | -2.02        | -9.10            | 0.31           |
| BSE IT         | -5.41        | -3.22            | 11.22          |
| BSE Healthcare | -2.41        | -3.37            | 31.87          |

Source: BSE, NSE



Source: SEBI, NSE



### GLOBAL EQUITY

- US stocks climbed during this week, driven by softer-than-expected core inflation data, robust bank earnings, and significant gains in healthcare stocks.
- Britain's FTSE Index rose this week on strong earnings and soft United States (US) and United Kingdom (UK) inflation figures raised hopes for further rate cuts this year.
- Asian equities closed lower. Japan's Nikkei 225 Index lower this week, led by a decline in semiconductor stocks after reports showed that the US Government is planning to restrict Artificial Intelligence (AI) chip and technology exports.
- Hong Kong's Hang Seng rose this week after the China Securities Regulatory Commission (CSRC) assured to stabilise the market and the latest US inflation reading fuelled expectations that the US Federal Reserve could reduce interest rates.
- China's Shanghai Composite Index closed higher this week, following upbeat economic data from China.



### DOMESTIC DEBT

| Indicators   | Jan 17, 2025 | Previous Week | Trend |
|--------------|--------------|---------------|-------|
| Call Rate    | 6.45%        | 6.70%         | ↓     |
| 3 M CP       | 7.88%        | 7.75%         | ↑     |
| 1 Yr CP      | 8.05%        | 7.99%         | ↑     |
| 3 M CD       | 7.45%        | 7.53%         | ↓     |
| 1 Yr CD      | 7.64%        | 7.68%         | ↓     |
| 5 Yr AAA     | 7.24%        | 7.21%         | ↑     |
| 1 Yr G-Sec*  | 6.64%        | 6.67%         | ↓     |
| 5 Yr G-Sec*  | 6.76%        | 6.76%         | ↔     |
| 10 Yr G-Sec* | 6.77%        | 6.77%         | ↔     |
| USD/INR*     | 86.58        | 85.90         | ↓     |

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

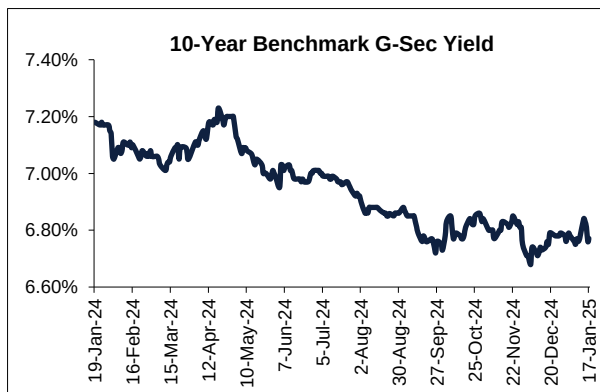
\*Weighted Average Yield

# WEEKLY YIELD

## Update of Equity & Debt Market

January 17, 2025

- Government bond prices were flat during the week ended January 17, 2025. The yield on the 10-year benchmark 6.79% 2034 paper closed at 6.77% on January 17, 2025, unchanged from January 10, 2025.
- Yields started the week on a positive note due to intermittent spikes in the US Treasury yields, as upbeat jobs data dimmed US Fed rate-cut hopes.
- The yields rose further after the RBI's latest debt auction aided supply. In the weekly debt sale held on January 17, 2025, the Central Bank auctioned 6.65% (Government Security) 2029, 6.92% GS 2039 and 7.09% GS 2054 paper for a total notified amount of Rs 36,000 crore.



Source: CRISIL Fixed Income Database



### GLOBAL DEBT

- US Treasury prices rose during this week after core inflation in the Consumer Price Index, which excludes volatile food and energy prices, slowed in December 2024, bring up hopes for US Fed rate cuts.
- The yields declined after comments from the Federal Reserve Governor Chris Waller raised hopes for multiple rate cuts this year.
- Waller said that as long as the data comes in good on inflation or continues on that path, then he can certainly see rate cuts happening sooner than maybe the markets are pricing in.

