WEEKLY YIELD

Update of Equity & Debt Market

Union Mutual Fund

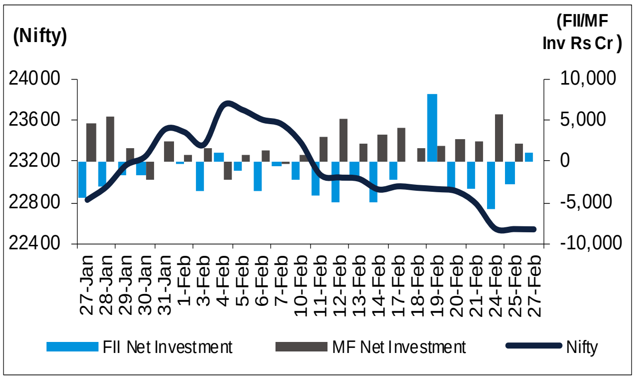
February 28, 2025

DOMESTIC EQUITY

- The Indian equity market ended lower for the fourth consecutive week due to concerns about an economic slowdown in the United States (US), global tariff uncertainty, and persistent foreign fund outflows, despite brief support from RBI's eased lending norms. The BSE Sensex and Nifty 50 fell 2.81% and 2.94%, respectively.
- All sectors ended lower with information technology (IT), realty and oil and gas falling the most. The BSE IT, BSE Realty and BSE Oil & Gas indices fell 7.76%, 5.64% and 5.55 %, respectively.

Broad Indices	Week change%	3 month change%	1 year change%
BSE Sensex	-2.81	-7.40	1.24
Nifty 50	-2.94	-7.48	0.79
BSE Midcap	-4.41	-15.98	-1.09
BSE Smallcap	-6.05	-21.36	-4.26
BSE Bankex	-1.55	-7.18	5.04
BSE CG	-5.41	-21.27	-3.16
BSE FMCG	-2.96	-12.99	-5.23
BSE IT	-7.76	-14.01	-4.35
BSE Healthcare	-3.55	-10.70	8.19

Source: BSE, NSE



Source: SEBI, NSE

GLOBAL EQUITY

- US stocks declined this week on disappointing earnings reports and softer than expected economic growth data.
- Britain's FTSE index rose this week on strong quarterly earnings from Rolls-Royce and a rise in defence stocks following Prime Minister Keir Starmer's defence spending.
- Asian equities closed lower this week. Japan's Nikkei index ended lower due to a fall in technology stocks and on speculation that the US may impose more restrictions on Chinese semiconductors.
- Hong Kong's Hang Seng Index fell this week due to the US President's announcement to double the tariff on Chinese imports, and the US imposed restrictions on investments by Beijing in US technology and infrastructure.
- China's Shanghai Composite Index closed lower this week following the US president's announcement to double tariffs on Chinese imports and impose restrictions on Chinese investments in US technology and infrastructure.

DOMESTIC DEBT

Indicators	Feb 28, 2025	Previous Week	Trend
Call Rate	6.50%	6.25%	↑
3 M CP	7.73%	7.79%	↓
1 Yr CP	7.84%	7.86%	↓
3 M CD	7.48%	7.44%	↑
1 Yr CD	7.58%	7.57%	↑
5 Yr AAA	7.29%	7.26%	↑
1 Yr G-Sec*	6.57%	6.60%	↓
5 Yr G-Sec*	6.68%	6.69%	↓
10 Yr G-Sec*	6.72%	6.71%	↑
USD/INR*	87.40	86.65	↓

