WEEKLY YIELD

Update of Equity & Debt Market

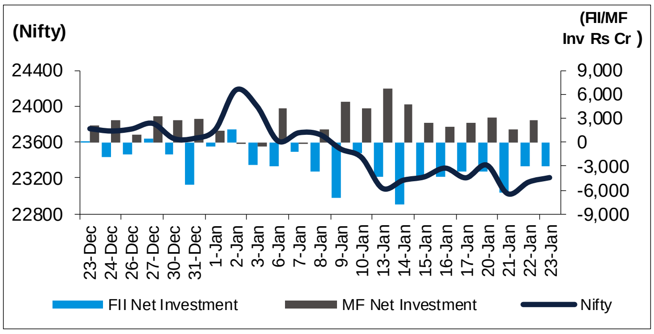
January 24, 2025

DOMESTIC EQUITY

- Indian equities ended lower this week over fears of the new United States administration's policies causing potential disruptions to global trade and owing to weaker-than-expected Services Purchasing Managers' Index (PMI) data. BSE Sensex and Nifty 50 fell 0.56% and 0.48%, respectively.
- Almost all sectors ended lower, with Realty, Capital Goods (CG) and Consumer Durables (CD) losing the most. BSE Realty, BSE CG and BSE CD fell 9.19%, 4.52% and 4.05%, respectively.

Broad Indices	Week change%	3 month change%	1 year change%
BSE Sensex	-0.56	-4.84	7.22
Nifty 50	-0.48	-5.36	7.64
BSE Midcap	-2.39	-7.42	12.75
BSE Smallcap	-4.21	-6.59	13.56
BSE Bankex	-0.36	-6.49	7.21
BSE CG	-4.52	-8.41	9.83
BSE FMCG	0.16	-4.35	1.17
BSE IT	2.32	1.87	13.41
BSE Healthcare	-1.07	-1.61	26.83

Source:BSE, NSE



Source: SEBI, NSE

GLOBAL EQUITY

- US stocks climbed during the week after Trump's speech at the World Economic Forum in Davos, where he said the US is working to reverse inflation, lower taxes and boost fossil fuel production.
- Britain's FTSE index rose this week supported by softer-than-expected retail sales, strong quarterly earnings and increased expectations of a rate cut due to a declining pound.
- Asian equities closed higher. Japan's Nikkei Index rose owing to the gains from exporter stocks following a weaker yen and a rise in the shares of Soft Bank Group and technology companies as the US announced private sector investment in AI infrastructure.
- Hong Kong's Hang Seng rose after the US President's remarks at the Davos and easing US-China relations as the US President held off on imposing tariffs on China.
- China's Shanghai Composite Index ended higher this week after positive talks between Chinese President Xi Jinping and US President Donald Trump and as the US held off on imposing tariffs on Chinese exports, though it threatened significant tariffs if Beijing failed to approve a deal.

DOMESTIC DEBT

Indicators	Jan 24, 2025	Previous Week	Trend
Call Rate	6.40%	6.45%	↓
3 M CP	7.93%	7.88%	↑
1 Yr CP	7.61%	8.05%	↓
3 M CD	7.53%	7.45%	↑
1 Yr CD	7.38%	7.64%	↓
5 Yr AAA	7.22%	7.24%	↓
1 Yr G-Sec*	6.63%	6.64%	↓
5 Yr G-Sec*	6.69%	6.76%	↓
10 Yr G-Sec*	6.72%	6.77%	↓
USD/INR*	86.29	86.58	↑

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

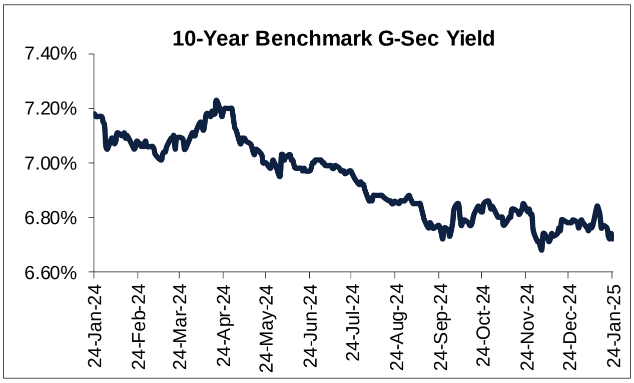
**Weighted Average Yield*

WEEKLY YIELD

Update of Equity & Debt Market

January 24, 2025

- Government bond prices ended the week higher. The yield on the 10-year benchmark 6.79% 2034 paper closed at 6.72% on January 24, 2025, compared with 6.77% on January 17, 2025.
- The yield declined owing to a fall in the US Treasury yield as US President Donald Trump held off on immediate trade tariffs.
- The yield fell further after the latest debt auction conducted by the Reserve Bank of India (RBI) witnessed strong demand. In the weekly debt sale held on January 24, 2025 the RBI auctioned 6.79% (Government Security) 2034 and 7.09% GS 2074 for a total notified amount of Rs 32,000 crore.



Source: *CRISIL Fixed Income Database*

GLOBAL DEBT

- US Treasury prices declined after the US President said he would demand that interest rates are reduced immediately.
- The yield gained as investors closely watched Trump's comments following his inauguration and their impact on the US economy.
- Bond prices had risen earlier in the week after Trump said he may impose 25% tariff on Mexico and Canada from February because of their border policies.
- The yield on the 10-year benchmark Treasury bond ended at 4.65% on January 24, 2025, compared with 4.61% on January 17, 2025.

