WEEKLY YIELD

Update of Equity & Debt Market

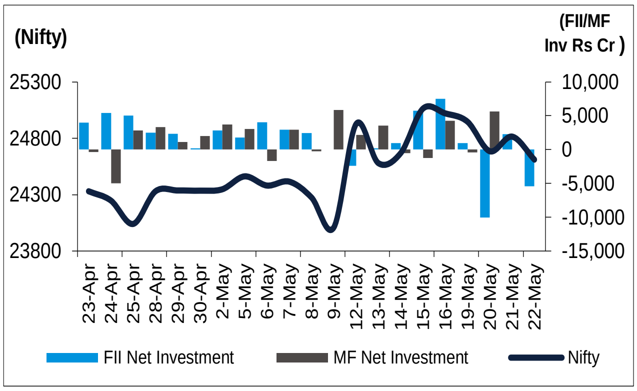
May 23, 2025

DOMESTIC EQUITY

- Indian equities ended lower this week on concerns over the United States (US) sovereign credit rating downgrade, persistent foreign fund outflows and escalating geopolitical tensions in the Middle East. However, some gains were seen towards the end of the week driven by bargain hunting and easing US Treasury yields. The BSE Sensex and Nifty 50 fell 0.74% and 0.67%, respectively.
- Almost all the sectors ended lower with Consumer Durables (CD), auto and Information Technology (IT) losing the most. The BSE CD, BSE Auto and BSE IT fell 2.18%, 1.70%, and 1.23%, respectively.

Broad Indices	Week change%	3 month change%	1 year change%
BSE Sensex	-0.74	8.51	8.36
Nifty 50	-0.67	9.02	8.21
BSE Midcap	-0.32	11.11	3.32
BSE Smallcap	0.93	12.35	7.13
BSE Bankex	-0.01	13.00	12.96
BSE CG	0.49	18.57	-0.35
BSE FMCG	-0.71	9.06	2.79
BSE IT	-1.23	-7.11	6.43
BSE Healthcare	0.17	7.31	19.33

Source: BSE, NSE



Source: SEBI, NSE

Past performance may or may not be sustained in the future.

GLOBAL EQUITY

- US stocks declined during this week mainly due to rising treasury yields and debt concerns following the US President's tax cut proposal.
- Britain's FTSE index rose this week, following a major United Kingdom (UK)-European Union deal and strong corporate earnings. Further gains were witnessed amid easing global trade conflicts worries.
- Asian equities closed mixed this week. Japan's Nikkei index ended lower as a spike in US Treasury yields heightened worries of a shift from US assets.
- Hong Kong's Hang Seng Index rose this week after China lowered its key interest rates. Additionally, investors were optimistic that easing US-China trade tensions would improve China's growth outlook. However, a few losses were witnessed over global growth concerns after the US lost its top-notch sovereign credit rating.
- China's Shanghai Composite Index closed lower during this week as weak local data on industrial and retail sales highlighted ongoing economic challenges. Additionally, concerns over the fiscal health of the US also kept the market under pressure.

DOMESTIC DEBT

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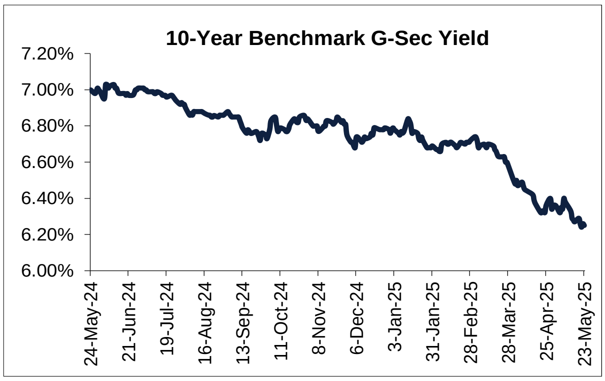
Indicators	May 23, 2025	Previous Week	Trend
Call Rate	5.50%	5.45%	↑
3 M CP	6.50%	6.75%	↓
1 Yr CP	6.87%	7.02%	↓
3 M CD	6.18%	6.40%	↓
1 Yr CD	6.53%	6.60%	↓
5 Yr AAA	6.72%	6.87%	↓
1 Yr G-Sec*	5.72%	5.81%	↓
5 Yr G-Sec*	5.85%	5.95%	↓
10 Yr G-Sec*	6.25%	6.27%	↓
USD/INR*	85.68	85.57	↓

