

WEEKLY YIELD

Update of Equity & Debt Market

October 18, 2024

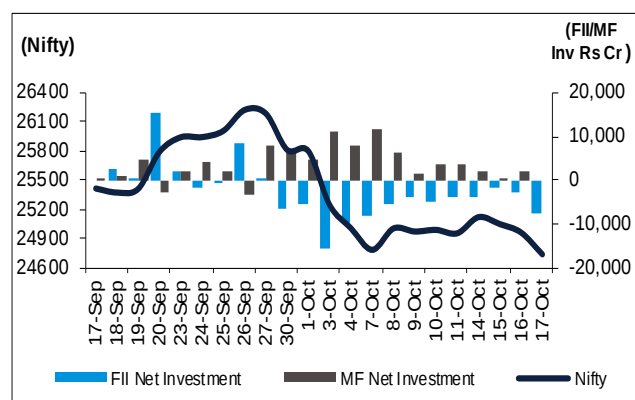


DOMESTIC EQUITY

- Indian equities ended lower for the third consecutive week as the rise in inflation for September triggered worries that the RBI may delay its decision on a rate cut. It was also dragged down by disappointing quarterly earnings for the second quarter of fiscal 2025. BSE Sensex and Nifty 50 fell 0.19% and 0.44%, respectively.
- Almost all the sectors ended lower, with auto, oil and gas, and fast-moving consumer goods (FMCG) falling the most. BSE Auto, BSE Oil & Gas, and BSE FMCG fell 4.34%, 1.56% and 1.53%, respectively.

Broad Indices	Week change%	3 months change%	1 year change%
BSE Sensex	-0.19	-0.15	23.30
Nifty 50	-0.44	0.21	26.35
BSE Midcap	-1.01	1.26	48.73
BSE Smallcap	-0.18	5.26	46.90
BSE Bankex	1.83	-2.08	20.19
BSE CG	0.34	-1.54	50.52
BSE FMCG	-1.53	0.61	17.29
BSE IT	-1.02	4.13	32.09
BSE Healthcare	-0.47	14.09	56.16

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- Wall Street stocks rose this week as upbeat retail sales numbers and jobless claims data eased recession concerns, while inflation data fuelled expectations of a rate cut by the US Fed.
- Strong earnings results of major companies also boosted sentiments.
- Britain's FTSE Index gained this week as easing inflation boosted hopes of a rate cut by the Bank of England.
- Asian equities ended mostly mixed this week. Japan's Nikkei Index rose on optimism about the US economic outlook following upbeat retail sales data. However, the market witnessed a sell-off after Bank of Japan Board Member Seiji Adachi cautioned against early rate hikes.
- Hong Kong's Hang Seng declined on weak economic data and as investors were disappointed after the Chinese housing ministry's announcements.
- China's Shanghai Composite Index rose after the central bank called for a faster fiscal policy to support capital markets and signalled further rate cuts.



DOMESTIC DEBT

Indicators	Oct 18, 2024	Previous Week	Trend
Call Rate	6.50%	5.85%	↑
3 M CP	7.43%	7.43%	↔
1 Yr CP	7.80%	7.80%	↔
3 M CD	7.19%	7.10%	↑
1 Yr CD	7.50%	7.46%	↑
5 Yr AAA	7.28%	7.31%	↓
1 Yr G-Sec*	6.56%	6.57%	↓
5 Yr G-Sec*	6.72%	6.69%	↑
10 Yr G-Sec*	6.81%	6.79%	↑
USD/INR*	84.07	84.07	↔

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

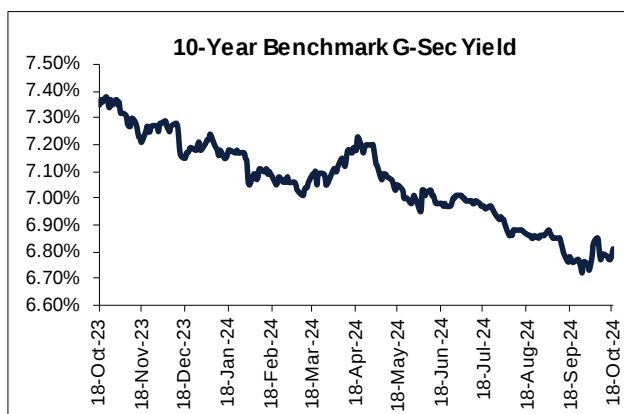
*Weighted Average Yield

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- The interbank call money rate ended the week higher at 6.50% on October 18, 2024, compared with 5.85% on October 11, 2024.
- During the week, the RBI conducted various variable rate reverse repo auctions for a total notified amount of Rs 2.25 lakh crore, against which it received offers amounting to about Rs 74,000 crore.
- Government bond prices closed lower in the week ended October 18, 2024. The yield on the 10-year benchmark 7.10% 2034 paper closed at 6.82% on October 18, 2024, compared with 6.79% on October 11, 2024.
- Bond prices declined due to gains in the US Treasury yield following upbeat retail sales numbers. However, a further fall in bond prices was halted after the central bank decided to cut short its secondary market debt sales and announced a second debt buyback in two weeks. Higher-than-expected domestic inflation also supported bond prices.
- In the debt sale held on October 18, 2024, the RBI auctioned 7.02% GS (government security) 2031, 7.23% GS 2039 and 7.09% GS 2054 for a total notified amount of Rs 33,000 crore.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices were almost flat during the holiday-truncated week as gains, following dovish comments from US Federal Reserve (Fed) officials, were cut short by upbeat retail sales numbers.
- Bond prices rose after Minneapolis Fed President Neel Kashkari suggested that future interest rate cuts would be “modest” and reiterated that policy decisions would depend on economic data.
- The same day, Fed Governor Christopher Waller urged caution toward any future rate reductions.
- Further gains in bond prices were halted as upbeat retail sales numbers and jobless claims data eased economic growth worries.
- The yield on the 10-year benchmark Treasury bond ended higher at 4.09% on October 17, 2024, compared with 4.08% on October 11, 2024.



