

WEEKLY YIELD

Update of Equity & Debt Market

December 20, 2024

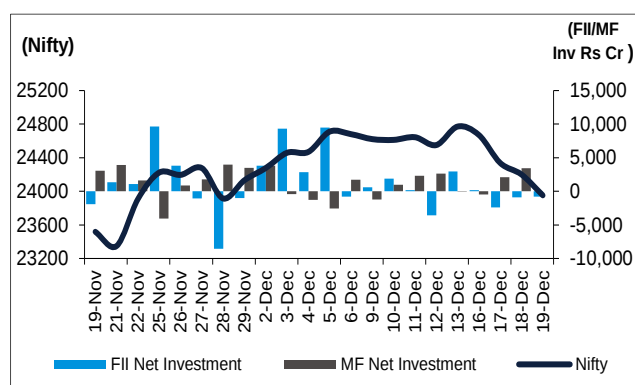


DOMESTIC EQUITY

- Indian equities fell sharply this week following the US Federal Reserve's interest rate cut projections and a strengthening dollar index. BSE Sensex and Nifty 50 rose 4.98% and 4.77% respectively.
- Almost all sectors ended lower, with Power, Metal and Capital Goods losing the most. BSE Power, BSE Metal and BSE CG fell 6.86%, 6.67% and 6.17%, respectively.

Broad Indices	Week change%	3 months change%	1 year change%
BSE Sensex	-4.98	-7.69	10.69
Nifty 50	-4.77	-8.54	11.52
BSE Midcap	-3.24	-5.97	31.86
BSE Smallcap	-3.17	-3.39	34.91
BSE Bankex	-5.32	-5.25	7.83
BSE CG	-6.17	-6.56	28.89
BSE FMCG	-2.42	-14.97	3.70
BSE IT	-4.55	2.04	23.49
BSE Healthcare	0.10	-0.09	46.67

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks declined sharply during the week following dismal inflation data and the Fed's rate cut decision and projection. However, there were some gains owing to higher growth data.
- Britain's FTSE Index declined this week owing to lower-than-expected domestic growth data and on the Fed's projections for 2025. Furthermore, the Bank of England's decision to hold interest rates led to losses.
- Asian equities closed mixed, with Japan's Nikkei Index ending lower this week, clocking more losses following the US central bank's policy rate decision.
- Hong Kong's Hang Seng ended lower this week as the latest Chinese data showed a slowdown in consumption growth and investment in properties. It clocked more losses following the Fed's forecast for next year.
- China's Shanghai Composite Index ended lower this week owing to a slew of weak economic data. However, the losses were curbed after China's central bank left its policy rate unchanged.



DOMESTIC DEBT

Indicators	Dec 20, 2024	Previous Week	Trend
Call Rate	6.85%	6.80%	↑
3 M CP	7.45%	7.44%	↑
1 Yr CP	7.90%	7.85%	↑
3 M CD	7.23%	7.20%	↑
1 Yr CD	7.62%	7.58%	↑
5 Yr AAA	7.28%	7.24%	↑
1 Yr G-Sec*	6.72%	6.68%	↑
5 Yr G-Sec*	6.74%	6.66%	↑
10 Yr G-Sec*	6.79%	6.73%	↑
USD/INR*	85.02	84.79	↓

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

*Weighted Average Yield

- Government bond prices declined in the week ended December 20, 2024. The yield on the 10-year benchmark 6.79% 2034 paper closed at 6.79%

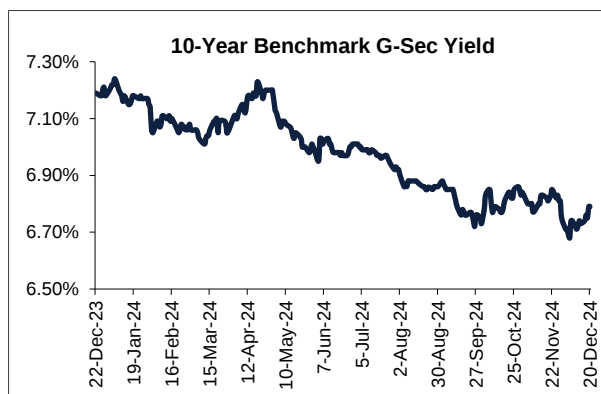
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on December 20, 2024 compared with 6.73% on December 13, 2024.

- Bond prices declined sharply owing to a spike in the US Treasury yield after the US Federal Reserve (Fed) slashed its policy rate by 25 basis points and proposed to ease the pace of rate cuts in 2025.
- In the weekly debt sale held on December 20, 2024, the RBI auctioned New GS (Government Security) 2029 and 7.34% GS 2064 for a total notified amount of Rs 29,000 crore.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices declined sharply during the week after the Fed cut the policy rate for the third consecutive time and projected fewer rate cuts for 2025.
- The central bank forecast two cuts in the year ahead, down from four previously. The Fed also slightly increased its inflation forecast.
- Earlier in the week, a slew of strong economic data, including retail sales and housing prices index data, also kept the yield elevated.
- The yield on the 10-year benchmark Treasury bond ended at 4.57% on December 19, 2024, compared with 4.40% on December 13, 2024.



