

WEEKLY YIELD

Update of Equity & Debt Market

July 26, 2024

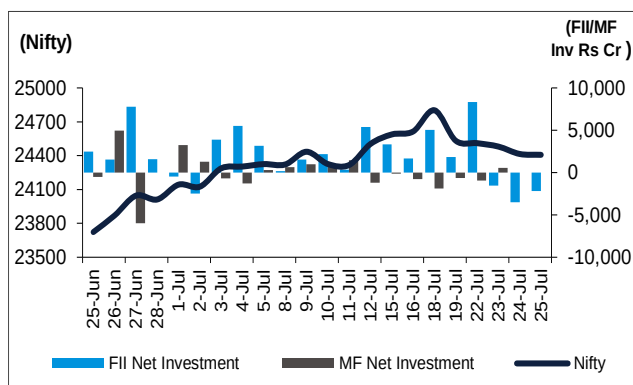


DOMESTIC EQUITY

- Indian equities ended higher for the eighth consecutive week, owing to better-than-expected US growth data and lower-level buying. The BSE Sensex and Nifty 50 rose 0.90% and 1.24%, respectively.
- However, intra-week, market saw intense sell-off after the government hiked capital gains tax and the securities transaction tax in the budget.
- Almost all sectors ended higher, with power, healthcare and auto gaining the most. The BSE Power Index rose 5.53%, BSE Healthcare 5.30% and BSE Auto 4.84%.

Broad Indices	Week change%	3 months change%	1 year change%
BSE Sensex	0.90	10.31	21.92
Nifty 50	1.24	10.77	25.57
BSE Midcap	3.13	14.71	59.81
BSE Smallcap	3.45	14.93	58.04
BSE Bankex	-2.54	7.38	12.87
BSE CG	2.51	16.29	70.16
BSE FMCG	2.88	15.61	19.13
BSE IT	2.99	21.55	38.90
BSE Healthcare	5.30	13.36	48.91

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks slumped this week owing to disappointing corporate earnings from certain technology companies and because of a global technical outage in the initial part of the week.
- Britain's FTSE Index rose 0.38% buoyed by a series of upbeat corporate earnings.
- Asian equities ended lower. Japan's Nikkei Index sank 6% as a strong Yen weighed on export-led shares and because of a fall in chip-related stocks after declines in the US counterparts.
- Hong Kong's Hang Seng declined tracking a weak trend in the US market, disappointing earnings and worries over property sector challenges on the back of pay cuts in the financial services sector.
- China's Shanghai Composite plunged after President Xi's policy blueprint failed to cheer investors, and as a surprise rate cut by the country's central bank raised concerns over the economic health of the country.



DOMESTIC DEBT

Indicators	Jul 26, 2024	Previous Week	Trend
Call Rate	5.75%	6.25%	↓
3 M CP	7.70%	7.70%	↔
1 Yr CP	7.91%	7.95%	↓
3 M CD	7.14%	7.12%	↑
1 Yr CD	7.60%	7.60%	↔
5 Yr AAA	7.52%	7.55%	↓
1 Yr G-Sec*	6.82%	6.88%	↓
5 Yr G-Sec*	6.84%	6.92%	↓
10 Yr G-Sec*	6.94%	6.96%	↓
USD/INR*	83.72	83.66	↑