- The yield on the 10-year benchmark Treasury bond closed at 4.61% on January 16, 2025, compared with 4.77% on January 10, 2025.



### DOMESTIC NEWS

- International Monetary Fund (IMF) said that in India, the growth is projected to be solid at 6.5% in 2025 and 2026, as projected in October 2024 and in line with potential.
- India's retail inflation eased to a four-month low of 5.22% in December 2024, compared with 5.48% in November 2024, driven by a moderation in food prices.
- India's wholesale prices increased 2.37% in December 2024, compared with 1.89% in November 2024.
- India's merchandise trade deficit declined to \$21.94 billion in December 2024 from \$37.84 billion in November 2024, with exports contracting 1% to \$38.01 billion in December 2024 and imports rising 4.9% to \$59.95 billion.
- According to the latest Global Economic Prospects (GEP) report of the World Bank, India is expected to remain the fastest-growing economy among the major economies, with growth at 6.7% in both fiscals 2026 and 2027.
- The Union Cabinet approved the creation of the eighth Central Pay Commission to revise the salaries and pensions of Government employees, set to be established by 2026.
- The Government released tax devolution of Rs 1.73 trillion to State Governments against the devolution of Rs 89,086 crore in December 2024.
- The Union Home Ministry has reduced the allocated expenditure for the Census Survey and Statistics to roughly half of what was proposed in the Budget estimates for fiscal 2025.
- The Reserve Bank of India (RBI) said that it is mandatory for banks to offer fixed interest rate

# WEEKLY YIELD

## Update of Equity & Debt Market

January 17, 2025

products in all equated instalments-based personal loan categories.

- The RBI has reiterated that Banks and Non-banking Finance Companies (NBFCs) must offer fixed-rate products for any equated monthly instalments-based retail loans, such as home and auto loans.
- The RBI has eased the foreign exchange regulations to promote the rupee and other currencies in cross-border transactions.
- The Securities and Exchange Board of India (SEBI) proposed mandating listed companies to issue securities only in demat form, following stock split, consolidation of face value of shares, and mergers or demergers.



### GLOBAL NEWS

- US nonfarm payrolls rose to 256,000 in December 2024 following a downwardly revised 212,000 in November 2024.
- US unemployment rate went down to 4.1% in December 2024 from 4.2% in November 2024.
- US retail sales increased 3.9% in December 2024 upwardly revised 4.1% rise in November 2024.
- US Producer Prices Index increased 3.3 % in December 2024 compared to 3% in November 2024.
- US Inflation rate rose to 2.9% in December 2024 compared to 2.7% in November 2024 while the annual core consumer price inflation rate eased to 3.2% down from 3.3%.
- US export prices increased 1.8% in December 2024 from a 0.9% rise in November 2024 while import prices rose 2.2% compared to 1.4%.
- Eurozone Industrial Production decreased 1.90% in November 2024 compared to a 1.1% decrease in October 2024.
- Eurozone posted a trade surplus of €16.4 billion in November of 2024, down from €18.2 billion in the same month of the previous year. Exports fell by 1.6% to EUR 248.3 billion, while imports decreased by 1% to EUR 231.9 billion.
- The British economy expanded 1% year-on-year in November 2024, slightly below 1.1% in October 2024.
- UK Industrial Production decreased 1.8% in November 2024 compared to a 1.1% decline in October 2024 while manufacturing production declined by 1.2% from 0.4%.
- UK trade deficit declined to £4.76 billion in November 2024, down from an upwardly revised £5.01 billion in October 2024.
- UK annual inflation rate edged lower to 2.5% in December 2024 compared to 2.6% in November 2024 while annual core inflation rate decreased to 3.2% from 3.5%.
- UK Producer Price Index (PPI) input decreased by 1.50% in December 2024 from -2.10% in November 2024.
- China's trade surplus soared to USD 104.84 billion in December 2024, up from USD 75.31 billion in the same period a year earlier, surpassing expectations of USD 99.80 billion.
- The Chinese economy expanded 5.4% on year in Q4 of 2024, surpassing market estimates of 5.0% and accelerating from 4.6% growth in Q3 of 2024.
- China industrial production grew by 6.2% in December 2024 compared to the growth rate of 5.4% in November 2024.
- China Retail Sales increased 3.70% in December 2024 from 3% in November 2024.
- Japan Producer prices increased by 3.8% in December 2024, keeping the same pace as in November 2024.