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

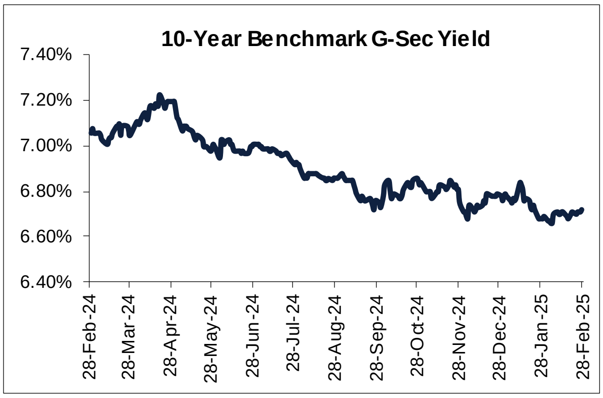
**Weighted Average Yield*

WEEKLY YIELD

Update of Equity & Debt Market

February 28, 2025

- Government bond prices fell in the week ended February 28, 2025. The yield on the 10-year benchmark 6.79%, 2034 paper closed at 6.73% on February 28, 2025, versus 6.71% on February 21, 2025.
- Bond prices fell due to the heavy supply from states and the upcoming Central Government auctions. Prices declined further after the weekly debt auction witnessed dismal demand.
- In the weekly debt sale on February 28, 2025, RBI auctioned the 6.79% GS 2031, 6.92% GS, 2039 and 7.09% GS, 2054 for a total notified amount of Rs 32,000 crore.
- However, the fall in bond prices was limited following the Central Bank's longer-term liquidity infusion plan and after minutes of the Reserve Bank of India (RBI) Monetary Policy Committee meeting indicated a dovish stance.



Source: *CRISIL Fixed Income Database*

GLOBAL DEBT

- US treasury prices rose during this week as weak economic data and lingering trade war concerns boosted demand for the haven asset.
- Bond prices rose after weaker-than-expected data triggered worries about strength of the US economy. Prices rose further amid speculation that the likely tariffs and US Government's retrenchment could make things worse. This also raised fear that the Federal Reserve will need to shift its focus away from inflation to tackling economic weakness with lower interest rates.
- However, profit booking limited the gains in bond prices.
- Yield on the 10-year benchmark Treasury bond ended at 4.29% on February 27, 2025, as against 4.50% on February 21, 2025.

DOMESTIC NEWS

- India's economic growth accelerated to 6.2% in the third quarter of fiscal 2025, up from 5.4% in the second quarter, driven by improved rural consumption, owing to a favourable monsoon and increased Government expenditure.
- India's infrastructure output eased 4.6% in January 2025, slightly lower from the revised 4.8% expansion in December 2024.
- The World Bank expressed confidence in the Indian economy and appealed to all to come and invest in the country.
- Reserve Bank of India (RBI) data showed that the House Price Index rose 3.1% in the third quarter of fiscal 2025 as against 4.3% growth in the preceding three months, and 3.8% growth in the year-ago period.
- The Centre has extended the concessions and incentives package for its employees in the Kashmir Valley by three more years starting August 1, 2024.
- The Government has amended the income tax norms to enhance transparency in reporting income distributed by trusts such as Alternative Investment Funds (AIFs), Real Estate Investment Trust (REITs) and Infrastructure Investment Trust (InvITs).
- Madhya Pradesh has secured Rs 25,640 crore in investment from 35 technology companies at the IT and Technology Summit at GIS 2025, creating over 1.83 lakh jobs.
- The Andhra Pradesh Electricity Regulatory Commission (APERC) has approved the purchase

of over 4,000 million units of power from the Solar Energy Corp of India (SECI) during the fiscal 2026.

- The Income Tax department has introduced an online self-help tool to assist taxpayers in understanding the changes proposed in the Income Tax Bill, 2025.
- The RBI has rolled back the excess 25 percentage points to risk weights on exposures of banks to Non-Banking Financial Companies (NBFCs) and Micro-Finance Institutions (MFIs) raised in November 2023.
- The RBI released norms for forward contracts in Government Securities (G-secs) to enable market participants, especially long-term investors, to manage their cash flows and interest rate risk.
- The Securities and Exchange Board of India (SEBI) said it will allow asset managers with an over three-year track record to offer a range of investment strategies under its newly created 'Specialised Investment Fund' (SIF) category, aimed at wealthier investors.

