WEEKLY YIELD

Update of Equity & Debt Market

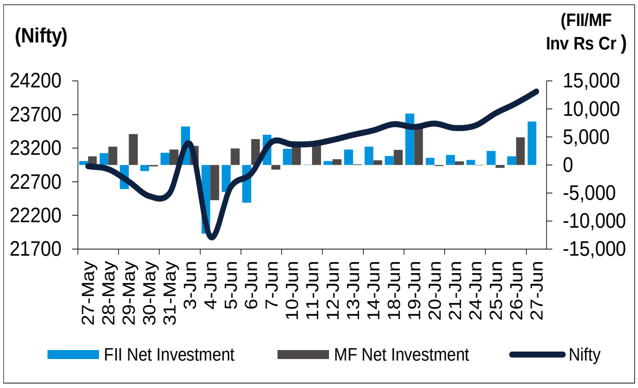
Jun 28, 2024

DOMESTIC EQUITY

- Indian equities ended higher for the fourth consecutive week, as investors scooped stocks to drive indices to record highs multiple times during the week. BSE Sensex and Nifty 50 rose 2.36% and 2.17%, respectively.
- Most sectors ended higher with information technology (IT), oil & gas and power gaining the most. BSE IT, BSE Oil & Gas and BSE Power rose 2.15%, 2.11% and 1.78%, respectively.

Broad Indices	Week change%	3 month change%	1 year change%
BSE Sensex	2.36	7.31	23.65
Nifty 50	2.17	7.54	26.56
BSE Midcap	0.42	17.39	61.48
BSE Smallcap	0.37	20.77	60.71
BSE Bankex	1.61	11.45	19.03
BSE CG	0.76	18.68	80.65
BSE FMCG	1.10	6.37	10.51
BSE IT	2.15	3.67	26.58
BSE Healthcare	0.92	5.87	44.77

Source: BSE, NSE



Source: SEBI, NSE

GLOBAL EQUITY

- US stocks ended higher this week buoyed by a Nvidia-led rally and a rise in energy and financial stocks.
- Meanwhile, investors remained on the sidelines ahead of the PCE price index data.
- Britain's FTSE index fell 0.7% dragged down by energy shares and a fall in GSK shares.
- Asian equities ended mostly lower. Japan's Nikkei index advanced 2.5% after a weaker yen supported export-related shares and technology and chip-related shares rose.
- Hong Kong's Hang Seng ended lower after data showed a slowdown in Chinese industrial profits and absence of new supportive measures from China.
- China's Shanghai Composite declined 1.03% on US-China tensions, weak industrial profits data and as investors awaited more income data from the country.

DOMESTIC DEBT

Indicators	Jun 28, 2024	Previous Week	Trend
Call Rate	6.25%	5.75%	↑
3 M CP	7.80%	7.73%	↑
1 Yr CP	7.95%	7.95%	⇔
3 M CD	7.15%	7.11%	↑
1 Yr CD	7.62%	7.64%	↓
5 Yr AAA	7.55%	7.55%	⇔
1 Yr G-Sec*	6.94%	6.97%	↓
5 Yr G-Sec*	7.02%	7.00%	↑
10 Yr G-Sec*	7.01%	6.97%	↑
USD/INR*	83.38	83.54	↓

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

**Weighted Average Yield*

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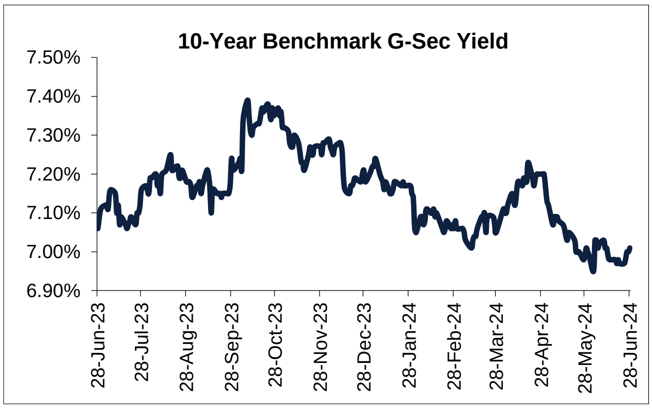
Union Mutual Fund

Jun 28, 2024

- Government bond prices declined in the week ended June 28, 2024. The yield of the 10-year benchmark 7.10% 2034 paper closed higher at 7.01% on June 28, 2024 compared with 6.97% on June 21, 2024.
- Bond prices remained lower during the week as investors remained on the edge ahead of the inclusion of domestic bonds in JPMorgan's emerging market debt index, which is expected to spike foreign fund flows.
- Bond prices declined further on higher-than-expected cut-off yields at an auction.
- Meanwhile, in the debt sale held on June 28, 2024, the RBI auctioned 7.10% government security (GS) 2034 and 7.34% GS 2064 for a total notified amount of Rs 31,000 crore.



Source: *CRISIL Fixed Income Database*

GLOBAL DEBT

- US Treasury prices declined this week as a pickup in inflation in other countries prompted investors' expectations of another interest rate hike this year.
- Bonds declined further after the yen dropped to its lowest level since 1986 against the dollar, raising concerns that there would be another intervention from Japanese authorities to boost the currency.
- However, further gains in yields were capped as latest domestic economic data led investors to worry about growth.
- US economy expanded at an annualised 1.4% in the first quarter of 2024, slightly higher than 1.3% in the second estimate, lower compared with 3.4% in the previous quarter and US personal consumption expenditure (PCE) prices increased 3.4% in the first quarter of 2024 compared with a 1.8% rise in the previous quarter, while core PCE prices increased 3.7% compared with 2%.
- Yields also declined after the US House Price Index increased by 6.3% on-year in May, slowing from a 6.7% rise in April and unemployment benefits fell by 6,000 from the prior week to 239,000 for the period ending June 22, 2024
- The yield on the 10-year benchmark Treasury bond ended higher at 4.29% on June 28, 2024 compared with 4.25% on June 21, 2024.

