Union Mutual Fund

WEEKLY YIELD

Update of Equity & Debt Market

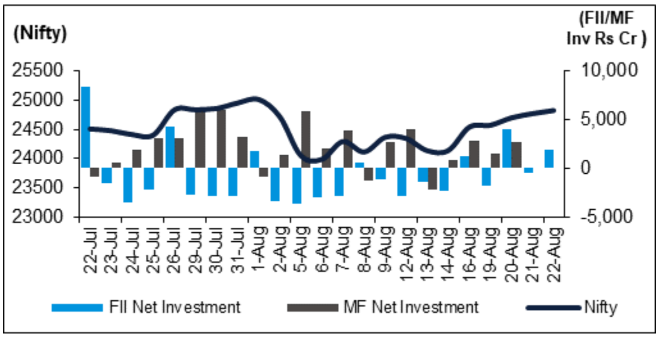
August 23, 2024

DOMESTIC EQUITY

- Indian equity markets ended higher for the second consecutive week after the US Federal Reserve's (Fed) latest meeting minutes suggested a likely rate cut next month. The BSE Sensex and Nifty 50 rose 0.81% and 1.15%, respectively.
- Almost all sectors ended higher with metal, consumer durables (CD), and healthcare gaining the most. BSE Metal, BSE CD and BSE Healthcare rose 4.37%, 3.99% and 2.29%, respectively.
- Some losses were seen by the end of the week as investors remained cautious ahead of the Jackson Hole Symposium.

Broad Indices	Week change%	3 months change%	1 year change%
BSE Sensex	0.81	7.52	23.92
Nifty 50	1.15	8.08	27.66
BSE Midcap	1.96	11.29	56.15
BSE Smallcap	3.39	15.78	54.39
BSE Bankex	0.70	4.12	16.18
BSE CG	0.70	5.57	64.11
BSE FMCG	2.16	14.77	23.17
BSE IT	0.77	20.63	34.06
BSE Healthcare	2.29	18.20	49.86

Source: BSE, NSE



Source: SEBI, NSE

GLOBAL EQUITY

- US stocks ended mixed this week with the Dow Jones rising 0.13%, while Nasdaq fell 0.07%.
- Markets gained, especially, the Dow Jones, after the Fed's latest policy meeting minutes hinted at a possible rate cut in the September 2024 policy meet.
- Britain's FTSE Index closed lower, dragged down by energy stocks and metal companies.
- Asian equities ended mostly higher. Japan's Nikkei Index advanced, tracking a similar trend in the US market and on a rally in technology stocks.
- China's Shanghai Composite declined as investors were disappointed on account of the lack of fresh stimulus policies and after Europe's revised tariff plans weighed on EV makers.

DOMESTIC DEBT

Indicators	Aug 23, 2024	Previous Week	Trend
Call Rate	5.75%	6.20%	↓
3 M CP	7.55%	7.63%	↓
1 Yr CP	7.87%	7.91%	↓
3 M CD	7.19%	7.18%	↑
1 Yr CD	7.59%	7.62%	↓
5 Yr AAA	7.48%	7.51%	↓
1 Yr G-Sec*	6.73%	6.76%	↓
5 Yr G-Sec*	6.78%	6.79%	↓
10 Yr G-Sec*	6.86%	6.87%	↓
USD/INR*	83.90	83.95	↓

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

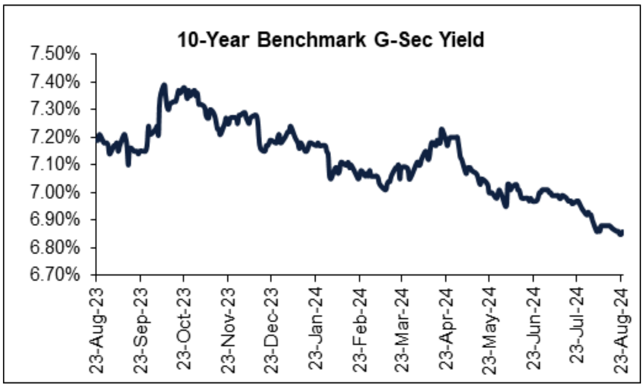
WEEKLY YIELD

Update of Equity & Debt Market

August 23, 2024

- Government bond prices rose marginally. The yield of the 10-year benchmark 7.10% 2034 paper closed marginally lower at 6.86% on August 23, 2024, compared with 6.87% on August 16, 2024.
- Bond prices rose slightly after the Fed's latest policy meeting minutes hinted at a possible rate cut in the upcoming September 2024 policy meet. However, further gains in bond prices were halted as investors awaited Fed Chair Jerome Powell's remarks at the Jackson Hole Symposium.
- In the debt sale held on August 23, 2024, the Reserve Bank of India (RBI) auctioned 7.04% Government Security (GS) 2029 and 7.34% GS 2064 for a total notified amount of Rs 22,000 crore.

Source: *CRISIL Fixed Income Database*



GLOBAL DEBT

- US Treasury prices rose during the week after the Fed meeting minutes hinted at a rate cut in September 2024.
- The minutes of the Fed's July 30-31 meeting said that the "vast majority" of policymakers "observed that, if the data continued to come in about as expected, it would likely be appropriate to ease policy at the next meeting".
- US Treasury prices declined later as investors awaited cues from the Jackson Hole Symposium.
- The yield of the 10-year benchmark Treasury bond ended lower at 3.86% on August 22, 2024, compared with 3.89% on August 16, 2024.

