

WEEKLY YIELD

Update of Equity & Debt Market

September 20, 2024

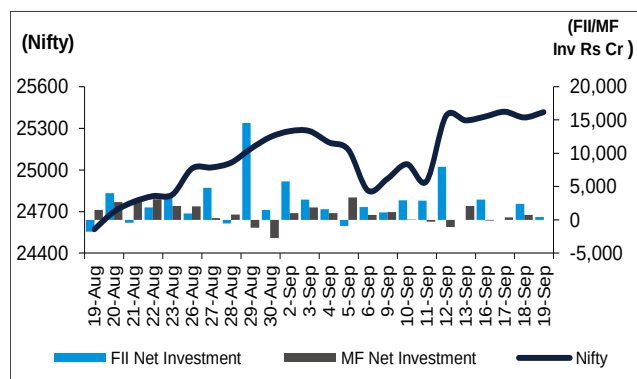


DOMESTIC EQUITY

- Indian equities ended higher for a second consecutive week amid positive global cues after the US Federal Reserve (US Fed) cut key policy rates by 50 basis points. The BSE Sensex and the Nifty 50 closed the week 1.99% and 1.7% higher, respectively.
- Additional gains were seen in FMCG and banking stocks.
- Most sectors ended the week higher, with realty, bankex and power gaining the most. BSE Realty, BSE Bankex and BSE Power rose 4.67%, 3.47% and 3.40% respectively.

Broad Indices	Week change%	3 months change%	1 year change%
BSE Sensex	1.99	9.12	26.56
Nifty 50	1.71	9.44	29.59
BSE Midcap	-0.16	6.68	52.15
BSE Smallcap	-0.08	9.97	52.58
BSE Bankex	3.47	3.62	19.36
BSE CG	0.99	1.24	56.44
BSE FMCG	1.06	16.53	27.34
BSE IT	-2.83	19.03	29.30
BSE Healthcare	-0.39	19.90	55.68

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks rose this week after the Federal Reserve cut interest rates by 50 bps, which spurred optimism that the central bank will be able to avoid a recession.
- Britain's FTSE Index closed higher on the Bank of England's decision to maintain interest rates and extend its bond reduction plan for another year.
- Gains in auto and parts, retailer and personal goods stocks also supported market sentiment.
- Asian equities ended higher. Japan's Nikkei Index rose this week, led by gains in exporters' shares as the Yen weakened due to expectations of slower future rate cuts by the US Fed. However, these gains were limited as the Bank of Japan set the stage for future interest rate hikes.
- Hong Kong's Hang Seng rose after the US Fed cut policy rates by 50 bps.
- China's Shanghai Composite rose, led by gains in stocks of real estate developers and consumer goods and after the Fed cut interest rates by 50 bps.



DOMESTIC DEBT

Indicators	Sep 20, 2024	Previous Week	Trend
Call Rate	6.75%	6.50%	↑
3 M CP	7.64%	7.65%	↓
1 Yr CP	7.90%	7.90%	↔
3 M CD	7.23%	7.30%	↓
1 Yr CD	7.62%	7.64%	↓
5 Yr AAA	7.39%	7.45%	↓
1 Yr G-Sec*	6.62%	6.70%	↓
5 Yr G-Sec*	6.68%	6.71%	↓
10 Yr G-Sec*	6.76%	6.79%	↓
USD/INR*	83.56	83.89	↑

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

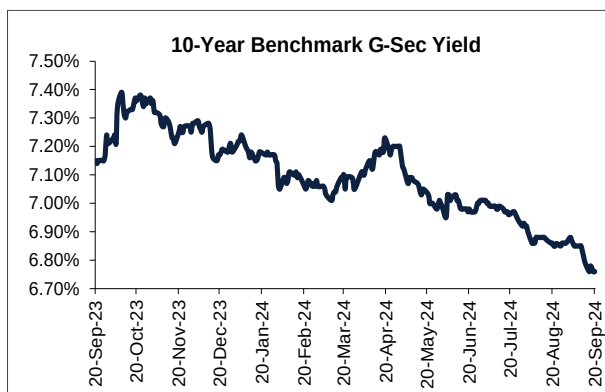
*Weighted Average Yield

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- Government bond prices were higher in the week ended September 20, 2024. The yield on the 10-year benchmark 7.10% 2034 paper closed at 6.76%, compared to 6.79% the week before.
- Bond prices rose after the US Fed cut key policy rates by 50 bps. That said, profit booking capped the gains.
- At the debt sale held on September 20, 2024, the Reserve Bank of India (RBI) auctioned the 7.10% government security (GS) 2034 and 7.34% GS 2064 for a total notified amount of Rs 31,000 crore.
- The RBI revised the interest rate on the Government of India Floating Rate Bond 2033 (GOI FRB 2033) to 7.93% per year—applicable from September 22, 2024, to March 21, 2025.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices declined this week after US Fed Chair Jerome Powell said the economy was strong overall and the labour market has cooled while inflation has eased substantially.
- Bond prices declined further owing to investor appetite for riskier assets following an aggressive 50 bps rate cut by the Fed.
- Yields also rose as upbeat US retail sales data soothed investor concern over economic growth.
- The yield on the 10-year benchmark Treasury bond ended higher at 3.73% on September 19, 2024, compared with 3.66% on September 13, 2024.