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

- Government bond prices ended higher in the week ended May 23, 2025. The yield of the 10-year benchmark 6.79% 2034 paper closed at 6.25% on May 23, 2025, compared with 6.27% on May 16, 2025.
- Bond prices rose as softer-than-expected inflation data and ample banking liquidity reaffirmed convictions of a dovish central bank outlook.
- Meanwhile, investors awaited the announcement of the Reserve Bank of India (RBI) surplus transfer to the Government, with the hopes that transfer would cross Rs 3 lakh crore.
- Meanwhile, in the weekly debt sale held on May 23, 2025, the Reserve Bank of India (RBI) auctioned 6.75% GS (Government Security) 2029 and 7.09% GS 2054 for a total notified amount of Rs 27,000 crore.



Source: CRISIL Fixed Income Database

Past performance may or may not be sustained in the future.

GLOBAL DEBT

- US Treasury prices declined during the week due to upbeat economic data and concerns over debt health of the country.
- Bond prices fell as the latest consumer inflation numbers raised fears of higher inflation. The prices fell further amid concerns about the US debt load and a tax-cut Bill, following Moody's downgrade of the country's sovereign credit rating.
- However, a few gains in bond prices were witnessed later in the week after the US Government's budget plan passed the House by one vote.
- The yield on the 10-year benchmark Treasury bond ended at 4.54% on May 22 compared with 4.43% on 16 May 25.

DOMESTIC NEWS

- India's infrastructure output expanded 0.5% in April compared with an upwardly revised 4.6% growth in March.
- India HSBC Flash Manufacturing Purchasing Managers Index (PMI) rose slightly to 58.3 in May compared with 58.2 in April while Services PMI increased to 61.2 from 58.7 and the Composite PMI edged up to 61.2 from 59.7.
- The Reserve Bank of India (RBI) in its May monthly bulletin said the Indian economy is showing resilience despite elevated trade- and tariff-related uncertainties.
- S&P Global India Research said it expected India's real GDP growth to average 5.7% over the next decade and projected that further manufacturing reshoring and trade regionalisation strategies could add about 1.3 percentage points to India's real GDP by the end of fiscal 2035.

- The government extended the implementation timeline for the mandatory Quality Control Order (QCO) on certain electrical appliances by one year, until March 2026 following stakeholder consultations.
- The Centre announced a 4% reservation for persons with disabilities in Government housing allotments under the general pool residential accommodation category.
- The Delhi cabinet approved a subsidy of Rs 30,000 for installing 3 kW rooftop solar panels, supplementing the Central Government's Rs 78,000 subsidy under the PM Surya Ghar Yojana.
- The Maharashtra cabinet approved a new housing policy with a Rs 70,000 crore investment, prioritising affordable housing for low-income groups, senior citizens, women, industrial workers and students.
- India proposes to impose retaliatory duties under the World Trade Organization norms against the US over that country's tariffs on steel and aluminium in the name of safeguard measures.
- The RBI proposed relaxing norms for investments in alternative investment firms by regulated entities in the aftermath of its earlier tightening, bringing in financial discipline.
- The Central Bank mooted a proposal for urban co-operative banks with deposits of more than Rs 10,000 crore to issue special share certificates to their members or to persons residing within their area of operations.
- The Securities and Exchange Board of India (SEBI) revised the norms on internal audit mechanisms and the composition of audit committees at Market Infrastructure Bnstitutions (MIIs) in a bid to strengthen governance at stock exchanges, depositories and clearing corporations.
- The SEBI extended the timeline for implementing the framework regarding tightening of rules on issuance of offshore derivative instruments by FPIs to November 17, 2025.