# WEEKLY YIELD

## Update of Equity & Debt Market

January 17, 2025

| DAY                     | EVENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Monday, Jan 20, 2025    | <ul style="list-style-type: none"><li>• Eurozone Construction Output, November</li><li>• China Loan Prime Rate 1Y/5Y, January</li><li>• Japan Industrial Production Final, November</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Tuesday, Jan 21, 2025   | <ul style="list-style-type: none"><li>• Eurozone ZEW Economic Sentiment Index, January</li><li>• UK Unemployment Rate, November</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Wednesday, Jan 22, 2025 | <ul style="list-style-type: none"><li>• US CB Leading Index, December</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Thursday, Jan 23, 2025  | <ul style="list-style-type: none"><li>• US Initial Jobless Claims, January 18</li><li>• Eurozone Consumer Confidence Flash, January</li><li>• Japan Balance of Trade, December</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Friday, Jan 24, 2025    | <ul style="list-style-type: none"><li>• US S&amp;P Global Manufacturing / Services / Composite PMI Flash, January</li><li>• US Existing Home Sales, December</li><li>• US Kansas Fed Manufacturing / Composite Index, January</li><li>• Eurozone HCOB Manufacturing / Services / Composite PMI Flash, January</li><li>• UK S&amp;P Global Manufacturing / Services / Composite PMI Flash, January</li><li>• UK CBI Business Optimism Index Q1</li><li>• UK Gfk Consumer Confidence, January</li><li>• Japan Inflation Rate, December</li><li>• Japan Core Inflation Rate, December</li><li>• Japan Jibun Bank Manufacturing / Services / Composite PMI Flash, January</li><li>• Japan BoJ Interest Rate, December</li><li>• India HSBC Manufacturing / Services / Composite PMI Flash, January</li><li>• India Foreign Exchange Reserves, January 17, 2025</li></ul> |



# WEEKLY YIELD

## Update of Equity & Debt Market

January 17, 2025

Source: CRISIL

**Disclaimer:** CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this Report based on the information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this report should be construed as an investment advice. CRISIL especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Limited (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published / reproduced in any form without CRISIL's prior written approval. CRISIL or its associates may have commercial transactions with the company/entity.

**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**

**Disclaimers:** This document is for information purposes only and is not an offer to sell or a solicitation to buy any mutual fund units / securities or to have business relations with Union Asset Management Company Private Limited (the AMC) / Union Trustee Company Private Limited (the Trustee Company) or any of its associates. The information in this document is as of Jan 17, 2025 unless stated otherwise, and may change without notice. The information in this document alone is not sufficient and should not be used for the development or implementation of an investment strategy. Neither the Sponsors/the AMC/ the Trustee Company/ their associates/ any person connected with it, accepts any liability arising from the use of this information.

This report and the views expressed in this report are that of CRISIL Research. The Sponsors/ the AMC/ the Trustee Company/ their associates/ any person connected with it, do not warrant the completeness or accuracy of the information and disclaim all liabilities, losses and damages arising out of the use of this information. The recipients of this material should rely on their investigations and take their own professional advice.

**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](http://www.unionmf.com) · Email: [investorcare@unionmf.com](mailto:investorcare@unionmf.com)