DOMESTIC NEWS

- India's annual inflation rate rose to 5.49% in September 2024 from 3.65% in August 2024.
- India's wholesale inflation accelerated to 1.84% in September 2024 from 1.31% in August 2024 on an annual basis.
- Data from the Commerce Ministry showed India's trade deficit widened to \$20.78 billion in September 2024 from \$20.08 billion in the year-ago period on an annual basis.
- S&P Global Ratings said India is poised to be the third-largest global economy by 2030, but rising population presents mounting challenges in basic service coverage and growing investment needs to maintain productivity.
- The Indian Government approved a new missile testing range in Nagayalanka, Andhra Pradesh.
- The United States (US) and India announced grants of over \$2 million for joint research projects aimed at advancing Artificial Intelligence (AI) and quantum technologies for social good.

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- The Union Cabinet approved a 3% Dearness Allowance (DA) hike for government employees.
- The Central Board of Indirect Taxes and Customs (CBIC) issued a circular about waiver of interest, penalties or both under Section 128A of the Central Goods and Services Tax (CGST) Act.
- As per Government data, the share of direct taxes in Gross Domestic Product (GDP) rose to a 24-year high of 6.64% during fiscal 2024, while direct tax buoyancy improved to 2.12 compared to the preceding year.
- The Finance Minister approved the upgradation of Hindustan Aeronautics Limited (HAL) to 14th Maharatna - Central Public Sector Enterprises (CPSE).
- The Reserve Bank of India (RBI) instructed banks to review and modify their payment systems to ensure accessibility for persons with disabilities.
- RBI Governor Shaktikanta Das made a case for reducing time and cost of overseas remittances, which are important for developing economies, including India.
- The Securities and Exchange Board of India (SEBI) decided to make sales proceeds available to Foreign Portfolio Investors (FPIs) on the settlement day.
- SEBI introduced a liquidity window facility for investors in debt securities through a stock exchange mechanism.
- Securities and Exchange Board of India (SEBI) raised the position limits for trading members in Index Futures & Options contracts to 15% of the total Open Interest (OI) in the market or above Rs 7,500 crore.
- US retail sales increased 1.7% in September 2024, the smallest yearly gain since January 2024, following an upwardly revised 2.2% rise in August 2024.
- US industrial production decreased 0.6% on year in September 2024, the biggest decline in five months, following a downwardly revised 0.2% fall in August 2024.
- US manufacturing production eased 0.5% on year in September 2024 following a downwardly revised flat reading in August 2024.
- The European Central Bank lowered its three key interest rates by 25 bps in October 2024, as expected, following similar moves in September 2024 and June 2024. The deposit facility, main refinancing operations, and marginal lending facility rates will now be 3.25%, 3.40%, and 3.65%, respectively.
- Eurozone annual inflation rate eased to 1.7% in September 2024 compared with 2.2% in August 2024, while the core inflation rate edged down to 2.7% from 2.8%.
- UK inflation fell to 1.7% in September 2024 the lowest since April 2021, compared to 2.2% in each of the previous two months while core inflation rate fell to 3.2% from 3.6% in the previous months.
- UK unemployment rate fell to 4.0% from June 2024 to August 2024, down from 4.1% in the previous three-month period.
- The Chinese economy expanded 4.6% on year in Q3 of 2024, compared with a 4.7% rise in Q2 of 2024.
- China's annual inflation rate stood at 0.4% in September 2024 from 0.6% in August 2024.
- China Retail sales expanded 3.2% on-year in September 2024, from a 2.1% gain in August 2024.
- Japan annual inflation rate eased to 2.5% in September 2024 compared to 3.0% in August 2024, while core inflation to 2.4% from 2.8%.



GLOBAL NEWS

- US Producer Prices rose 1.8% on year in September 2024, compared to an upwardly revised 1.9% increase in August 2024 while the Core Producer Prices increased to 2.80% from 2.40%.

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DAY	EVENTS
Monday, Oct 21, 2024	China Loan Prime Rate 1Y/5Y, October
Tuesday, Oct 22, 2024	US Richmond Fed Manufacturing Index, October
Wednesday, Oct 23, 2024	- US Existing Homes sales, September - Eurozone Consumer Confidence Flash, October
Thursday, Oct 24, 2024	- US Chicago Fed National Activity Index, September - US Initial Jobless Claims, October 19 - US S&P Global Flash Composite/Manufacturing/ Services PMI, October - US New Home sales, September - US Building Permits Final, September - US Kansas Fed Composite/Manufacturing Index, October - Eurozone HCOB Flash Composite/Manufacturing/ Services PMI, October - UK S&P Global Flash Composite/Manufacturing/ Services PMI, October - Japan Jibun Bank Flash Manufacturing/Composite/Services PMI, October - India HSBC Flash Composite/Manufacturing/Services PMI October
Friday, Oct 25, 2024	- US Durable Goods Order, September - US Michigan Consumer Sentiment, October - US Michigan Inflation Expectations, October - UK GfK Consumer Confidence, October - Japan Coincident/ Leading Economic Index August - India Foreign Exchange Reserves, October 18

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Source: CRISIL

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