

WEEKLY YIELD

Update of Equity & Debt Market

October 25, 2024

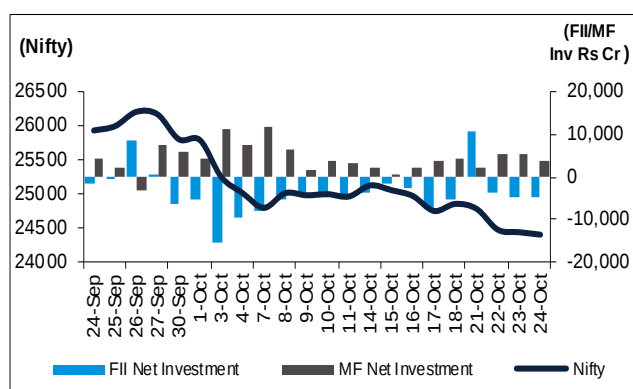


DOMESTIC EQUITY

- Indian equity ended lower for the fourth consecutive week, dragged down by disappointing second-quarter earnings and global uncertainties, including rising United States (US) bond yields and upcoming US presidential elections. The BSE Sensex and Nifty 50 fell 2.24% and 2.71%, respectively.
- All sectors ended lower with capital goods (CG), oil & gas and realty falling the most. BSE CG, BSE Oil & Gas and BSE Realty fell 7.51%, 7.34% and 7.03%, respectively.

Broad Indices	Week change%	3 months change%	1 year change%
BSE Sensex	-2.24	-0.80	23.97
Nifty 50	-2.71	-0.92	26.45
BSE Midcap	-5.20	-2.70	47.00
BSE Smallcap	-7.37	-2.65	44.09
BSE Bankex	-2.29	-0.29	20.34
BSE CG	-7.51	-8.13	45.66
BSE FMCG	-3.90	-4.83	15.91
BSE IT	-1.57	1.89	35.03
BSE Healthcare	-3.17	8.85	56.80

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks declined this week due to a sharp rise in US Treasury yields and fading hopes for a major rate cut decision by Fed policy makers.
- Britain's FTSE Index declined this week as investors remained on the sidelines ahead of the United Kingdom's budget and US presidential election. However, there were a few gains owing to the positive earnings and hopes of a rate cut by Bank of England following upbeat economic data.
- Asian equities ended mixed this week. Japan's Nikkei Index declined this week, tracking losses in US stocks and as investors remained cautious ahead of a domestic election and upcoming corporate earnings.
- Hong Kong's Hang Seng declined, tracking a fall in US stocks amid fading major US Fed rate cuts expectations.
- China's Shanghai Composite Index rose this week after Beijing cut the benchmark lending rates.



DOMESTIC DEBT

Indicators	Oct 25, 2024	Previous Week	Trend
Call Rate	5.95%	6.50%	↓
3 M CP	7.50%	7.43%	↑
1 Yr CP	7.90%	7.80%	↑
3 M CD	7.19%	7.19%	↔
1 Yr CD	7.50%	7.50%	↔
5 Yr AAA	7.32%	7.28%	↑
1 Yr G-Sec*	6.62%	6.56%	↑
5 Yr G-Sec*	6.76%	6.72%	↑
10 Yr G-Sec*	6.85%	6.81%	↑
USD/INR*	84.08	84.07	↓

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

*Weighted Average Yield

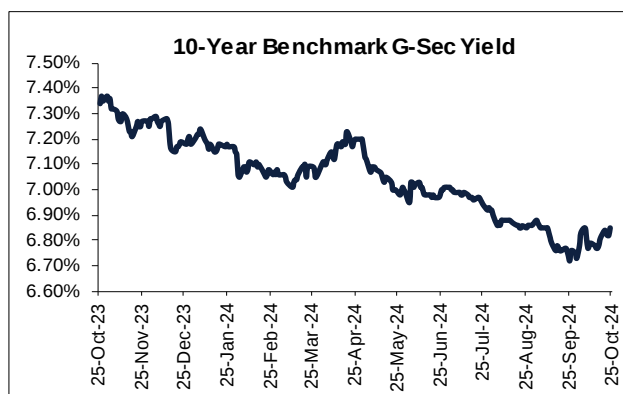
- The interbank call money rate ended the week lower at 5.95% on October 25, 2024, compared to 6.50% on October 18, 2024.