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

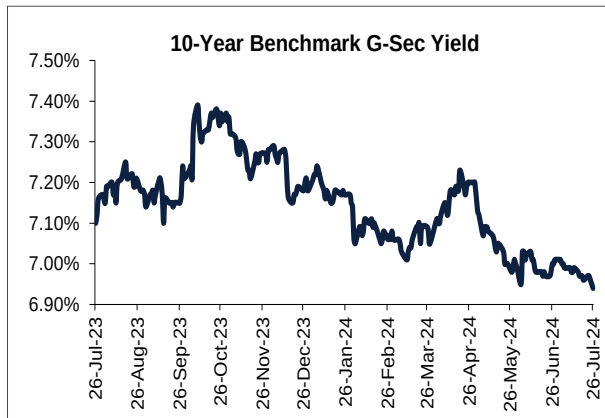
*Weighted Average Yield

WEEKLY YIELD

Update of Equity & Debt Market

July 26, 2024

- Government bond prices ended higher in the week ended July 26, 2024. The yield on the 10-year benchmark 7.10% 2034 paper closed lower at 6.94% on July 26, 2024, compared with 6.96% on July 19, 2024.
- Bond prices rose after the Finance Minister in the budget speech announced a reduction in gross borrowing for the current financial year.
- The yield declined further on reports of demand hopes after the central bank released draft guidelines to bolster the liquidity resilience of lenders.
- In the debt sale held on July 26, 2024, the RBI auctioned 7.04% GS (Government Security) 2029, 7.23% GS 2039 and 7.34% GS 2064 for a total notified amount of Rs 35,000 cr.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices ended lower this week as investors awaited the Federal Reserve's (Fed) rate decision.
- The prices witnessed a slight fall after the data showed that the US economy expanded an annualised 2.8% in Q2, up from 1.4% in Q1. In addition, the quarterly PCE data suggested ease in

inflation pressures, giving the Fed a cushion to cut rates this year, as the market widely expects.

- A further fall in bond prices was stalled as investors, following the selloff in equity market, took shelter in safe-haven bonds.
- A weak housing market report, initial jobless claims and strong two-year note auction also kept the yield under pressure.
- US new home sales fell 0.6% on-month in June, 2024, compared with a decline of 14.6% in May, 2024 while the US initial jobless claims fell 10,000 to 235,000 during the week ending July 20, 2024, from a revised 245,000 in the previous week.
- The yield on the 10-year benchmark Treasury bond ended higher at 4.27% on July 25, 2024 compared with 4.25% on July 19, 2024.



DOMESTIC NEWS

- According to the Economic Survey 2023-24, India's real Gross Domestic Product (GDP) growth for FY25 is projected to be between 6.5-7%.
- According to the Economic Survey 2023-2024, India's fiscal deficit is expected to drop to 4.5% of GDP or lower by fiscal 2026.
- The Economic Survey 2023-24 highlighted that, the Indian economy continues to demonstrate resilience and stability.
- The Government has projected 6.5-7% growth for this fiscal compared with the Reserve Bank of India's projection of 7.2%; growth was at 8.2% in fiscal 2024.
- The Government pegged the fiscal 2025 deficit at 4.9% of Gross Domestic Product (GDP) compared with 5.6% of GDP for the previous fiscal.
- The Government will borrow Rs 14.01 lakh crore this fiscal to meet its expenditure requirements, lower than the Rs 14.13 lakh crore announced at the time of the interim budget in February 2024.

WEEKLY YIELD

Update of Equity & Debt Market

July 26, 2024

- The Government announced a tax rate of 20% for short-term gains on certain financial assets.
- Long-term gains on all financial and non-financial assets, on the other hand, will attract a tax rate of 12.5%; the Government will also increase the limit of exemption of capital gains on certain financial assets to Rs 1.25 lakh per year.
- The Government has withdrawn the equalization levy of 2%.
- The Government has expanded tax benefits to certain funds and entities in International Financial Services Centres.
- Standard deduction for salaried employees is proposed to be increased from Rs 50,000 to Rs 75,000.
- Deduction on family pension for pensioners is proposed to be enhanced from Rs 15,000 to Rs 25,000.
- India HSBC Flash Manufacturing Purchasing Managers' Index (PMI) increased to 58.5 in July, 2024, from 58.3 in June 2024, while composite PMI also rose to 61.4 from 60.9 and services PMI climbed up to 61.1 from 60.5.
- The Central Board of Indirect Taxes and Customs (CBIC) posted that the biometric-based Aadhaar authentication process for Goods and Services Tax (GST) Registration has been made compulsory for those taxpayers who have been identified based on data analytics and risk parameters.
- The Reserve Bank of India (RBI) announced tighter norms for cash pay-out services at banks, effective from November 1, 2024.
- Reserve Bank of India released draft guidelines aimed at bolstering the liquidity resilience of lenders amid risks involved with the increased usage of technology in banking.
- SEBI (Securities and Exchange Board of India) proposed guidelines for credit rating agencies (CRAs) to include detailed reasons for rating

actions, especially in cases of default and upgrades of default ratings.

