WEEKLY YIELD

Update of Equity & Debt Market

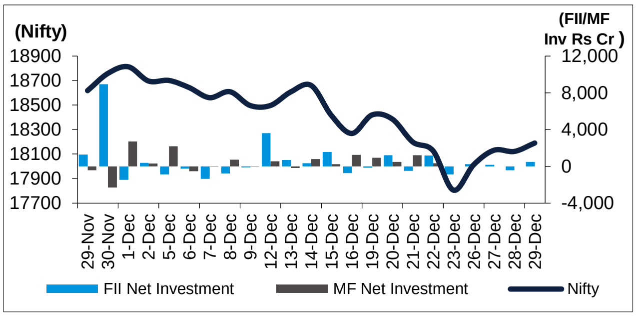
December 30, 2022

DOMESTIC EQUITY

- Indian equity indices ended the year on an upbeat note and also snapped three weeks of losses. Market gained on hopes of smaller rate hikes by the US Federal Reserve (Fed) at its next policy meet, following a mixed set of US data. S&P BSE Sensex and Nifty 50 rose about 1.7% each.
- Markets were also buoyed due to a rise in shares of metals on hopes of a demand recovery from China after it further eased COVID-19 restrictions.
- Most of the sectors ended positive with metal, power and oil & gas rising the most. S&P BSE Metal, S&P BSE Power and S&P BSE Oil & Gas advanced 8.1%, 5.8% and 5.5%, respectively.
- However, some gains were constrained by a weak domestic trade deficit and a surge in COVID-19 cases in China.
- Selling in healthcare stocks also capped some gains. S&P BSE Healthcare fell 1.0%.

Broad Indices	Week change%	3 month change%	1 year change%
S&P BSE Sensex	1.66	5.94	5.27
Nifty 50	1.68	5.91	5.24
S&P BSE Midcap	3.63	1.85	2.78
S&P BSE Smallcap	6.14	1.67	-0.67
S&P BSE Bankex	2.89	10.70	22.68
S&P BSE CG	2.27	6.81	16.72
S&P BSE FMCG	0.43	-0.65	18.10
S&P BSE IT	1.92	4.31	-24.17
S&P BSE Healthcare	-1.00	-1.31	-11.39

Source: BSE, NSE



Source: SEBI, NSE

GLOBAL EQUITY

- US stocks ended mixed this week, with Dow Jones rising 0.05%, while Nasdaq fell 0.19%.
- Markets rose, especially Dow Jones as easing inflation and a rise in jobless claims raised hopes that the Fed might slow the pace of its rate hikes.
- These gains were, however, restricted, especially with Nasdaq declining 0.19%, as investors fretted over resurgence of COVID-19 cases in China and sell-off in growth and energy shares amid recession worries due to mixed economic data.
- Britain’s FTSE advanced 0.53% led by gains in mining and banking stocks after China eased COVID-19 restrictions gradually.
- Asian equities mostly ended higher. Japan’s Nikkei declined 0.54% dragged down by losses in technology and chip-related shares, concerns over the COVID-19 situation in China and mirroring some gains in the US market.
- Hong Kong’s Hang Seng rose 0.96% due to gains in consumer stocks after China eased most of its Covid-19 curbs and on strong global cues.
- China’s Shanghai Composite ended 1.4% higher on optimism over improved growth in 2023 after the country dismantled most of its COVID-19 restrictions and as authorities vowed to support the struggling economy.