GLOBAL NEWS

- US economy expanded an annualized 2.3% in Q4 2024 compared to 3.1% in Q3 2024.
- US personal consumption expenditure price index rose 2.4% in Q4 2024, compared to 1.5% Q3 2024.
- US S&P Global Flash Composite Purchasing Managers Index dropped sharply to 50.4 in February 2025 compared to 52.7 in January 2025, while S&P Global Flash Manufacturing PMI rose to 51.6 from 51.2 and S&P Global Flash Services PMI fell to 49.7 from 52.9.
- US New Home Sales decreased 10.5% to 657 thousand units in January 2025, compared to an upwardly revised 8.1% surge in December 2024.
- Eurozone Economic Sentiment Indicator increased to 96.3 in February 2025, the highest level in five months, compared to an upwardly revised 95.3 in January 2025.
- Eurozone annual inflation rose at 2.5% in January 2025 from 2.4% in December 2024, while annual core inflation rate remained unchanged at 2.7% for the fifth consecutive.
- Eurozone Industrial Sentiment increased to -11.4 in February 2025 from a downwardly revised -12.7 in January 2025 while the services sentiment indicator fell to 6.2 from 6.7 the downwardly revised 6.7.
- Eurozone consumer confidence indicator rose by 0.6 points to -13.6 in February 2025 compared to -14.2 in January 2025.
- Eurozone Consumer Price Index (CPI) decreased to 126.72 points in January 2025 from 127.07 points in December 2025.
- Eurozone Hamburg Commercial Bank Flash Composite PMI at 50.2 in February 2025, remaining unchanged from January 2025 while HCOB Flash Manufacturing PMI increased to 47.3 from 46.6 and HCOB Flash Services PMI fell to 50.7 from 51.3.
- UK S&P Global Flash Manufacturing PMI fell to 46.4 in February 2025 compared to 48.3 in January while S&P Global Flash Services PMI rose to 51.1 from 50.8 and S&P Global Flash Composite PMI was at 50.5 from 50.6.
- UK Retail Sales increased 1% in January of 2025 compared to 2.8% December 2024.
- Japan coincident economic index rose at 116.4 in December 2024. compared to November’s reading of 115.4 while the leading economic index edged up to 108.3 from 107.8.
- Japan Retail sales rose by 3.9% on-year in January 2025, compared to a downwardly revised 3.5% growth in December 2024.
- Japan Industrial Production increased 2.60% in January 2025, compared to a 1.1% decline in December 2024.

DAY	
Monday, March 3, 2025	• US S&P Global Manufacturing PMI Final, February • US ISM Manufacturing PMI, February • Eurozone HCOB Manufacturing PMI Final, February • Eurozone Inflation Rate YoY Flash, February • Eurozone CPI Flash, February • China Caixin Manufacturing PMI, February • India HSBC Manufacturing PMI Final, February
Tuesday, March 4, 2025	• Eurozone Unemployment Rate, January. • Japan Unemployment Rate, January • Japan Consumer Confidence, February
Wednesday, March 5, 2025	• US S&P Global Services/ Composite PMI Final, February • US ISM Services PMI, February • Eurozone PPI YoY, January • Eurozone HCOB Services/ Composite PMI Final, February • UK S&P Global Services/ Composite PMI Final, February • China Caixin Services PMI, February • Japan Jibun Bank Services PMI Final, February • India HSBC Services/ Composite PMI Final, February
Thursday, March 6, 2025	• US Balance of Trade, January • Eurozone ECB Interest Rate Decision • Eurozone Retail Sales YoY, January
Friday, March 7, 2025	• US Non-Farm Payrolls, February • US Unemployment Rate, February • US Manufacturing Payrolls, February • Eurozone GDP Growth Rate YoY 3rd Est, Q4 • India Foreign Exchange Reserves, February 28, 2025

Source: CRISIL

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