WEEKLY YIELD

Update of Equity & Debt Market

Union MUTUAL FUND

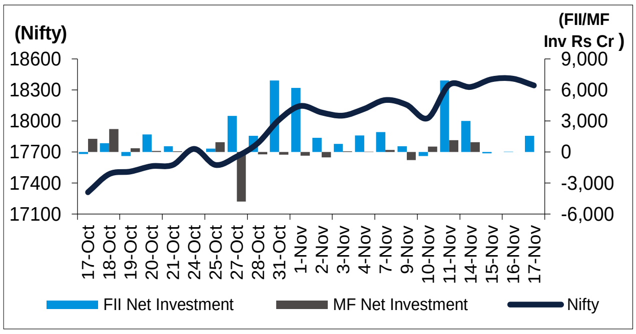
November 18, 2022

DOMESTIC EQUITY

- Indian equity indices snapped four-week gains on weak global cues after strong US retail sales and comments from US Federal Reserve (Fed) officials hinting at more rate hikes in future. S&P BSE Sensex and Nifty 50 fell about 0.2% each
- Most sectors ended negative, with power, consumer durables, and auto declining the most. S&P BSE Power, S&P BSE Consumer Durables, and S&P BSE Auto fell about 3.4%, 2.4%, and 1.9%, respectively
- Some losses were capped after an ease in domestic inflation for October 2022 raised expectations of smaller rate hikes by the Reserve Bank of India (RBI) and due to buying in banking and information technology (IT) shares. S&P BSE Bankex and S&P BSE IT rose 0.9% and 0.3%, respectively

Broad Indices	Week change%	3 month change%	1 year change%
S&P BSE Sensex	-0.21	2.26	3.40
Nifty 50	-0.23	1.96	3.06
S&P BSE Midcap	-1.30	-0.60	-3.02
S&P BSE Smallcap	-0.81	1.10	-0.17
S&P BSE Bankex	0.92	6.77	12.05
S&P BSE CG	-0.11	6.29	17.15
S&P BSE FMCG	-1.75	0.49	12.04
S&P BSE IT	0.32	-2.29	-15.08
S&P BSE Healthcare	-1.05	0.77	-7.07

Source: BSE, NSE



Source: SEBI, NSE

GLOBAL EQUITY

- US stocks ended lower after several Fed officials hinted at the continuation of aggressive rate hikes by the central bank.
- Sell-off in real estate, semiconductor, and discretionary shares also weighed on the markets
- Britain's FTSE rose 0.39% following gains in shares of exporters due to a weaker pound
- Asian equities ended mixed. Japan's Nikkei slipped 1.3% due to a sell-off in chip-related stocks and profit booking
- Strong corporate earnings eased some pressure on the market
- Hong Kong's Hang Seng advanced around 4% following ease in China's Covid-19 restrictions and series of measures to support the property market, and on positive talks between President Xi Jinping and US counterpart Joe Biden
- China's Shanghai Composite rose 0.32%, led by semiconductor and internet companies on signs of easing China-US tensions
- Rising covid-19 cases and fears of policy tightening by Fed kept gains under check

DOMESTIC DEBT

Indicators	Nov 18, 2022	Previous Week	Trend
Call Rate	5.65%	5.66%	↓
3 M CP	7.17%	7.25%	↓
1 Yr CP	7.85%	7.90%	↓
3 M CD	6.80%	6.90%	↓
1 Yr CD	7.50%	7.50%	⇔
5 Yr AAA	7.51%	7.61%	↓
1 Yr G-Sec*	6.72%	6.68%	↑
5 Yr G-Sec*	7.17%	7.19%	↓
10 Yr G-Sec*	7.31%	7.31%	↑
USD/INR*	81.69	80.80	↑

Source: *CRISIL Fixed Income Database, RBI *Weighted Average Yield*

WEEKLY YIELD

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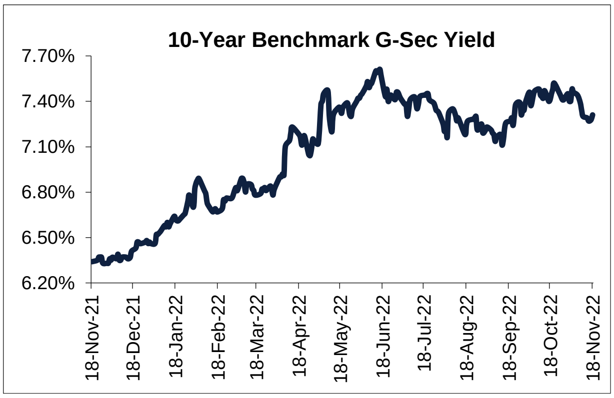
November 18, 2022

- Government bond prices ended flat in the week ended November 18, 2022. The yield of the 10-year benchmark 7.26% 2032 paper ended at 7.31% on November 18, 2022, unchanged from November 11, 2022.
- Yield started the week on a lighter note on expectations that the latest domestic consumer inflation numbers may retreat, in line with US
- Domestic yields declined, tracking a fall in the US treasury yield amid rising expectation of Fed slowing its pace of rate hikes due to easing inflation
- Easing domestic inflation raised expectations that the RBI may slow its policy tightening pace. This further dented the sentiments for yield.
- Profit booking at higher levels capped a fall in yield
- Gilt declined further after the weekly debt auction added to supply. The RBI auctioned 6.69% government securities (GS) 2024, 7.10% GS 2029, 7.54% GS 2036, and 7.40% GS 2062 for a total notified amount of Rs 30,000 crore