DOMESTIC NEWS

- Finance Minister Nirmala Sitharaman said that the lower-than-expected Gross Domestic Product

(GDP) growth of 5.4% in the second quarter was a "temporary blip". She exuded confidence that the economy would grow at a healthy pace in the coming quarters.

- India Ratings and Research (Ind-Ra) projects 6.6% GDP growth for fiscal 2026, driven by investments, rebounding from a cyclical slowdown.
- The Government's capital expenditure increased from over Rs 5 lakh crore in fiscal 2022 to Rs 11.11 lakh crore in fiscal 2025.
- The Securities and Exchange Board of India (SEBI) proposed a regulatory framework to enable retail investors to participate in algorithmic trading, while outlining the roles and responsibilities of stockbrokers and exchanges.
- SEBI extended the deadline to December 31, 2024 for submitting public comments on a proposal on the process to appoint key officials of stock exchanges and other market infrastructure institutions and a cooling-off period before they can join a competing institution.
- SEBI proposed a platform called Mutual Fund Investment Tracing and Retrieval Assistant (MITRA) to help investors find inactive or unclaimed mutual fund folios.
- SEBI also amended norms governing investment advisers and research analysts to facilitate ease of doing business by relaxing eligibility criteria for registration and simplifying the compliance requirements.
- SEBI introduced a new asset class called specialised investment funds.
- SEBI banned foreign portfolio investors from distributing offshore derivatives instruments (ODIs) with derivatives as underlying or utilising derivatives to hedge ODIs in India.
- SEBI also approved tighter regulations for listing of small and medium enterprises, broadened the scope of price-sensitive information and overhauled regulations governing investment bankers.

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- SEBI extended the suspension of trading in derivative contracts for seven agricultural commodities until January 31, 2025.
- SEBI clarified exclusions from the pro rata distribution mandate for alternative investment funds (AIFs). This ensures benefits are distributed proportionally to investors' commitments in the AIF scheme.
- SEBI notified a raft of changes to the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in areas such as related party transactions, promoter reclassification and secretarial audit.
- SEBI proposed using DigiLocker, a government digital storage system, to make it easier to manage and transfer financial assets when someone passes away.
- Eurozone Industrial production decreased 1.2 % in October 2024 compared to a 2.2% decline in September 2024.
- The British economy expanded 1.3% on-year in October 2024, compared to 1% in September 2024.
- UK annual inflation rate edged up for a second month to 2.6% in November 2024 compared to 2.3% in October 2024.
- UK Industrial Production decreased 0.70% in October 2024 compared to -1.8% in September 2024 while Manufacturing production showed 0% growth, following a 0.7% fall in the previous month.
- The Bank of England hold the benchmark bank rate steady at 4.75% during its December 2024 meeting, in line with market expectations, balancing persistent inflationary pressures against slowing economic growth.
- The People's Bank of China (PBoC) maintained its key lending rates steady for the second straight month at December fixing. The one-year loan prime rate (LPR), the benchmark for most corporate and household loans, was held at 3.1%. Meanwhile, the five-year rate, a reference for property mortgages, was unchanged at 3.6%.
- China's retail sales rose by 3% on-year in November 2024, slowing from a 4.8% growth in October 2024.
- The Bank of Japan (BoJ) maintained its key short-term interest rate at around 0.25% during its final meeting of the year, retaining it at the highest level since 2008 and meeting market expectations.
- Japan annual inflation rate climbed to 2.9% in November 2024 compared to 2.3% in October 2024 while the core inflation rose by 2.7% from 2.3%
- The US economy expanded an annualized 3.1% in the third quarter of 2024, higher than 2.8% in the second estimate and above 3% in Q2 2024.
- US Manufacturing Production declined by 1% in November 2024, after a revised 0.7% fall in October 2024.
- US PCE Prices decreased to 1.50% in the third quarter of 2024 from 2.50% in the second quarter of 2024 while Core PCE Prices declined to 2.20% from 2.80%.
- US Industrial Production declined by 0.9% in November 2024, following a revised 0.5% decrease in October 2024.
- Eurozone annual inflation rate increased to 2.2% in November 2024 compared to 2% in October 2024 while the annual core inflation rate was at 2.7%, unchanged from October 2024 and September 2024.



GLOBAL NEWS

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DAY	EVENTS
Monday, Dec 23, 2024	- US Chicago Fed National Activity Index, November - US CB Consumer Confidence, December - UK GDP Growth Rate, Q3 - UK Retail Sales, November
Tuesday, Dec 24, 2024	- US New Home sales, November - US Richmond Fed Manufacturing Index, December - US Durable Goods Order, November - US Building Permits Final, November - China PBoC 1-Year MLF Announcement
Wednesday, Dec 25, 2024	Japan Coincident/ Leading Economic Index October
Thursday, Dec 26, 2024	US Initial Jobless Claims December 21
Friday, Dec 27, 2024	- US S&P/Case-Shiller Home Price, October - China Industrial Profits, November - Japan Unemployment Rate, November - Japan Industrial Production, November - India Foreign Exchange Reserves, December 20

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Source: CRISIL

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