WEEKLY YIELD

Update of Equity & Debt Market

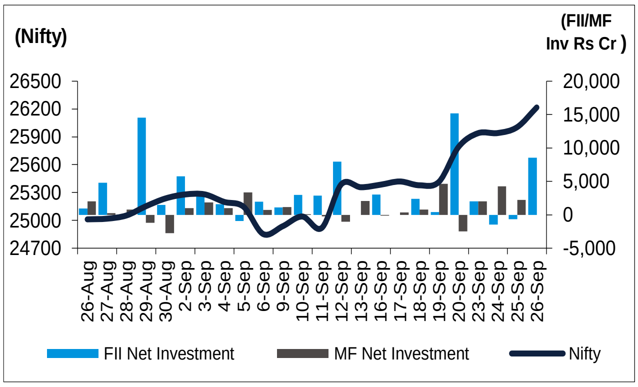
September 27, 2024

DOMESTIC EQUITY

- Indian equities ended higher for a third consecutive week amid positive global cues as optimism about further rate cuts by the US Federal Reserve continued to boost investor sentiment. BSE Sensex and Nifty 50 closed the week 1.22% and 1.50% higher, respectively.
- Most sectors ended the week higher, with metal, auto and oil and gas gaining the most. BSE Metal, BSE Oil & Gas and BSE Auto closed the week 7.11%, 5.86% and 4.34% higher, respectively.

Broad Indices	Week change%	3 months change%	1 year change%
BSE Sensex	1.22	7.99	29.42
Nifty 50	1.50	8.88	32.78
BSE Midcap	0.67	7.66	53.17
BSE Smallcap	0.02	10.13	52.34
BSE Bankex	0.32	1.47	22.09
BSE CG	0.45	1.48	56.07
BSE FMCG	-0.22	16.58	26.33
BSE IT	0.13	15.88	30.68
BSE Healthcare	0.68	20.85	58.30

Source: BSE, NSE



Source: SEBI, NSE

GLOBAL EQUITY

- US stocks rose this week after hawkish comments from Fed policymakers boosted hopes of further rate cuts.
- Equities also rose after China unveiled a major stimulus package, leading to a surge in mining stocks, and after US jobless claims data eased labour market worries.
- UK's FTSE Index closed higher after China unveiled a major stimulus package, boosting miners and luxury stocks.
- Asian equities ended higher—Japan's Nikkei Index rose this week, tracking the gains in peer markets.
- Nikkei gained further following dovish comments from the Bank of Japan and softening of the yen as a strong advocate of "Abenomics" took the lead in first-round votes in the ruling Liberal Democratic Party's leadership election.
- Hong Kong's Hang Seng rallied 13% after China pledged 800 billion yuan in stimulus and lowered borrowing costs to boost the economy.
- China's Shanghai Composite rallied 12.81% after Beijing announced a slew of stimulus measures including rate cuts and fresh funding for equity purchases in an attempt to support the economy.

DOMESTIC DEBT

Indicators	Sep 27, 2024	Previous Week	Trend
Call Rate	6.50%	6.75%	↓
3 M CP	7.56%	7.64%	↓
1 Yr CP	7.90%	7.90%	⇔
3 M CD	7.24%	7.23%	↑
1 Yr CD	7.62%	7.62%	⇔
5 Yr AAA	7.33%	7.39%	↓
1 Yr G-Sec*	6.67%	6.62%	↑
5 Yr G-Sec*	6.67%	6.68%	↓
10 Yr G-Sec*	6.76%	6.76%	⇔
USD/INR*	83.70	83.56	↓

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

**Weighted Average Yield*

- Government bonds closed the week ended September 27, 2024 on a steady note. The yield on the 10-year benchmark 7.10% 2034 paper closed at 6.76% on September 27, 2024, unchanged from September 20, 2024.