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- During the week, the RBI conducted a six-day variable rate reverse repo auction for a total notified amount of Rs 25,000 crore, against which it received offers amounting to around Rs 49,000 crore.
- Government bond prices ended lower in the week ended October 25, 2024. The yield of the 10-year benchmark 7.10% 2034 paper closed at 6.85% on October 25, 2024, compared to 6.82% on October 18, 2024.
- Bond prices declined after the RBI Governor said talking about rate cuts would be premature and risky at the current juncture.
- A spike in the US Treasury yield also kept bond prices under pressure.
- In the debt sale held on October 25, 2024, the RBI auctioned 6.79% GS (government security) 2034 and 7.46% GS 2073 for a total notified amount of Rs 32,000 crore.



Source: CRISIL Fixed Income Database

- Bond prices declined after four Federal Reserve policy makers expressed support for further interest-rate cuts but appeared to differ on how fast or far they believe any cuts should go. Three of them cited the strength of the economy and an uncertain outlook, expressed a preference for going slow, using words such as "modest" and "gradual" to describe their views on the right pace for rate cuts. The Fed's decision is expected at the November policy meeting.
- Yields also rose after government data showed the US federal budget deficit grew to \$1.833 trillion for fiscal 2024, which ended on September 30, 2024, the highest outside of the COVID-19 era.
- The yield on the 10-year benchmark Treasury bond ended higher at 4.21% on October 24, 2024, compared with 4.08% on October 18, 2024.



DOMESTIC NEWS

- India HSBC Flash Manufacturing PMI rose to 57.4 in October 2024, up from 56.5 in the September 2024. The HSBC Flash Services PMI edged higher to 57.9 from 57.7 and HSBC Flash Composite PMI increased to 58.6 from 58.3.
- The Reserve Bank of India's (RBI) October Bulletin said India's growth outlook was supported by robust domestic engines and private investment, showing encouraging signs despite geopolitical tensions.
- According to S&P Global Market Intelligence, India's growth, although moderating, remains strong with a forecasted average of 6.8% for fiscal 2025 and 6.6% for 2026.
- The International Monetary Fund (IMF) maintained India's growth prediction at 7% for fiscal 2025, consistent with its July prediction, highlighting pent-up demand generated during the pandemic was diminishing as the economy returns to its potential.
- India and Singapore are to collaborate in curriculum development and internships through the twinning of schools and universities.



GLOBAL DEBT

- US Treasury prices declined during this week due to worries about the US fiscal deficit and comments from Federal Reserve officials hinting at gradual rate cuts.