DOMESTIC NEWS

- India HSBC Flash Manufacturing Purchasing Managers' Index (PMI) fell to 57.9 in August 2024 compared with 58.1 in July 2024, while Services PMI rose to 60.4 compared with 60.3, and Flash Composite PMI declined to 60.5 compared to 60.7.
- The Finance Ministry, in its monthly economic review, highlighted that the Indian economy retained its growth momentum in the opening quarter (April-July) of the fiscal.
- Reserve Bank of India (RBI) Governor Shaktikanta Das said that India's inflation must show signs of settling around the central bank's target of 4% on a sustainable basis before a rate cut can be considered.
- The RBI indicated in its monthly bulletin that persistent high food prices could require a more cautious monetary policy.
- According to the RBI monthly bulletin, non-resident deposits recorded net inflows of $4 billion in the first quarter of the fiscal as compared with $2.2 billion a year ago.
- Prime Minister Narendra Modi pledged $3.5 million toward helping developing countries promote trade and build capacity.
- International Monetary Fund Executive Director Krishnamurthy Subramanian said that India's private sector needs to play its part to ensure a sustainable 8% real GDP growth, which would be key to achieving a $55 trillion economy by 2047.
- The Union Cabinet approved airport projects at Bagdogra in West Bengal and Bihta in Bihar for an estimated cost of Rs 1,549 crore and Rs 1,413 crore, respectively.
- Finance Minister Nirmala Sitharaman called for substantial reforms in multilateral development banks to secure additional funds for developing countries.

- The Government signed a $500 million loan package with the Asian Development Bank to enhance tertiary healthcare and medical education in Maharashtra.
- The RBI tightened guidelines for non-banking lenders operating under peer-to-peer (P2P) lending norms.
- The RBI issued a framework to recognise self-regulatory organisations in the financial markets, in order to help enhance the compliance culture and provide a consultative platform for policy making.
- Securities and Exchange Board of India (SEBI) planned to broaden its sustainable finance framework by including social and sustainability-linked bonds.
- SEBI has given the go-ahead for alternative investment fund category I and category II (AIF - I and AIF - II) to borrow funds to meet the shortfall in drawdown amount.

GLOBAL NEWS

- US S&P Global Flash Manufacturing PMI fell to 48 in August 2024, from 49.6 in July 2024, while Services PMI edged up to 55.2 from 55 and Composite PMI fell slightly to 54.1, down from 54.3.
- US Housing Starts fell by 6.8% on month in July 2024 from 1.1% in June 2024.
- US Non-Farm Payrolls Annual Revision came at -818,000 in March 2024 compared to -187,000 in the previous year.
- US Michigan Inflation Expectations remained unchanged at 2.9% in July 2024 from June 2024.
- US Building Permits fell to 1.396 mn on month in July 2024, compared to 1.454 mn in June 2024.
- US Michigan Consumer Sentiment rose to 67.8 in August 2024, up from 66.4 in July 2024.
- US CB Leading Index came at -0.6% in July 2024, compared to -0.2% in June 2024.
- Eurozone annual flash inflation rate rose to 2.6% in July 2024 compared to 2.5% in June 2024, while the core flash inflation rate remained unchanged at 2.9%.
- Eurozone Consumer Confidence fell by 0.4 points to -13.4 in August 2024, from -13 in the previous month.
- Eurozone HCOB Flash Manufacturing PMI dropped to 45.6 in August 2024, compared to 45.8 in July 2024, while Services PMI rose to 53.3 from 51.9 and Composite PMI rose to 51.2 from 50.2.
- UK S&P Global Flash Manufacturing PMI rose to 52.5 in August 2024 from 52.1 in July 2024, while Services PMI rose to 53.3 from 52.5 and Composite PMI increased to 53.4 from 52.8.
- UK GfK Consumer Confidence indicator remained unchanged at -13 in August 2024 compared to July 2024.
- UK retail sales edged up to 1.4% on year in July 2024 compared to a downwardly revised 0.3% in June 2024.
- The People's Bank of China left key lending rates unchanged at the August meeting with the 1-year Loan Prime Rate (LPR) maintaining at 3.45% while 5 yr LPR at 3.85%.
- China Foreign Direct Investment declined to -29.60% in July 2024 from -29.10% in June 2024.
- Japan annual inflation rate remained unchanged at 2.8% in July, 2024 compared to June 2024, while Core Consumer Price Index increased by 2.7% from 2.6%.
- Japan recorded a trade deficit of JPY 621.84 billion in July 2024 compared to surplus of JPY 224 billion in June 2024, with exports rising 10.3% compared to a 5.4% growth while imports gaining 16.6% compared to a 3.2% rise.

DAY	EVENTS
Monday, Aug 26, 2024	• US Durable Goods Order, July • US Dallas Fed Manufacturing Index, August
Tuesday, Aug 27, 2024	• US S&P/Case-Shiller Home Price, June • US House Prices Index, June • US Dallas Fed Services Index August • US CB Consumer Confidence, August • US Richmond Fed Manufacturing Index, August • China Industrial Profits, July
Wednesday, Aug 28, 2024	• Japan Coincident/ Leading Economic Index June
Thursday, Aug 29, 2024	• US Pending Home Sales, July • US GDP Growth Rate, Q2 • US Initial Jobless Claims, August 24 • Eurozone Consumer Confidence, July • Eurozone Industrial Sentiments, July • Eurozone Consumer Inflation Expectations July • Eurozone Economic/Services Sentiment July
Friday, Aug 30, 2024	• US PCE Price Index, July • US Chicago PMI, August • Eurozone Inflation Flash, August • Japan Industrial Production, July • Japan Consumer Confidence, August • India Government Budget Value, July • India Infrastructure Output, July • India GDP Growth Rate, Q2 • India Foreign Exchange Reserves August 23

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. 18002002268/18005722268 · Non Toll Free. 022-67483333 · Fax No: 022-67483402 · Website: www.unionmf.com · Email: investorcare@unionmf.com