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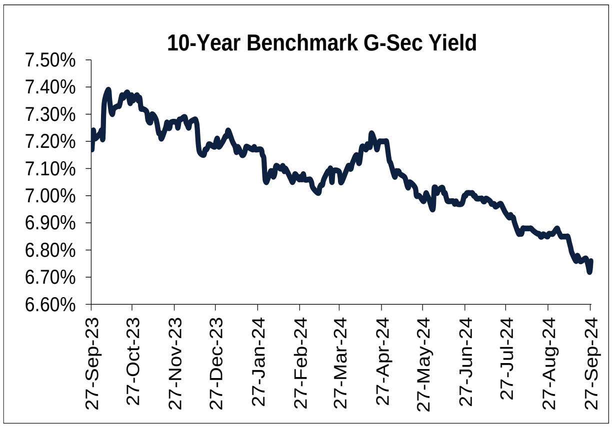
September 27, 2024

- Bond prices remained flat for most of the week due to lack of fresh cues.
- Earlier in the week, bond prices had witnessed a rally amid expectations of another US Fed rate cut and speculation that the Government may reduce borrowings in the second half of fiscal 2025.
- The gains were halted following fresh supply through RBI's auction of state bonds.
- At the debt sale held on September 27, 2024, the RBI auctioned 7.04% GS 2029, 7.23% GS 2039 and 7.09% GS 2054 for a total notified amount of Rs 34,000 crore.
- Meanwhile, the Centre has retained its borrowing target for fiscal 2025 and plans to raise Rs 6.61 lakh crore through the auction of dated securities in October 2024-March 2025 to fund its revenue gap and boost economic growth.



Source: *CRISIL Fixed Income Database*

GLOBAL DEBT

- US Treasury prices declined during the week as hawkish comments from key Fed policymakers boosted rate cut hopes.
- Bond prices declined after weekly jobless claims pulled back more than expected for the week ending September 21, 2024, indicating stable labour market growth.
- Gains in yields were halted due to disappointing consumer confidence data.
- The yield on the 10-year benchmark Treasury bond ended higher at 3.79% on September 26, 2024, compared with 3.73% on September 20, 2024.

DOMESTIC NEWS

- The HSBC Flash India Manufacturing Purchasing Managers' Index (PMI) slowed to 56.7 in September 2024 from 57.5 in August 2024, while services PMI eased to 58.9 from 60.9 and composite PMI to 59.3 from an upwardly revised 60.7.
- The unemployment rate in India—considering both men and women aged 15 years and above—inched up to 3.2% between July 2023 and June 2024 as against 3.1% a year earlier.
- S&P Global Ratings maintained India's growth forecast at 6.8% while noting that the Reserve Bank of India (RBI) may cut interest rates in October 2024.
- The RBI, in its latest monthly bulletin, said that food price volatility remains a contingent risk, even though Consumer Price Index (CPI)—the key inflation indicator—came below the central bank's target in August 2024. This was the second time the gauge fell short of RBI's aim.
- RBI in its monthly bulletin report stated that the gap between banks' credit and deposit growth—which was a key concern for the central bank over the last two years—is finally narrowing.
- OECD Chief Economist Álvaro Pereira said that India is the champion of growth among G20 countries, with the agency raising its growth forecast for the country to 6.7% for FY25 and 6.8% for FY26.
- Moody's Analytics expects the Indian economy to likely grow faster at 7.1% in 2024 as against the 6.8% it projected earlier. It has kept its growth forecast for India unchanged at 6.5% for 2025,

while projecting a faster growth rate of 6.6% for 2026.

- The Centre has extended the import management system for laptops and other IT hardware for three more months until December 31, 2024, and asked companies to seek fresh approvals for imports based on new guidelines from January 01, 2025.
- The Government has revised variable dearness allowance for unorganised sector workers and increased their monthly wages.
- Prime Minister Narendra Modi launched three indigenously developed PARAM Rudra supercomputers aimed at boosting scientific research.
- Securities and Exchange Board of India (SEBI) has proposed listed entities make all payments, such as dividends, interests and redemptions, only through electronic mode.
- SEBI has proposed an abridged version of Common Application Form, which only seeks information unique to an applicant.
- SEBI has asked individual investors applying for amounts up to Rs 5 lakh through intermediaries to use only Unified Payments Interface (UPI) to block funds to streamline the application process for public issue of debt securities.
- SEBI has launched a dedicated Foreign Portfolio Investor (FPI) outreach cell to enhance the experience of foreign investors in the Indian securities market.
- SEBI amended critical changes in the delisting regulations, providing promoters with better chances to take their companies private through a fixed price framework.