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- The Asian Development Bank approved a \$241 million loan to improve electricity distribution in West Bengal.
- The Government sanctioned three pilot projects for using hydrogen in steel production to SAIL and two consortiums.
- The Union Cabinet approved a Rs 1,000 crore venture capital fund under the IN-SPACE programme to support space-sector focused startups in India.
- The Union Cabinet announced two major railway projects worth Rs 6,798 crore in Andhra Pradesh and Bihar.
- Finance Minister Nirmala Sitharaman approved the creation of Chief General Manager posts in five more nationalised banks, enhancing their administrative structure and efficiency.
- The RBI tightened regulations for non-banking finance company and peer-to-peer lending platforms (NBFC-P2Ps).
- RBI data showed inflows into non-resident Indian deposit schemes amounting to \$7.8 billion in April-August this year, compared with inflows worth \$ 3.7 billion in the same period a year ago.
- The Securities and Exchange Board of India (SEBI) clarified investors could continue using 3-in-1 accounts to apply online for public issues of debt securities, non-convertible redeemable preference shares, municipal debt securities, and securitised debt instruments.
- SEBI clarified research reports and recommendations of research analysts (RAs) are not considered advertisements unless anything contained in such reports is in the nature of promotion of products or services offered by them.
- in September 2024 from a revised 7.8% rise in August 2024.
- US S&P Global Flash Manufacturing PMI edged up to 47.8 in October 2024, from a 15-month low of 47.3 in September 2024, while Services PMI rose marginally to 55.3 from 55.2 and Composite PMI rose to 54.3, from 54.0.
- Eurozone HCOB Flash Manufacturing PMI rose to 45.9 in October 2024 compared with 45 in September 2024, while services PMI fell to 51.2 from 51.4 and the composite PMI edged up to 49.7 from 49.6.
- Eurozone Consumer Confidence Flash increased by 0.4 points to -12.5 in October 2024, compared to -12.9 in September 2024.
- UK Retail Sales increased 3.9% in September 2024, compared to a downwardly revised 2.3% rise in August 2024.
- UK GfK Consumer Confidence fell slightly to -21 in October 2024 compared to -20 in September 2024.
- UK S&P Global Flash Manufacturing PMI fell to 50.3 in October 2024 from 51.5 in September 2024, while services PMI edged down to 51.8 from 52.4 and composite PMI decreased to 51.7 from 52.6.
- The People's Bank of China slashed key lending rates to new lows at the October meeting to support a weak economy. The 1-year loan prime rate (LPR) was cut by 25bps to 3.1% while the 5-year loan prime rate decreased to 3.60% in October 2024 from 3.85% in September 2024.
- The People's Bank of China (PBoC) injected a total of CNY 700 billion into financial institutions via a one-year medium-term lending facility (MLF), while maintaining the interest rate at 2.0%.
- The IMF predicted that worldwide inflation will cool from 6.7% last year to 5.8% this year and to 4.3% in 2025.



GLOBAL NEWS

- US Housing starts declined by 0.5% to an annualized seasonally adjusted rate of 1.354 million

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DAY	EVENTS
Monday, Oct 28, 2024	US Dallas Fed Manufacturing Index, October
Tuesday, Oct 29, 2024	- US S&P/Case-Shiller Home Price, August - US House Prices Index, August - US CB Consumer Confidence, October - US JOLTs Job Openings, September - US Dallas Fed Services Index, October - Japan Unemployment Rate, September
Wednesday, Oct 30, 2024	- US ADP Employment Change October - US GDP Growth Rate, Q3 - US PCE Prices Index, Q3 - US Pending Home Sales, September - Eurozone GDP Growth Rate Flash, Q3 - Eurozone Consumer Confidence, October - Eurozone Industrial Sentiments, October - Eurozone Consumer Inflation Expectations October - Eurozone Economic/Services Sentiment October
Thursday, Oct 31, 2024	- US Chicago PMI, October - US Initial Jobless Claims, October 26 - US PCE Price Index, September - Eurozone Inflation/Core Inflation Rate Flash, October - Eurozone Unemployment Rate September - China NBS Manufacturing/Non-Manufacturing/General PMI, October - Japan Consumer Confidence, October - Japan Retail Sales, September - Japan Bank of Japan Interest Rate Decision - Japan Construction orders, September - India Government Budget Value September - India Infrastructure Output, September
Friday, Nov 1, 2024	- US S&P Global Manufacturing PMI, October - US ISM Manufacturing PMI, October - US Non-Farm Payrolls, October - US Unemployment Rate, October - UK S&P Global Manufacturing PMI, October - UK Nationwide Housing Prices, October - China Caixin Manufacturing PMI, October - Japan Jibun Bank Manufacturing PMI, October - India HSBC Manufacturing PMI, October - India Foreign Exchange Reserves, October 25

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Source: CRISIL

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