Source: *CRISIL Fixed Income Database*

GLOBAL DEBT

- US Treasury prices ended higher in the week ended November 17, 2022 as recent set of inflation data aided investors' expectation that Fed would take a less aggressive approach towards rate hikes in future
- Sentiments were boosted after October 2022's producer price index numbers came in lower than expected. The data aided investors expectation that inflation is likely easing, in line with a pullback in consumer inflation last week
- A further fall in yield was capped after St. Louis Federal Reserve President James Bullard said interest rate hikes from the central bank have had "only limited effects" on observed inflation
- The yield of the 10-year benchmark Treasury ended at 3.78% on November 17, 2022 compared with 3.81% on November 11, 2022

DOMESTIC NEWS

- India's consumer price index (CPI)-based inflation eased sharply to 6.77% on-year in October 2022 compared to 7.41% in September 2022
- India's wholesale price index (WPI)-based inflation eased to 8.39% on-year in October 2022 from 10.7% in September 2022, due to sharp moderation in food, fuel and manufactured goods inflation
- India's trade deficit widened to $26.91 billion in October 2022 from $25.71 billion in September 2022; the merchandise exports fell to $29.78 billion in October 2022 from $35.45 billion in the previous month and the merchandise imports declined to $56.69 billion in October 2022 from $61.16 billion in prior month
- Moody's slashed India's gross domestic product (GDP) growth projections for 2022 to 7% from 7.7% earlier citing global slowdown and rising domestic interest rates
- Government data showed that direct tax collection up to November 10, 2022 were up 31% on-year
- Finance Minister Nirmala Sitharaman said that India and the US will look forward to strengthening bilateral ties with greater vigour
- Finance Minister Nirmala Sitharaman reviewed the National Monetisation Pipeline (NMP) in a meeting with top officials across ministries and National Institution for Transforming India (NITI Aayog) on November 14, 2022

- Finance Minister Nirmala Sitharaman asked the National Investment and Infrastructure Fund (NIIF) to leverage India's investment fundamentals to expand its operations
- The Centre has sanctioned Rs 60000 crore of long-term capital expenditure funds to states so far, this fiscal
- RBI Governor Shaktikanta Das said that despite challenges, the Indian banking sector has been resilient and improved in various performance parameters
- Securities and Exchange Board of India (SEBI) issued an amendment to the SEBI (Mutual Funds) Regulations, 1996 to modify the provisions relating to transfer of dividend and redemption proceeds to mutual fund unitholders.
- SEBI came out with a new option for appointment and removal of independent directors from the boards of companies
- SEBI floated a consultation paper seeking public comments on the SEBI (Buyback of Securities) Regulations 2018 and comments will be sought till December 01, 2022
- SEBI is mulling to coming up with cyber security framework for stock brokers that will help in reducing the impact of potential risks by cyber fraud, data leaks and hacking of trading accounts

GLOBAL NEWS

- US producer prices rose 8% on-year in October 2022 compared to revised 8.4% gain in September 2022
- US retail sales rose 8.3% on-year in October 2022 compared to revised 8.6% gain in September 2022. On a month-on-month basis, retail sales grew 1.3% in October 2022 compared to a flat reading in September 2022
- US industrial production rose 3.3% on-year in October 2022 compared to 5.3% growth in September 2022
- Eurozone economy expanded 2.1% on-year in the quarter ended September 2022 compared to 4.3% growth in the previous quarter
- Eurozone consumer price inflation rose 10.6% on-year in October 2022 compared to 9.9% in September 2022, while core consumer prices increased 5% from 4.8%
- Eurozone recorded a trade deficit of 34.4 billion euros in September 2022 compared to 52.4 billion euro deficit in August 2022
- Eurozone industrial production rose 4.9% on-year in September 2022 compared to an upwardly revised 2.8% growth in August 2022
- UK consumer prices rose 11.1% on-year in October 2022 compared to 10.1% gain in September 2022, while the core inflation was unchanged at 6.5% compared to a month ago
- UK producer prices rose 19.2% on-year in October 2022 from 20.8% gain in September 2022
- China's industrial production expanded 5% on-year in October 2022, slowing from a 6.3% growth in September 2022
- China's retail trade declined by 0.5% on-year in October 2022, shifting from a 2.5% gain in September 2022
- Japan economy contracted 1.2% on an annualized basis in third quarter of 2022, shifting from an upwardly revised 4.6% expansion in second quarter of 2022
- Japan annual inflation rose to 3.7% in October 2022 from 3% in the previous month
- Japan industrial production increased 9.6% on-year in September 2022, compared to 5.8% rise in August 2022

DAY	
Monday, Nov 21, 2022	• US Chicago Fed National Activity Index, October 2022 • China Loan Prime Rate 1Y/5Y, November 2022
Tuesday, Nov 22, 2022	• US Richmond Fed Services/Manufacturing Index, November 2022 • Eurozone Consumer Confidence, November 2022 • Eurozone Current Account, September 2022
Wednesday, Nov 23, 2022	• US S&P Global Manufacturing/Services/Composite PMI, November 2022 • US New Home Sales, October 2022 • US Michigan Consumer Sentiment, November 2022 • US Durable Goods Orders, October 2022 • US Building Permits, October 2022 • US Initial Jobless Claims, November 19, 2022 • Eurozone S&P Global Manufacturing/Services/Composite PMI, November 2022 • UK S&P Global/CIPS Manufacturing/Services/Composite PMI Flash, November 2022
Thursday, Nov 24, 2022	• US FOMC Minutes • Japan Jibun Bank Manufacturing/Services/Composite PMI Flash, November 2022 • Japan Coincident/Leading Economic Index, September 2022
Friday, Nov 25, 2022	• India Foreign Exchange Reserves, November 18, 2022

Source: CRISIL