WEEKLY YIELD

Update of Equity & Debt Market

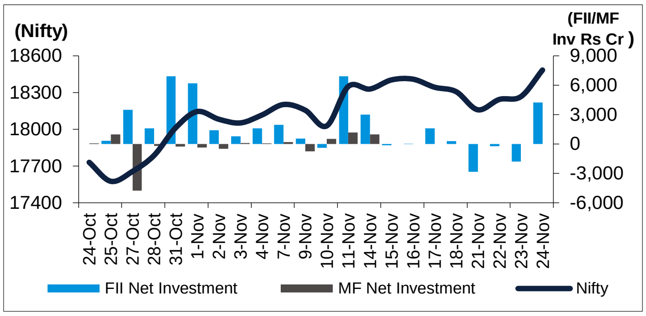
November 25, 2022

DOMESTIC EQUITY

- Indian equity indices snapped previous week losses tracking firm trend in global markets after the Federal Reserve's (Fed) November 2022 policy minutes showed "a substantial majority" of officials opted for slower pace of rates hikes going forward. The S&P BSE Sensex and Nifty 50 rose about 1% each.
- An intermittent decline in global crude oil prices also supported the indices.
- Most sectors ended positive with information technology (IT), oil & gas and auto rising the most. The S&P BSE IT advanced 1.9%, S&P BSE Oil & Gas 1.8% and S&P BSE Auto 1.6%.
- However, some gains were capped due to selling in power and realty sectors. The S&P BSE Power declined 2.1% and the S&P BSE Realty 0.9%.

Broad Indices	Week change%	3 month change%	1 year change%
S&P BSE Sensex	1.02	5.99	5.95
Nifty 50	1.12	5.65	5.57
S&P BSE Midcap	1.83	2.30	-0.31
S&P BSE Smallcap	1.57	3.13	1.31
S&P BSE Bankex	0.97	10.01	14.98
S&P BSE CG	1.40	7.27	20.55
S&P BSE FMCG	0.84	2.90	14.74
S&P BSE IT	1.90	4.07	-11.80
S&P BSE Healthcare	1.13	3.98	-6.55

Source: BSE, NSE



Source: SEBI, NSE

GLOBAL EQUITY

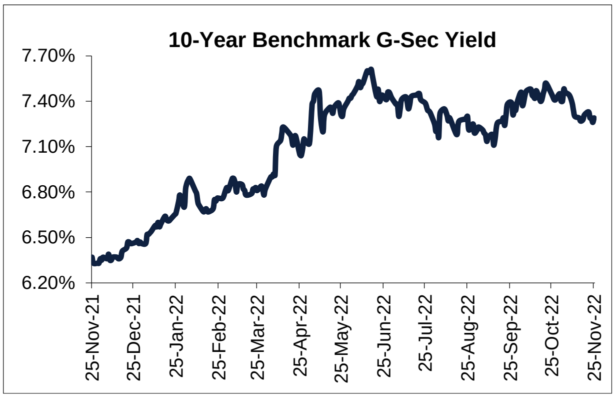
- US stocks ended higher on hope that the Fed would pivot from its rate hike stance after the Fed November 2022 policy minutes showed that a few officials expect to switch to smaller interest rate hikes 'soon'.
- Britain's FTSE rose 1% after European Central Bank (ECB) policymakers hinted slower rate hikes in future, better-than-expected business activity data and gains in oil stocks
- Asian equities ended mostly higher. Japan's Nikkei advanced 1.4% gained on hopes for smaller interest rate hikes by global central banks and rise in export-related stocks amid a weaker yen
- Hong Kong's Hang Seng slipped 2.3%, dragged down by technology firms after China reported record-high new daily Covid-19 cases
- The market pared the losses after the Fed minutes signalled slower rate hikes and on speculation China will lower borrowing costs to revive the economy
- China's Shanghai Composite rose 0.14% after the country pledged at least $162 billion in fresh credit to property developers
- During the week, the market was under pressure as investors raised concerns about the health of the economy due to rising daily covid-19 cases