DOMESTIC NEWS

- India's manufacturing PMI rose to 58 in January 2025 compared with 56.4 in December 2024, while the flash composite PMI fell to 57.9 from 59.2 and the flash services PMI to 56.8 from 59.3.
- The International Monetary Fund maintained its growth projection for India at 6.5% in both 2025 and 2026, as projected in October 2024.
- Retail inflation for farm and rural workers eased to 5.01% and 5.05% in December 2024 from 5.35% and 5.47%, respectively, in November 2024.
- As per the latest Reserve Bank of India (RBI) Bulletin, India's economic growth is poised to rebound as domestic demand regains strength, though the stickiness in food inflation warrants careful monitoring.
- The Union Cabinet approved a Rs 11,440 crore revival plan for Rashtriya Ispat Nigam Ltd.
- The Union Cabinet approved the extension of the National Health Mission for another five years after reviewing its progress over the past three years.
- The Government approved investment proposals worth Rs 3,516 crore from 24 companies in the third round of applications for the production-linked incentive scheme for white goods, including air conditioners (and light-emitting diodes.)
- The Government rolled out draft guidelines for e-commerce platforms, mandating self-regulatory measures to protect consumers from fraudulent practices.
- The RBI issued new rules aimed at streamlining the settlement process for dues payable by borrowers to Asset Reconstruction Companies (ARCs). The new rules mandate that ARCs adopt a more structured approach to settle dues while ensuring transparency and accountability in their operations.
- The Securities and Exchange Board of India (SEBI) proposed broadening the definition of not-for-profit organisations and expanding eligible activities to

include welfare of disadvantaged groups and promoting arts and culture as social enterprises.

- The Securities and Exchange Board of India (SEBI) relaxed the timeline for ESG rating reviews following the publication of business responsibility and sustainability reports.
- The Securities and Exchange Board of India (SEBI) asked Asset Management Companies to disclose information ratio, which is used to measure risk-adjusted return of mutual fund schemes, on their respective websites on a daily basis.

GLOBAL NEWS

- IMF expects the global economy to grow at 3.3% for 2025 and 2026, below the historical (2000-19) average of 3.7%. The forecast for 2025 is broadly unchanged from that in the October 2024 report, primarily on account of an upward revision in the US offsetting downward revisions in other major economies.
- US industrial production increased 0.5% in December 2024, the first annual gain in six months, following an upwardly revised 0.6% fall in November 2024 while manufacturing production stalled follows an upwardly revised 0.6%.
- US housing starts soared 15.8% on month to an annualized rate of 1.499 million in December 2024, rebounding from a downwardly revised 3.7% fall in November 2024.
- Eurozone inflation rate accelerated for a third straight month to 2.4% in December 2024, the highest rate since July 2024, compared to 2.2% in November 2024 while core inflation confirmed at 2.7%.
- Eurozone Construction output increased 1.4% in November 2024 over the same month in the previous year.
- Eurozone ZEW Indicator of Economic Sentiment rose to 18 in January 2025 compared to 17 in December 2024.
- Eurozone Consumer confidence increased to -14.20 points in January 2025 from -14.50 points in December of 2024.
- UK GfK Consumer Confidence Index dropped by 5 points to -22 in January 2025, compared from -17 in December 2024.
- UK unemployment rate rose to 4.4% from September 2024 to November 2024 compared to 4.3% in the previous two periods.
- UK retail sales increased 3.6% in December 2024, following a flat reading in November 2024.
- The People's Bank of China (PBoC) kept its key lending rates steady for the third straight month in January 2025. The one-year loan prime rate (LPR), the benchmark for most corporate and household loans, was maintained at 3.1%. Meanwhile, the five-year LPR, a reference for property mortgages, was retained at 3.6%.
- Japan Industrial Production decreased 2.7% in November 2024 compared to a 1.4% gain in October 2024.
- Japan's trade surplus soared to JPY 130.94 billion in December 2024 from JPY 32.35 billion in the same month a year earlier.
- Japan annual inflation rate rose to 3.6% in December 2024 from 2.9% in November 2024 while core inflation rate increased by 3% compared from 2.7%.
- Japan Manufacturing PMI declined to 48.8 in January 2025 from December 2024's high of 49.6.

DAY	EVENTS
Monday, Jan 27, 2025	• US New Home Sales, December • US Dallas Fed Manufacturing Index, January • US Building Permits Final, December • China Industrial Profits (YTD), December • Japan Coincident Index Final, November • Japan Leading Economic Index Final, November
Tuesday, Jan 28, 2025	• US House Price Index, November • US CB Consumer Confidence, January • US Richmond Fed Manufacturing Index, January • US Dallas Fed Services Index, January
Wednesday, Jan 29, 2025	• Japan Consumer Confidence, January
Thursday, Jan 30, 2025	• US Fed Interest Rate • US GDP Growth Rate Q4 • US PCE Prices Q4 • US S&P/Case-Shiller Home Price, November • US Pending Home Sales, December • US Initial Jobless Claims, January/25 • Eurozone Unemployment Rate, December • Eurozone GDP Growth Rate Flash Q4 • Eurozone ECB Interest Rate, December
Friday, Jan 31, 2025	• US PCE Price Index, December • US Chicago PMI January • Japan Unemployment Rate, December • Japan Retail Sales, December • Japan Industrial Production Prel, December • China NBS Manufacturing/ Services/ General PMI, January • China Caixin Manufacturing PMI January • India Government Budget Value December • India Infrastructure Output YoY December • India Foreign exchange reserves, January 24

Source: CRISIL