DOMESTIC DEBT

Indicators	Dec 30, 2022	Previous Week	Trend
Call Rate	6.40%	6.50%	↓
3 M CP	6.88%	7.08%	↓
1 Yr CP	7.87%	7.90%	↓
3 M CD	6.60%	6.80%	↓
1 Yr CD	7.57%	7.62%	↓
5 Yr AAA	7.61%	7.58%	↑
1 Yr G-Sec*	6.74%	6.75%	↓
5 Yr G-Sec*	7.23%	7.22%	↑
10 Yr G-Sec*	7.33%	7.31%	↑
USD/INR*	82.73	82.86	↓

Source: *CRISIL Fixed Income Database, RBI *Weighted Average Yield*

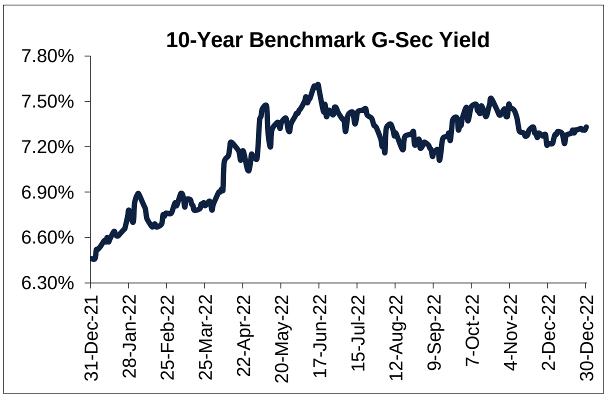
WEEKLY YIELD

Update of Equity & Debt Market

Union Mutual Fund

December 30, 2022

- Government bond prices ended marginally lower in the week ended December 30, 2022. The yield of the 10-year benchmark 7.26% 2032 paper closed at 7.33% on December 30, 2022, compared with 7.32% on December 23, 2022.
- Yields rose as the weekly auction of securities added to the debt supply. In the debt sale held on December 30, 2022, the central bank auctioned 6.69% government securities (GS) 2024, 7.10% GS 2029, 7.41% GS 2036 and 7.40% GS 2062 for a total notified amount of Rs 30,000 crore.
- Intermittent spikes in US treasury yields also kept bond prices under pressure.
- However, strong demand seen at the state debt sale prevented bond prices from falling further.
- Notably, bond yields traded in a narrow range during this week as trading volumes have been tepid and as most investors stayed put refraining from taking a fresh position ahead of the end of the quarter and calendar year.



Source: *CRISIL Fixed Income Database*

GLOBAL DEBT

- US Treasury prices fell sharply in a holiday shortened week as China continues to scale back its COVID-19 restrictions.
- Sentiments for yield boosted after China said that the government would stop requiring inbound travellers to go into quarantine from January 8, 2023.
- However, losses in prices were cushioned as investors weighed recession risks and assessed the outlook for Fed policy in the new year.
- The yield of the 10-year benchmark Treasury bond ended at 3.84% on December 29, 2022 compared with 3.75% on December 23, 2022.

DOMESTIC NEWS

- India's core sector output grew 5.4% on-year in November 2022 compared to 3.2% growth in the same month last year.
- India's fiscal deficit for April-November 2022 came in at Rs 9.78 lakh crore accounting for 58.9% of fiscal 2023 target.
- According to Reserve Bank of India (RBI) data, India posted a current account deficit of $36.4 billion or 4.4% of gross domestic product (GDP) in second quarter of fiscal 2023, up from $18.2 billion or 2.2% of GDP in the previous quarter.
- International Monetary Fund (IMF) expects India's economic growth to slow to 6.1% in fiscal 2024 from 6.8% estimated for the current fiscal because of high oil prices, weaker external demand, and tighter financial conditions.
- The finance minister's quarterly report on public debt management data showed, total liabilities of the government increased to Rs 147.19 lakh crore at September-end from Rs 145.72 lakh crore at the end of June this fiscal year.
- RBI Governor Shaktikanta Das said amid global shocks and challenges, the Indian economy presents a picture of resilience, and the regulators are ready to take appropriate actions to preserve financial stability.
- Cabinet approved the revision of pension of Armed Forces Pensioners/family pensioners under the One Rank One Pension (OROP) from July 1, 2019.
- Finance Ministry said unregistered persons can claim Goods and Services Tax (GST) refunds for cancelled contracts or premature termination of insurance Finance Ministry said Sovereign Gold Bonds (SGBs)

policies by obtaining temporary registration on the GST portal.

