

WEEKLY YIELD

Update of Equity & Debt Market

August 30, 2024

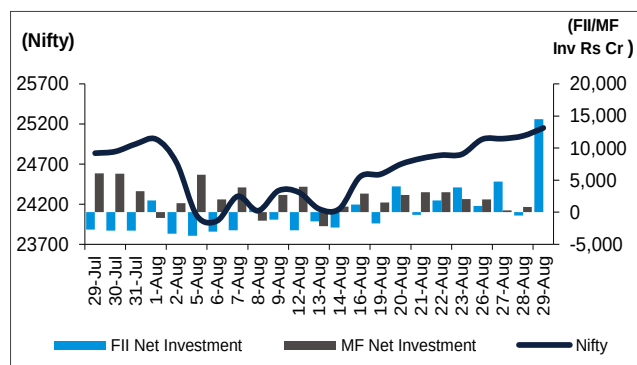


DOMESTIC EQUITY

- Indian benchmark equities ended higher for the third straight week and closed at a record high after the US Federal Reserve Chair Jerome Powell signalled an imminent rate cut at the Jackson Hole Symposium. The BSE Sensex and Nifty 50 rose 1.58% and 1.66%, respectively.
- More gains were seen following strong US growth data.
- Almost all sectors ended higher with information technology (IT), realty, and healthcare gaining the most. BSE IT, BSE Realty and BSE Healthcare rose 3.87%, 3.50% and 2.53%, respectively.

Broad Indices	Week change%	3 month change%	1 year change%
BSE Sensex	1.58	11.48	26.55
Nifty 50	1.66	12.22	30.44
BSE Midcap	1.54	14.57	57.22
BSE Smallcap	0.61	19.43	52.02
BSE Bankex	0.47	4.87	17.34
BSE CG	-0.26	5.40	62.54
BSE FMCG	-0.19	17.65	23.79
BSE IT	3.87	29.69	38.19
BSE Healthcare	2.53	23.07	54.92

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks ended mixed this week with the Dow Jones rising 0.39%, while the Nasdaq fell 2%.
- Markets gained, especially the Dow Jones, after Powell in his speech at the Jackson Hole Symposium acknowledged that the central bank may cut rates in September 2024, as the upside risk to inflation has diminished.
- However, these gains were trimmed, especially in Nasdaq, due to a sell-off in technology stocks after dismal quarterly earnings from Nvidia.
- Britain's FTSE index closed higher as the global markets welcomed Powell's dovish comments at the Jackson Hole Symposium.
- Asian equities ended mostly higher. Japan's Nikkei index advanced as the weaker yen supported export-oriented stocks and on the back of rise in technology stocks.
- Hong Kong's Hang Seng rallied on hopes of a potential rate cut by the Fed in the September 2024 policy meet and strong earnings update.
- China's Shanghai Composite declined due to sell-off in property shares and a sell-off in EV and steel markets due to Canadian tariffs.



DOMESTIC DEBT

Indicators	Aug 30, 2024	Previous Week	Trend
Call Rate	6.50%	5.75%	↑
3 M CP	7.64%	7.55%	↑
1 Yr CP	7.90%	7.87%	↑
3 M CD	7.22%	7.19%	↑
1 Yr CD	7.65%	7.59%	↑
5 Yr AAA	7.48%	7.48%	↔
1 Yr G-Sec*	6.74%	6.73%	↑
5 Yr G-Sec*	6.77%	6.78%	↓
10 Yr G-Sec*	6.86%	6.86%	↑
USD/INR*	83.86	83.90	↓

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

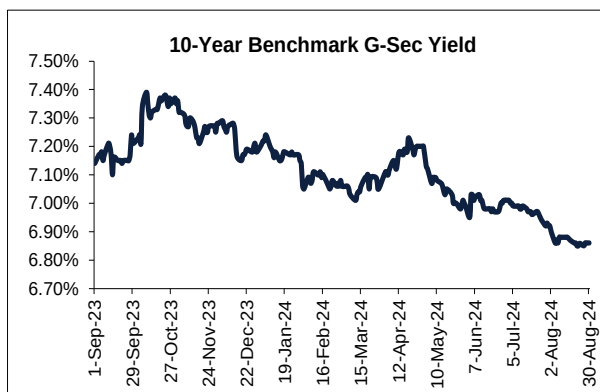
*Weighted Average Yield

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- Government bond prices were flat in the week ended August 30, 2024. The yield of the 10-year benchmark 7.10% 2034 paper closed flat at 6.86%, unchanged from the closing on August 23, 2024.
- Bond prices began the week on a positive note due to the fall in US treasury yields, after the Federal Reserve Chair hinted at the start of rate cuts from September.
- However, further gains in the prices were halted after higher-than-expected debt sale from states raised bond supply.
- Meanwhile, in the debt sale held on August 30, 2024, the RBI auctioned 7.10% GS (Government Security) 2034 and 7.09% GS 2054 for a total notified amount of Rs 30,000 cr.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices declined during the week as strong GDP data eased economic growth concerns.
- However, prices witnessed some gains after Fed Chair Jerome Powell cited confidence in imminent policy easing, while stating that further cooling in the job market would be unwelcome and inflation is nearing the Fed's 2% target.
- Meanwhile, the Federal Reserve Bank of Atlanta President Raphael Bostic said that with easing inflation and the unemployment rate up more than anticipated, it might be time for rate cuts.

- The yield on the 10-year benchmark Treasury bond ended higher at 3.87% on August 29, 2024, compared to 3.81% on August 23, 2024.