DOMESTIC DEBT

Indicators	Nov 25, 2022	Previous Week	Trend
Call Rate	5.25%	5.65%	↓
3 M CP	7.25%	7.17%	↑
1 Yr CP	7.90%	7.85%	↑
3 M CD	6.85%	6.80%	↑
1 Yr CD	7.55%	7.50%	↑
5 Yr AAA	7.57%	7.51%	↑
1 Yr G-Sec*	6.72%	6.72%	⇔
5 Yr G-Sec*	7.15%	7.17%	↓
10 Yr G-Sec*	7.30%	7.31%	↓
USD/INR*	81.62	81.69	↓

Source: *CRISIL Fixed Income Database, RBI *Weighted Average Yield*

- Government bond prices ended the week almost flat. The yield of the 10-year benchmark 7.26% 2032 paper closed at 7.30% on November 25, 2022 compared with 7.31% a week back
- Bond prices rose earlier due to a pullback in oil prices and upbeat demand at the domestic state debt auction
- Gilts also advanced tracking a fall in US Treasury yields after the Fed's meeting minutes indicated slower rate hikes going forward
- However, a further rise in the prices was restricted on sporadic profit booking and higher-than-expected cut-off for the benchmark paper at the weekly debt sale. In the debt sale held on November 25, 2022 the central bank auctioned 7.38% GS (government securities) 2027, 7.26% GS 2032 and 7.36% GS 2052 for a total notified amount of Rs 28,000 crore



Source: *CRISIL Fixed Income Database*

GLOBAL DEBT

- US Treasury prices ended higher in the week ended November 23, 2022 on expectations that the Fed would take a less aggressive approach towards rate hikes in future
- Sentiments for yield dented after Cleveland Fed President Loretta Mester said the central bank can downshift to smaller interest rate hike increments from next month
- That comes after a set of economic data recently indicated that inflationary pressures were easing, which led many investors to believe that the central bank would slower the pace of rate hikes
- Bond prices gained further after the Federal Reserve's Federal Open Market Committee (FOMC) November 2022 policy minutes signalled a potential slowdown in the tightening ahead
- As per the minutes, Fed officials expect to switch to smaller interest rate hikes 'soon'. A few members indicated that slowing the pace of rate hike could reduce the risk of instability in the financial system
- The yield of the 10-year benchmark Treasury ended at 3.71% on November 23, 2022 compared with 3.82% on November 18, 2022

DOMESTIC NEWS

- Retail inflation for farm and rural workers eased marginally to 7.22% and 7.34%, respectively, in October 2022 compared to September 2022.
- Reserve bank of India (RBI) governor Shaktikanta Das said a harmonised tightening of monetary policy globally has progressively increased the risk of a hard landing; India, however, is differently placed.
- RBI in its monthly bulletin said India's economy is expected to grow between 6.1% to 6.3% in the second quarter of the current financial year based on high frequency indicators and economic prediction models.
- RBI in its latest monthly bulletin said, the domestic macroeconomic outlook appears to be resilient though it is still sensitive to global headwinds.
- Union Minister for Commerce and Industry Piyush Goyal said India is on track to become a $30 trillion economy by 2047.
- India and the Gulf Cooperation Council (GCC) will announce the launch of negotiations for a free trade agreement.
- Finance Minister Nirmala Sitharaman asked the Asian Infrastructure Investment Bank (AIIB) to scale up investment in renewal energy and smart technologies and also urged the multilateral agency to set up a regional office in India.

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- Government increased the maximum tenure of Chief Executive Officers (CEOs) of public sector banks from 5 years to 10 years.
- Government came out with draft Digital Personal Data Protection Bill.
- RBI said the Goods and Services Tax network (GSTN) has been included to the account aggregator (AA) network as a financial information provider (FIP) to facilitate cash flow lending to the micro, small, and medium enterprises (MSMEs).
- RBI said the interest rate for short-term loans upto Rs 3 lakh through Kisan Credit cards (KCC) will be 7% and interest subsidy will be 1.5% for the current financial year and next financial year.
- RBI data showed that the installed capacity of power in India has doubled in the last 10 years.
- Securities and Exchange Board of India (SEBI) came out with operational guidelines pertaining to 'scheme of arrangement' for entities with listed debt securities.
- SEBI said issuers of municipal debt securities can issue green bonds in compliance with norms governing issue and listing of non-convertible securities.
- SEBI modified the timelines for transfer of dividend and redemption proceeds to mutual fund unitholders.
- SEBI asked alternative investment funds (AIFs) that have adopted a priority distribution model in their schemes to not accept fresh commitments or make investments in new investee companies until the regulator takes a stand on the subject.