GLOBAL NEWS

- The US economy expanded at an annualized rate of 3% in the Q2 of 2024, above an upwardly revised 1.6% expansion in Q1 2024.
- US personal consumption expenditure rose by 2.5% from the previous quarter in the three months leading to June of 2024.
- US S&P Global Flash Manufacturing PMI fell to 47 in September 2024, from 47.9 in the previous month, while Services PMI eased to 55.4, down from 55.7 and Composite PMI edged down to 54.4 from 54.6.
- The US House Price Index decreased to 4.50% in July 2024 from 5.30% in June of 2024.
- US CB Consumer Confidence stood at 98.7 in September 2024 from revised 105.6 in August 2024.
- US Building Permits rose by 4.6% to a seasonally adjusted annual rate of 1.470 million in August 2024, compared to -3.3% in July 2024.
- Eurozone HCOB Flash Manufacturing PMI dropped to 44.8 in September 2024 compared with 45.8 in August 2024, while Services PMI fell to 50.5 from 52.9 and Composite PMI edged down to 48.9 from 51.0.
- UK S&P Global Flash Manufacturing PMI fell to 51.5 in September 2024 from 52.5 in August 2024, while Services PMI edged down to 52.8 from 53.7 and Composite PMI decreased to 52.9 from 53.8.
- UK Retail sales increased 2.5% on-year in August 2024 compared with a 1.5% rise in July 2024.
- The Bank of Japan (BoJ) unanimously retained its key short-term interest rate at around 0.25% during its September 2024 meeting, keeping it at the highest level since 2008.
- The People's Bank of China (PBoC) lowered its one-year policy loan rate by 30bps to 2.0% from 2.3%.
- Japan Jibun Bank Flash Manufacturing PMI fell to 49.6 in September 2024 compared with 49.8 in August 2024, while Flash Services PMI edged up to 53.9 compared with 53.7 and Flash Composite PMI declined to 52.5 compared with 52.9.

DAY	EVENTS
Monday, Sep 30, 2024	• US Dallas Fed Manufacturing Index, September • US Chicago PMI, September • UK GDP Growth Rate, Q2 • China NBS Manufacturing/Non-Manufacturing/General PMI, September • China Caixin Services/Composite/Manufacturing PMI, September • Japan Industrial Production, August • India fiscal deficit, August • India Infrastructure Output, August
Tuesday, Oct 1, 2024	• US S&P Global Manufacturing PMI, September • US ISM Manufacturing PMI, September • US JOLTs Job Quits, August • Eurozone HCOB Manufacturing PMI, September • Eurozone Inflation/Core Rate Flash, September • UK S&P Global Manufacturing PMI, September • China Caixin Manufacturing PMI, August • Japan Jibun Bank Manufacturing PMI, September • India HSBC Manufacturing PMI, September
Wednesday, Oct 2, 2024	• US ADP Employment Change, September
Thursday, Oct 3, 2024	• US ISM Services PMI, September • US Initial Jobless Claims, September 28 • Eurozone PPI, August • Eurozone HCOB Composite/Services PMI, September • UK S&P Global Composite/Services PMI, September • Japan Jibun Bank Services/Composite PMI, September
Friday, Oct 4, 2024	• US Non-Farm Payrolls, September • US Unemployment Rate, September • Eurozone Construction PMI, September • UK S&P Global Construction PMI September • India HSBC Composite/Services PMI, September • India Foreign Exchange Reserves, Sep 27

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September 27, 2024

Source: CRISIL

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