DOMESTIC NEWS

- India's gross domestic product (GDP) grew at 6.7% for Q1FY25 (quarter 1 of fiscal 2025), against 8.2% in the year-ago period.
- India's eight core sectors rose 6.1% on-year in July 2024, compared with an upward revision of 5.1% in June 2024.
- Fiscal deficit in the first four months of FY25 touched 17.2% of the annual target, against 33.9% a year ago.
- India's retail inflation rates for farm and rural workers eased to 6.17% and 6.20%, respectively, in July 2024, from 7.02% and 7.04%, respectively, in June 2024.
- Moody's raised its real GDP growth projections for India, expecting a robust 7.2% growth in 2024 (up from 6.8%) and 6.6% in 2025 (up from 6.4%).
- Fitch Ratings reaffirmed India's sovereign debt rating at 'BBB-', with a stable outlook, citing the country's robust medium-term growth prospects and solid external finance position.
- India and the US signed two key agreements to further boost the comprehensive global strategic partnership between the two countries.
- The government stipulated a 10% public shareholding requirement for companies listing on the recognized stock exchanges at the International Financial Services Centre, lower than the 25% needed for those choosing bourses elsewhere.
- The Union Cabinet approved the Unified Pension Scheme for central government employees.
- The Union Cabinet approved 12 new industrial smart cities in different states with an outlay of Rs 28,602 crore.

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- The Union Cabinet approved three railway projects worth Rs 6,456 crore.
- The Union Cabinet approved a proposal to hold the third batch of ascending e-auctions for 730 channels in 234 new cities under Private FM Radio Phase III Policy.
- Prime Minister Narendra Modi launched a Rs 2,500 crore revolving fund to support 48 lakh members of 4.3 lakh self-help groups (SHGs) at an event in Jalgaon, Maharashtra.
- The Reserve Bank of India (RBI) announced auto replenishment of balances in FASTag and NCMC.
- The RBI's deputy governor T Rabi Sankar unveiled the UPI interoperable cash deposit facility at the Global Fintech Fest 2024.
- The RBI proposed to set aside 5% of the total exposure to a project till the construction of the project is going on.
- The Securities and Exchange Board of India (SEBI) proposed having an ASBA-like facility for secondary market transactions.
- US Dallas Fed Services Index to -7.7 in August 2024 from -0.1 in July 2024.
- US CB Consumer Confidence came in at 103.3 in August 2024, from revised 101.9 in July 2024
- US Durable Goods Order surged by 9.9% on month in July 2024, compared to downwardly revised 6.9% decline in June 2024.
- US Dallas Fed Manufacturing Index rose to -9.7 in August 2024, from -15.1 in July 2024.
- Eurozone consumer inflation expectations remained unchanged at 2.8% in July 2024 compared to June 2024.
- Eurozone economic sentiment indicator rose to 96.6 in August 2024 compared to 96 in July 2024 while industrial sentiment rose to -9.70 from -10.50 and the services sentiment indicator edged up to 6.3 from 5.
- Eurozone consumer confidence fell by 13.5 in August 2024 from -13 in July 2024.
- Eurozone inflation flash rate eased to 2.2% on year in August 2024 compared to 2.6% in July 2024, while the core flash inflation rate fell to 2.8% from 2.9%.
- China's industrial profit grew by 3.6% on year in Jan-July period of 2024, after a 3.5% gain in Jan-June period of 2024.
- Japan Coincident Index fell to 113.2 in June 2024 compared to 117.1 in May, while Leading Economic Index declined to 109.0 from 111.1.
- Japan preliminary Industrial Production increased 2.70% in July 2024, compared to 7.3% decline in June 2024.
- Japan consumer confidence index was at 36.7 in August 2024, unchanged from the previous month.



GLOBAL NEWS

- The US economy grew at an annualized rate of 3% in Q2 2024, up from 1.4% in Q1 2024.
- US personal consumption expenditure (PCE) Price Index remained unchanged at 2.50% on year in July 2024, compared to June 2024, while Core PCE Price Index remained unchanged at 2.60%.
- US Pending Home Sales fell -8.50% on year in July 2024 from -2.6% in June 2024.
- US New Home sales fell to 1.406 mn on month in July 2024, compared to 1.454 mn in June, 2024.
- US S&P/Case-Shiller Home Price rose by 6.5% on year in June 2024, slowing from the upwardly revised 6.9% increase in May 2024.
- US House Prices Index decreased to 5.10% on year in June 2024 from 5.90% in May 2024.

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DAY	
Monday, Sep 2, 2024	• Eurozone HCOB Manufacturing PMI, August • UK S&P Global Manufacturing PMI, August • China Caixin Manufacturing PMI, August • Japan Jibun Bank Manufacturing PMI, August • India HSBC Manufacturing PMI, August
Tuesday, Sep 3, 2024	• US S&P Global Manufacturing PMI, August • US ISM Manufacturing PMI, August
Wednesday, Sep 4, 2024	• US JOLTs Job Quits, July • Eurozone PPI, July • Eurozone HCOB Composite/Services PMI, August • UK S&P Global Composite/Services PMI, August • China Caixin Services/Composite PMI, August • Japan Jibun Bank Services/Composite PMI, August • India HSBC Composite/Services PMI, August
Thursday, Sep 5, 2024	• US S&P Global Composite/Services PMI, August • US ISM Services PMI, August • US ADP Employment Change, August • US Initial Jobless Claims, August 31 • Eurozone Retail Sales, July • UK S&P Global Construction PMI August
Friday, Sep 6, 2024	• US Non-Farm Payrolls, August • US Unemployment Rate, August • Eurozone GDP Growth Rate, Q2 • UK Halifax House Price Index, August • India Foreign Exchange Reserves, Aug 30

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Source: CRISIL

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