- SEBI allowed the credit rating agencies and the ESG rating providers to undertake their activities under the International Financial Services Centres Authority (IFSCA).
- SEBI extended the deadline for submission of public comments to July 29, 2024 on the proposal of providing additional time for disclosure of litigations or disputes involving claims against listed firms.



GLOBAL NEWS

- The US economy expanded an annualized 2.8% in Q2, up from 1.4% in Q1.
- US Existing home sales fell by 5.4% to a seasonally adjusted annualized rate of 3.89 million units in June 2024, from 4.11 million in May 2024.
- US S&P Global Flash Manufacturing PMI declined to 49.5 in July 2024 compared to 51.6 in June 2024, while services PMI rose to 56 from 55.3 and composite PMI rose to 55.0 from 54.8.
- US Richmond Fed Manufacturing Index declined to -17 in July 2024, from -10 in June 2024, while Services Index came at 5, from revised -7.
- US PCE Prices rose by 2.6% in the Q2, 2024, from 3.4% in the Q1, 2024.
- The US trade deficit in goods narrowed to \$96.84 billion in June 2024 from the revised \$99.37 billion deficit in May 2024.
- Eurozone Consumer Confidence Flash increased by 1.0 points to -13 in July 2024, from -14 in the previous month.
- UK retail sales fell 0.2% in June 2024 compared to an upwardly revised 1.7% rise in May 2024.
- The People's Bank of China unexpectedly cut key lending rates by 10 bps to fresh record lows. The 1-year Loan Prime Rate (LPR) was cut to 3.35%, while, the 5-year rate, a reference for property mortgages, was trimmed to 3.85%.

WEEKLY YIELD

Update of Equity & Debt Market

July 26, 2024

- The People's Bank of China unexpectedly lowered its one-year policy loan rate, medium-term lending facility (MLF) to 2.3% from 2.5%.

DAY	EVENTS
Monday, Jul 29, 2024	US Dallas Fed Manufacturing Index, July
Tuesday, Jul 30, 2024	- US JOLTs Job Openings, June - Eurozone GDP Growth Rate, Q2
Wednesday, Jul 31, 2024	- US ADP Employment Change July - US Fed Interest Rate Decision - Eurozone Inflation Flash, July - Eurozone CPI Flash, July - China NBS Manufacturing/Non-Manufacturing/General PMI, July - Japan Bank of Japan Interest Rate decision - Japan Retail Sales, June - India Infrastructure Output, June
Thursday, Aug 01, 2024	- US S&P Global Manufacturing PMI, July - US ISM Manufacturing PMI, July - US Initial Jobless Claims, July 27 - Eurozone HCOB Manufacturing PMI, July - UK S&P Global Manufacturing PMI, July - UK Bank of England Interest Rate Decision - UK Nationwide Housing Prices, July - China Caixin Manufacturing PMI, July - Japan Jibun Bank Manufacturing PMI, July - India HSBC Manufacturing PMI, July
Friday, Aug 02, 2024	- US Factory orders, June - US Non-Farm Payrolls, July

WEEKLY YIELD

Update of Equity & Debt Market

July 26, 2024

- US Unemployment Rate, July
- India Foreign Exchange Reserves, July 26

Source: CRISIL

Disclaimer: CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this Report based on the information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this report should be construed as an investment advice. CRISIL especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Limited (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published / reproduced in any form without CRISIL's prior written approval. CRISIL or its associates may have commercial transactions with the company/entity.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

Disclaimers: This document is for information purposes only and is not an offer to sell or a solicitation to buy any mutual fund units / securities or to have business relations with Union Asset Management Company Private Limited (the AMC) / Union Trustee Company Private Limited (the Trustee Company) or any of its associates. The information in this document is as of Jul 26, 2024, unless stated otherwise, and may change without notice. The information in this document alone is not sufficient and should not be used for the development or implementation of an investment strategy. Neither the Sponsors/the AMC/ the Trustee Company/ their associates/ any person connected with it, accepts any liability arising from the use of this information.

This report and the views expressed in this report are that of CRISIL Research. The Sponsors/ the AMC/ the Trustee Company/ their associates/ any person connected with it, do not warrant the completeness or accuracy of the information and disclaim all liabilities, losses and damages arising out of the use of this information. The recipients of this material should rely on their investigations and take their own professional advice.

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