

WEEKLY YIELD

Update of Equity & Debt Market

February 21, 2025

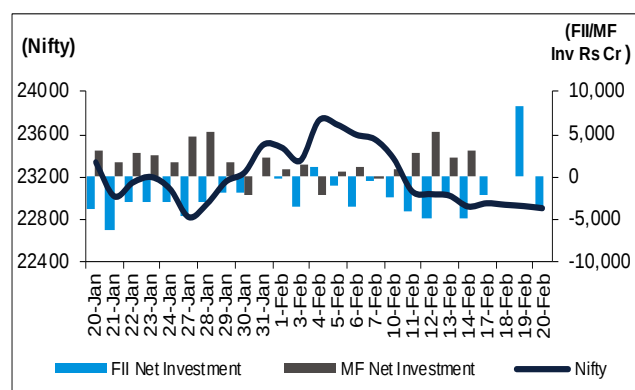


DOMESTIC EQUITY

- Indian equities fell for the third consecutive week due to concerns over potential United States (US) tariffs, weak corporate earnings and global trade uncertainties. However, intermittent gains were seen from short covering. BSE Sensex and Nifty 50 fell 0.83% and 0.58%, respectively.
- Most of the sectors ended lower with auto, Information Technology (IT) and Fast-Moving Consumer Goods (FMCG) losing the most. BSE Auto, BSE IT and BSE FMCG fell 2.39%, 2.00% and 1.51%, respectively.

Broad Indices	Week change%	3 month change%	1 year change%
BSE Sensex	-0.83	-2.39	3.70
Nifty 50	-0.58	-2.37	3.36
BSE Midcap	1.62	-9.21	2.29
BSE Smallcap	0.98	-12.05	0.69
BSE Bankex	-0.19	-2.90	4.39
BSE CG	1.83	-11.33	6.03
BSE FMCG	-1.51	-6.85	-2.55
BSE IT	-2.00	-4.28	4.67
BSE Healthcare	-0.67	-6.66	11.29

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks declined this week after the US President's announcement of reciprocal tariff plans and Walmart's cautious profit outlook.
- Britain's FTSE index declined this week as investors scaled back expectations for the pace of interest rate cuts by the Bank of England after inflation data came in higher than anticipated. Moreover, mixed corporate earnings and a stronger sterling kept markets under pressure.
- Asian equities closed mixed this week. Japan's Nikkei index ended lower after the US Government's auto tariff threat and owing to fears that the Bank of Japan may increase interest rates. Moreover, a strong yen kept exporters' share under pressure.
- Japan's annual inflation rate climbed to 4.0% in January from 3.6% in the previous month, while core inflation rose to 3.2% from 3%.
- Hong Kong's Hang Seng rose this week, as the meeting between China's President and most influential businessperson boosted hopes of stimulus measures.
- China's Shanghai Composite Index ended higher this week due to gains from Artificial Intelligence (AI)-related stocks. However, some losses were witnessed after the US President's tariff threats.



DOMESTIC DEBT

Indicators	Feb 21, 2025	Previous Week	Trend
Call Rate	6.25%	5.80%	↑
3 M CP	7.79%	7.75%	↑
1 Yr CP	7.86%	7.88%	↓
3 M CD	7.44%	7.40%	↑
1 Yr CD	7.57%	7.57%	↔
5 Yr AAA	7.26%	7.26%	↔
1 Yr G-Sec*	6.60%	6.60%	↔
5 Yr G-Sec*	6.69%	6.69%	↔
10 Yr G-Sec*	6.71%	6.71%	↔
USD/INR*	86.65	86.89	↑

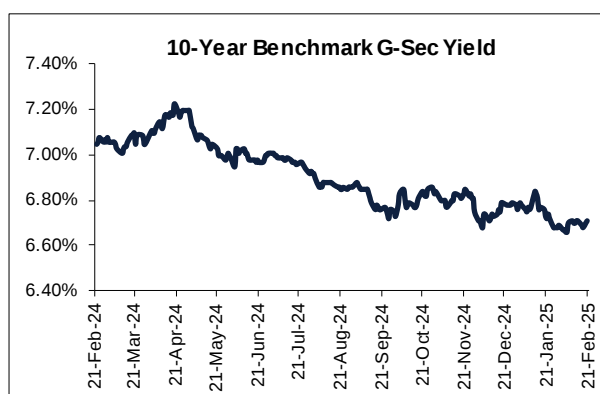
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Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA
*Weighted Average Yield

- Government bond prices were flat in the week ended February 21, 2025. The yield on the 10-year benchmark 6.79% 2034 paper closed at 6.71% on February 21, 2025, unchanged from February 14, 2025.
- Bond prices began the week on a positive note after the Reserve Bank of India (RBI) increased bond purchases and included the benchmark in this week's purchase and due to weakness in the US Treasury yield.
- However, these gains were capped as the central bank's bond purchases fell short of market expectations. Bond prices declined further after the weekly debt auction witnessed weak demand.
- In the weekly debt sale held on February 21, 2025, the RBI auctioned 6.75% (government security) 2029, 6.98% GOI SGrB (sovereign) 2054 and 7.34% GS 2064 for a total notified amount of Rs 34,000 crore.



Source: CRISIL Fixed Income Database

- However, these gains were short-lived, and bond prices rose after the Federal Open Market Committee (FOMC) minutes showed that interest
- Weak economic data, along with lingering trade tariff concerns and dismal initial jobless claims, also elevated yield.
- The yield on the 10-year benchmark Treasury bond ended at 4.50% on February 20, 2025, compared with 4.47% on February 14, 2025.