DOMESTIC NEWS

- India retail inflation for agricultural labourers and rural workers remained almost flat at 7% and 7.02%, respectively, in May 2024 as against 7.03% and 6.96%, respectively, in April 2024.
- India's external debt was $663.8 billion at end-March 2024, an increase of $39.7 billion over the level at end-March 2023.
- The Reserve Bank of India (RBI) data showed India's current account balance recorded a surplus of $5.7 billion or 0.6% of GDP in the March 2024 quarter as against a deficit of $8.7 billion (1.0% of GDP) in the December 2023 quarter and $1.3 billion (0.2% of GDP) in the March 2023 quarter.
- The Goods and Services Tax (GST) Council empowered tax authorities to waive interest and penalties on past tax demands, cut the pre-deposit amount for filing appeals, fixed monetary limits for appeals against assessees at various legal forums

and set a sunset date for anti-profiteering cases to enhance the ease of doing business.

- The council recommended providing a new optional facility by way of Form GSTR-1A to facilitate taxpayers to amend the details in Form GSTR-1 for a tax period and/or to declare additional details.
- It recommended the reduction of GST on all kinds of carton boxes from 18% to 12%.
- The council proposed recommendations related to tax exemption on services provided by the Indian Railways to the common man and biometric-based Aadhaar authentication to check fake invoicing.
- The Bureau of Indian Standards (BIS) introduced two new guidelines to enhance the safety of electric vehicles in the L, M, and N categories.
- India's infrastructure output expanded 6.3% annually in May 2024 compared with upward revision of 6.7% growth in April 2024.
- India's fiscal deficit between April and May 2024 stood at around 3% of the overall target for fiscal 2025, at Rs 50,615 crore.
- The Network Planning Group evaluated eight infrastructure projects worth Rs 18,000 crore from railways and National Industrial Corridor Development Corporation (NICDC).
- The Reserve Bank of India (RBI) introduced revised currency swap frameworks for South Asian Association for Regional Cooperation (SAARC) nations, providing rupee, US dollar, and Euro support.
- In its Financial Stability Report, RBI said banks' gross NPA (non performing asset) ratio fell below 3%, a first since 2012.
- The Securities and Exchange Board of India (SEBI) relaxed rules on their special rights in initial public offer (IPO)-bound companies.
- SEBI gave flexibility to senior executives of listed companies on their trading plans under insider trading norms.
- It revised its oversight framework for stock exchanges and other market infrastructure institutions (MIIs), defining the structure and responsibilities of various statutory committees to enhance governance.

GLOBAL NEWS

- US Personal Consumption Expenditures (PCE) Prices increased 3.4% in the first quarter of 2024, compared to a 1.8% rise in the previous quarter, while core PCE Prices increased 3.7%, from 2%.
- US S&P Global Flash Manufacturing Purchasing Manager's Index (PMI) rose to 51.7 in June 2024 from 51.3 in May 2024, while Services PMI rose to 55.1 from 54.8 and Composite PMI rose to 54.6, up from 54.5.
- US existing home sales declined 0.7% on month in May 2024, extending a 1.9% slump in April 2024.
- Eurozone economic sentiment declined to 95.9 in June 2024 from an upwardly revised 96.1 in May 2024.
- Eurozone inflation expectations for consumers rose to 13.1 in June 2024, the highest in four months, compared to 12.5 in the previous month.
- The Gross Domestic Product (GDP) in the United Kingdom expanded 0.30% annually in the first quarter of 2024, higher than preliminary estimates of 0.20% growth and 0.2% de-growth in the previous quarter.
- UK Retail Sales increased by 1.3% on year in May 2024, following a upwardly revised 2.3% rise in April 2024.
- China's industrial firms profit rose by 3.4% in Jan-May period of 2024, lower compared to 4.3% gain in Jan-April period of 2024.
- Japan industrial production rose 0.30% on year in May 2024 compared to 1.8% fall in April 2024.

DAY	
Monday, Jul 01, 2024	• US S&P Global Manufacturing PMI, June • US ISM Manufacturing PMI, June • Eurozone HCOB Manufacturing PMI, June • UK S&P Global Manufacturing PMI, June • China Caixin Manufacturing PMI, June • Japan Jibun Bank Manufacturing PMI, June • India HSBC Manufacturing PMI, June
Tuesday, Jul 02, 2024	• US JOLTs Job Openings, May • Eurozone inflation rate flash, June
Wednesday, Jul 03, 2024	• FOMC Minutes • US ADP Employment Change, June • US S&P Global Composite/Services PMI, June • US ISM Services PMI, June • US Initial Jobless Claims, June 29 • Eurozone HCOB Composite/Services PMI, June • UK S&P Global Composite/Services PMI, June • China Caixin Services/Composite PMI, June • Japan Jibun Bank Services/Composite PMI, June • India HSBC Composite/Services PMI, June
Thursday, Jul 04, 2024	• UK General Elections
Friday, Jul 05, 2024	• US Non-Farm Payrolls, June • US Unemployment Rate, June • Eurozone Retail Sales, May • India Foreign Exchange Reserves, June 28

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Jun 28, 2024

Source: CRISIL

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