GLOBAL NEWS

- US Export prices rose 2% year-on-year in April 2025 compared to an upwardly revised 2.6% advance in March 2025 while the Import Prices decreased to 0.10% from 0.90%.
- US S&P Global Flash Manufacturing PMI increased to 52.3 in May 2025, compared to 50.2 in April 2025 while Services PMI rose to 52.3 from 50.8 and Composite PMI rose to 52.1 from 50.6.
- US Chicago Fed National Activity Index (CFNAI) declined to -0.25 in April 2025 compared to a revised 0.03 in March 2025.
- Eurozone HCOB Flash Manufacturing PMI rose to 49.4 in May 2025 compared to 49.0 in April 2025 while the Services PMI fell to 48.9 from 50.1 and the Composite PMI fell to 49.5 from 50.4.
- Eurozone annual inflation rate was steady at 2.2% in April 2025, maintaining the same pace as March 2025 while the annual core inflation rate rose at 2.7% in April 2025 from 2.4% in March 2025.
- The Eurozone's trade surplus surged to a record €36.8 billion in March 2025, up from €22.8 billion a year earlier.
- UK annual inflation rate jumped to 3.5% in April 2025 compared to 2.6% in March 2025 while annual core inflation rate rose to 3.8% compared to 3.4%.
- UK Retail Price Index advanced by 4.5% in April 2025, compared to 3.2% growth in March 2025.
- UK GfK Consumer Confidence Index rose by 3 points to -20 in May 2025 compared to -23 in April 2025.
- UK S&P Global Flash Manufacturing PMI slipped to 45.1 in May 2025 compared to 45.4 in April 2025 while Services PMI increased to 50.2 from 49 and Composite PMI rose to 49.4 from 48.5.
- China industrial production rose to 6.1% in April 2025 compared to 7.7% growth recorded in March 2025.

WEEKLY YIELD

Update of Equity & Debt Market

Union Mutual Fund

May 23, 2025

- China retail sales increased by 5.1% in April 2025 compared to 5.9% in March 2025.
- The People's Bank of China (PBoC) cut 1yr loan prime rate (LPR) by 10 basis points to 3.0% and 5-year LPR by the same margin to 3.5%.
- Japan Industrial Production increased 1% in March 2025 compared to 0.1% in February 2025.
- Japan trade deficit decreased significantly to JPY 115.85 billion in April 2025 compared to JPY 504.69 billion in April 2024.
- Japan annual inflation rate stood at 3.6% in April 2025, unchanged from March 2025 while the core inflation rose 3.5% April 2025 compared to 3.2% in March 2025.

DAY	
Monday, May 26, 2025	• Japan Coincident Index/ Leading Economic Index, March
Tuesday, May 27, 2025	• US Dallas Fed Manufacturing Index, May • US Durable Goods Orders, April • US House Price Index, March • US Dallas Fed Services Index, May • US CB Consumer Confidence, May • Eurozone Industrial Sentiment, May • Eurozone Consumer Confidence Final, May • China Industrial Profits (YTD), April
Wednesday, May 28, 2025	• US FOMC Minutes • US Richmond Fed Manufacturing Index, May • India Industrial/Manufacturing Production, March
Thursday, May 29, 2025	• US GDP Growth Rate QoQ 2nd Est Q1 • US PCE Price Index, March • US Pending Home Sales, April • Japan Consumer Confidence, April
Friday, May 30, 2025	• US PCE Prices index, April • Japan Retail Sales, April • Japan Industrial Production, April • Japan Unemployment Rate, April • India government Budget Value, March • India GDP Growth Rate, Q1 • India Foreign Exchange Reserves May 23, 2025

Source: CRISIL

Statutory Details: Constitution: Union Mutual Fund has been set up as a Trust under the Indian Trusts Act,1882; Sponsors: Union Bank of India and Dai-ichi Life Holdings, Inc.; Trustee: Union Trustee Company Private Limited, [Corporate Identity Number (CIN): U65923MH2009PTC198198], a company incorporated under the Companies Act, 1956 with a limited liability; Investment Manager: Union Asset Management Company Private Limited, [Corporate Identity Number (CIN): U65923MH2009PTC198201], a company incorporated under the Companies Act, 1956 with a limited liability. Registered Office: Unit 503, 5th Floor, Leela Business Park, Andheri Kurla Road, Andheri (East), Mumbai - 400059.Toll Free No. 18002002268 · Non Toll Free. 022-67483333 · Fax No: 022-67483402 · Website: www.unionmf.com · Email: investorcare@unionmf.com