DOMESTIC NEWS

- India HSBC Flash Manufacturing Purchasing Managers' Index (PMI) fell to 57.1 in February 2025 from 57.7 in the previous month, while HSBC Flash Services PMI increased to 61.1 from 56.5 and Composite PMI rose to 60.6 from 57.7.
- India's wholesale prices eased 2.31% on-year in January 2025, compared with an increase of 2.37% in the previous month.
- India's trade deficit widened to \$22.9 billion in January 2025 from \$21.94 billion in the previous month, with exports at \$36.43 billion and imports at \$59.4 billion.
- Moody's Analytics said India's growth would slow to 6.4% in 2025 from 6.6% in 2024, as new United States (US) tariffs and softening global demand weigh on exports.
- India and the US introduced a new defence initiative, the Autonomous Systems Industry Alliance (ASIA), designed to boost industry collaboration and enhance the production of autonomous systems.
- The Uttarakhand Cabinet approved a stringent land law to "protect" the state's resources and "maintain" its original identity.
- Uttar Pradesh's Finance Minister presented a Rs 8.08 lakh crore budget for fiscal 2026 in the State Assembly, with a focus on infrastructure, education and agriculture.



GLOBAL DEBT

- US Treasury prices declined marginally as investors sought further guidance on the path of US interest rates following economic reports last week that kept prices under pressure.

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- The Securities and Exchange Board of India (SEBI) introduced industry standards for the minimum information that listed entities are required to provide to the audit committee and shareholders when seeking approval for the Related Party Transactions (RPTs).
- SEBI floated a draft circular proposing that Real Estate Investment Trusts (REITs) and infrastructure investment trusts (InvITs) should disclose financial information in their offer documents in line with public issue and listing norms.
- SEBI relaxed the timeline for alternative investment funds to hold their investments in dematerialised (demat) form.
- SEBI proposed a SIM binding mechanism to prevent unauthorised access to trading and demat accounts, similar to the security measures used in Unified Payments Interface (UPI) payments.
- SEBI amended mutual fund rules asking Asset Management Companies (AMCs) to deploy the money collected from investors through New Fund Offers in a prescribed time limit.
- SEBI specified a new procedure for making regulations, mandating public consultation and for engagement of stakeholders for modifying norms to bring more transparency.
- The Eurozone's trade surplus narrowed to €15.5 billion in December 2024 from €16.4 billion in the previous year.
- UK unemployment rate held steady at 4.4% from October 2024 to December 2024.
- UK annual inflation rate accelerated sharply to 3% in January 2025, the highest since March 2024, from 2.5% in December 2024 while annual core inflation rate rose to 3.5% from 3.2%.
- UK Core producer prices increased 1.5% on-year in January 2025 compared to a revised 1.6% rise in December 2024.
- UK Retail Price Index increased by 3.6% on-year in January 2025, from a 3.5% rise in the previous month.
- UK GfK Consumer Confidence Index rose by 2 points to -20 in February 2025 from a decline of 22 in January 2025.
- The People's Bank of China (PBoC) kept its key lending rates unchanged for the fourth consecutive month in February 2025. The one-year Loan Prime Rate (LPR), a benchmark for most corporate and household loans, was maintained at 3.1%, while the five-year LPR, a reference for property mortgages, remained at 3.6%.
- The Japanese economy grew by 2.8% on an annualized basis in Q4 of 2024 accelerating from a revised 1.7% increase in Q3 of 2024.
- Japan's trade deficit increased significantly to JPY (Japanese Yen) 2,758.78 billion in January 2025 from JPY 1,766.54 billion in the same month a year earlier, exceeding market consensus for a gap of JPY 2,100 billion, as imports grew much faster than exports.
- Japan Industrial Production decreased 1.60% in December 2024 compared to -2.7% in November 2024.



GLOBAL NEWS

- US Retail Sales increased 4.2% on-year in January 2025 compared to an upwardly revised 4.4% rise in December 2024.
- US Industrial production increased 2% in January 2025 following a downwardly revised 0.3% gain in December 2024 while manufacturing production increased 1% compared to a 0.1% fall in the previous period.
- The Eurozone's annual gross domestic product (GDP) growth rate was confirmed at 0.9% in the fourth quarter of 2024, unchanged from the previous period.

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DAY	
Monday, February 24, 2025	• US Dallas Fed Manufacturing Index February • Eurozone Inflation Rate YoY Final, January
Tuesday, February 25, 2025	• US House Price Index, December • US S&P/Case-Shiller Home Price, December • US Richmond Fed Manufacturing Index, February • US Dallas Fed Services Index, February
Wednesday, February 26, 2025	• US New Home Sales, January • US Building Permits Final, January
Thursday, February 27, 2025	• US GDP Growth Rate QoQ 2nd Est Q4 • US PCE Prices QoQ 2nd Est Q4 • US Kansas Fed Manufacturing /Composite Index February • Eurozone Industrial Sentiment, February
Friday, February 28, 2025	• US PCE Price Index, January • US Chicago PMI February • Japan Industrial Production YoY Prel, January • Japan Housing Starts YoY, January • India Government Budget Value, January • India Infrastructure Output, January • India GDP Growth Rate, Q4 FY 2024-25 • India Fiscal Year GDP Growth 2nd Est, 2024-25 • India Foreign Exchange Reserves February 21, 2025

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Source: CRISIL

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