DOMESTIC NEWS

- India's wholesale price inflation eased to 1.31% in August 2024 from 2.04% in July 2024.
- India's trade deficit widened to \$29.65 billion in August 2024, from \$24.2 billion a year earlier.
- According to RBI data, non-bank lenders in India expanded their deposits by 21% in Fiscal Year 2024 (FY24), outpacing the 13.5% growth delivered by banks.
- As per RBI data, India's outward foreign direct investment (FDI) rose by about \$1 billion to \$3.21 billion in August 2024, compared with \$2.29 billion a year earlier and \$3 billion in July 2024.
- S&P Global expects India to become the world's third-largest economy by 2030-31, driven by 6.7% growth in fiscal 2025.
- The Government plans to fence the 1,643 km India-Myanmar border at a cost of Rs 31,000 crore to contain smuggling and violence.
- The Union Cabinet approved the Pradhan Mantri Janjatiya Unnat Gram Abhiyan with a budget of Rs 79,156 crore.
- The Government extended the Prime Minister's Farmer Income Protection Scheme, also known as PM AASHA scheme with an outlay of Rs 35,000 crore.
- The Union Cabinet approved the allocation of Rs 24,475 crore for nutrient-based subsidies on phosphatic and potassic fertilisers ahead of the rabi season.
- Railway and national highway projects worth Rs 3,800 crore launched in Odisha.
- Finance Minister Nirmala Sitharaman emphasised the need to protect small traders and retailers from

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the impacts of predatory pricing by e-commerce giants.

- The RBI plans to revamp its currency management infrastructure over the next 4-5 years to ensure adequate storage and handling capacity to cater to the cash needs of the growing economy.
- The Securities and Exchange Board of India (SEBI) streamlined the process for trading bonus shares, reducing availability from about two weeks to just two days after the record date (T+2), effective for all bonus issues from 1 October 2024.
- The SEBI amended rules to streamline the process for public issuance of debt securities to provide faster access to funds.
- The SEBI tweaked the framework for valuing investment portfolios of Alternative Investment Funds: all securities—other than unlisted, non-traded or thinly-traded securities—will now be valued in line with mutual fund rules.
- The SEBI has announced the launch of a central mechanism for fee collection by Investment Advisers and Research Analysts.

- US CB Leading Index increased to -0.2% in August 2024 compared to -0.6% in July 2024.
- Eurozone annual inflation rate eased to 2.2% in August 2024 compared to 2.6% in July 2024, while the core inflation rate edged down to 2.8% from 2.9%.
- Eurozone Trade surplus expanded EUR 21.2 billion in July 2024 compared with EUR 21.7 bn in June 2024.
- Eurozone Industrial production decreased by 2.2% on year in July 2024, compared with a 4.1% fall in the previous month.
- The Bank of England (BoE) maintained interest rates at 5.0% and voted to run down its stock of British government bonds by another 100 billion pounds over the coming 12 months.
- UK annual inflation rate remained unchanged to 2.2% in August 2024, while the core inflation rose to 3.6% compared to 3.3%.
- UK GfK Consumer Confidence indicator fell sharply to -20 in September 2024 from -13 in the previous two months, hitting the lowest level in six months.
- The People's Bank of China kept its lending rates unchanged to its one-year loan prime rate at 3.35% and the five-year rate at 3.85%.
- China's new home prices in 70 cities declined by 5.3% on year in August 2024, after a 4.9% fall in the previous month.
- China's industrial production rose by 4.5% on year in August 2024 slowing from a 5.1% increase in July 2024.
- The Bank of Japan (BoJ) unanimously retained its key short-term interest rate at around 0.25% during its September 2024 meeting, keeping it at the highest level since 2008.
- Japan inflation rate rose to 3.0% in August 2024 from 2.8% in the prior three months, pointing to the highest level since October 2023.



GLOBAL NEWS

- The US Federal Reserve slashed the benchmark interest rate by 50 basis points (bps) to 4.75% -5% for the first time since 2020 and pencilled another 50 bps cut by the end of 2024 and full percentage point in 2025.
- US Industrial Production stalled in August 2024, following a downwardly revised 0.7% decline in July 2024, while Manufacturing rose 0.2%, following a downwardly revised 0.7% fall.
- US exports prices fell by 0.7% year-on-year in August of 2024, following a downwardly revised 1.2% increase in July 2024 while imports increased 0.8% on year from an upwardly revised 1.7%.
- US Philly Fed CAPEX Index, increased to 25 points in September 2024, from 12 points in August 2024.

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- Japan's trade deficit decreased to JPY 695.30 billion in August 2024 from JPY 940.10 billion in the same month a year earlier.

DAY	EVENTS
Monday, Sep 23, 2024	- US Chicago Fed National Activity Index, August - US S&P Global Flash Composite/Manufacturing/ Services PMI, September - Eurozone HCOB Flash Composite/Manufacturing/ Services PMI, September - UK S&P Global Flash Composite/Manufacturing/ Services PMI, September - India HSBC Flash Composite/Manufacturing/Services PMI September
Tuesday, Sep 24, 2024	- US S&P/Case-Shiller Home Price, July - US House Prices Index, July - US CB Consumer Confidence, September - US Richmond Fed Manufacturing Index, September - Japan Jibun Bank Flash Manufacturing/Composite/Services PMI, September
Wednesday, Sep 25, 2024	- US New Home sales, August - US Building Permits Final, August
Thursday, Sep 26, 2024	- US GDP Growth Rate, Q2 - US PCE Prices Index, Q2 - US Durable Goods Order, August - US Pending Home Sales, August - US Kansas Fed Composite/Manufacturing Index, September - US Initial Jobless Claims, September 21 - Japan BoJ Monetary Policy Meeting Minutes
Friday, Sep 27, 2024	- US PCE Price Index, August - Eurozone Consumer Confidence, September - Eurozone Industrial Sentiments, September - Eurozone Consumer Inflation Expectations September - Eurozone Economic/Services Sentiment September - China Industrial Profits, August

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- Japan Coincident/ Leading Economic Index July
- India Foreign Exchange Reserves September 20

Source: CRISIL

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