GLOBAL NEWS

- US Standard & Poor's (S&P) Global flash manufacturing Purchasing Manager's Index (PMI) fell to 47.6 in November 2022 from 50.4 in October 2022, while services PMI fell to 46.1 from 47.8. The composite PMI fell to 46.3 from 48.2.
- US durable goods orders rose 1% on-month in October 2022 compared to revised 0.3% gain in September 2022.
- US new home sales rose to 632000 in October 2022 from 588000 in September 2022.
- US existing home sales fell 5.9% on-month in October 2022 compared to 1.5% decline in September 2022.
- Eurozone consumer confidence stood at -27.6 in October 2022 compared to -28.8 September 2022.
- Eurozone current account posted a surplus of 3.8 billion euros in September 2022 compared to deficit of 20.8 billion euros in August 2022.
- Eurozone S&P Global flash manufacturing PMI rose to 47.3 in November 2022 from 46.4 in October 2022, while services PMI stood at 48.6, unchanged from the previous month. The composite PMI rose to 47.8 from 47.3.
- UK S&P Global/Chartered Institute of Procurement and Supply (CIPS) flash manufacturing PMI remained unchanged at 46.2 in November 2022 from the previous month, while services PMI also remained unchanged at 48.8 from a month earlier. The composite PMI increased to 48.3 from 48.2.
- The People's Bank of China (PBoC) kept its key lending rates unchanged for the third straight month at its November 2022 policy meet. The one-year loan prime rate (LPR) was kept at 3.65%; while the five-year rate, a reference for mortgages, was maintained at 4.3%.
- Japan Jibun Bank flash manufacturing PMI fell to 49.4 in November 2022 from 50.7 in October 2022 and the services PMI to 50.0 in November 2022 from 53.2 in October 2022; the composite PMI dropped to 48.9 in November 2022 from 51.8 in the previous month.
- Japan coincident index came in at 101.4 in September 2022 from 101.8 in August 2022 and the leading economic index was revised higher to 97.5 in September 2022 from 101.3 in the prior month.

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DAY	
Monday, Nov 28, 2022	• US Dallas Fed Manufacturing Index, November 2022
Tuesday, Nov 29, 2022	• US S&P Case-Shiller Home Price, September 2022 • US House Price Index, September 2022 • US CB Consumer Confidence, November 2022 • Eurozone Consumer Confidence, November 2022 • Japan Retail Sales, October 2022
Wednesday, Nov 30, 2022	• US GDP Growth Rate QoQ 2nd estimates, Q3 2022 • US ADP Employment Change, November 2022 • Eurozone Consume Prices Flash, November 2022 • China NBS manufacturing / non-manufacturing / General PMI, November 2022 • Japan Industrial Production Preliminary, October 2022 • India Infrastructure Output, October 2022 • India GDP Growth Rate YoY, Q3 2022
Thursday, Dec 1, 2022	• US Personal Spending, October 2022 • US PCE Price Index, October 2022 • US S&P Global Manufacturing PMI, November 2022 • US ISM Manufacturing PMI, November 2022 • Eurozone S&P Global Manufacturing PMI, November 2022 • Eurozone Unemployment Rate, October 2022 • UK S&P Global/CIPS Manufacturing PMI, November 2022 • China Caixin Manufacturing PMI, November 2022 • Japan Consumer Confidence, November 2022 • India S&P Global Manufacturing PMI, November 2022
Friday, Dec 2, 2022	• US Unemployment Rate, November 2022 • US Non-Farm Payrolls, November 2022 • Eurozone Producer Prices, October 2022 • India Foreign Exchange Reserves, November 25, 2022

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Source: CRISIL