- Finance Ministry asked public sector banks to put in place strong mechanisms to avoid unethical practices for selling insurance policies to customers.
- According to finance ministry's quarterly report on debt management, the government raised Rs 4.06 lakh crore through dated securities as against notified amount of Rs 4.22 lakh crore in the borrowing calendar.
- RBI said it is migrating the payments fraud reporting module to Daksh on January 1, 2023, to streamline reporting, enhance efficiency and automate the payments fraud management process.
- RBI said Indian banks may have weathered the pandemic with high capital buffers and improved asset quality, but going forward, they face a highly uncertain outlook.
- RBI's Financial Stability Report (FSR) stated that India's banks and non-bank lenders are in a position to withstand even the worst of macro-economic stress emanating from global spillovers.
- The Securities and Exchange Board of India (SEBI) initiated a detailed study of existing regulatory provisions applicable to fees and expenses charged by mutual fund (MF) schemes vis-à-vis market practices.

GLOBAL NEWS

- US personal income rose 0.4% on-month in November 2022 compared to 0.7% gain in October 2022, while personal spending rose 0.1% in November 2022 from revised 0.9% gain in October 2022.
- US Michigan consumer sentiment was revised higher to 59.7 in December 2022 from 56.8 in November 2022.
- US Dallas Fed manufacturing index fell to -18.8 in December 2022 from -14.4 in November 2022 and the services index fell to -19.8 in December 2022 compared to -11 in the previous month.
- US Richmond Fed services index fell to -12 in December 2022 from -2 in November 2022.
- US new home sales increased 5.8% on-month in November 2022 from 8.2% rise in October 2022.
- US pending home sales fell 37.8% on-year in November 2022 compared to 37% decline in October 2022.
- US advance goods trade deficit for November 2022 came in at $83.35 billion compared to $98.8 billion deficit in October 2022.
- US durable goods orders fell 2.1% on-month in November 2022 compared to revised 0.7% gain in October 2022.
- China industrial profits fell by 3.6% in January 2022 to November 2022 period, compared to 3% decline in January 2022 to October 2022 period.
- Japan retail sales rose 2.6% on year in November, lower than 4.4% rise in October.
- Japan unemployment rate fell to 2.5% in November 2022 from 2.6% in the previous month.
- Japan's preliminary industrial production fell 1.30% on-year in November 2022 from 3.8% rise in the previous month.

WEEKLY YIELD

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December 30, 2022

DAY	
Monday, Jan 2, 2023	• Eurozone S&P Global Manufacturing PMI, December • India S&P Global Manufacturing PMI, December
Tuesday, Jan 3, 2023	• US S&P Global Manufacturing PMI, December • UK S&P Global/CIPS Manufacturing PMI, December • China Caixin Manufacturing PMI, December • India Trade Balance Preliminary, December
Wednesday, Jan 4, 2023	• US ISM Manufacturing PMI, December • Eurozone S&P Global Services/Composite PMI, December • India S&P Global Services/Composite PMI, December
Thursday, Jan 5, 2023	• US FOMC Minutes • US ADP Employment Change, December • US S&P Global Services/Composite PMI, December • Eurozone Producer Prices, November • UK S&P Global/CIPS Services/Composite PMI, December • China Caixin Services/Composite PMI, December • Japan Consumer Confidence, December
Friday, Jan 6, 2023	• US Non Farm Payrolls, December • US Unemployment Rate, December • US Factory Orders, November • Eurozone Consumer Confidence, December • Eurozone Consumer Prices Flash, December • UK S&P Global/CIPS Construction PMI, December • India Foreign Exchange Reserves, December 30

WEEKLY YIELD

Update of Equity & Debt Market

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December 30, 2022

Source: CRISIL

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