

WEEKLY YIELD

Update of Equity & Debt Market

December 1, 2023

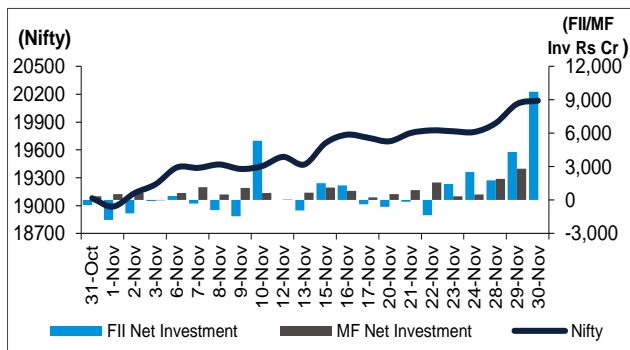


DOMESTIC EQUITY

- Indian equity indices ended higher this week following improving domestic growth outlook and optimism that the Fed would soon end its rate hike stance. S&P BSE Sensex and Nifty 50 rose around 2.29% and 2.39%, respectively.
- Investors' sentiments strengthened on faster-than-expected domestic growth data and dovish comments from a US Fed official.
- All sectors ended higher with oil and gas, power, and capital goods being the top gainers. S&P BSE Oil and Gas, S&P BSE Power and S&P BSE Capital Goods ended 5.79%, 5.71% and 3.67% respectively.

Broad Indices	Week change%	3 months change%	1 year change%
S&P BSE Sensex	2.29	3.20	6.63
Nifty 50	2.39	4.28	7.74
S&P BSE Midcap	2.90	10.02	32.46
S&P BSE Smallcap	1.91	8.41	36.56
S&P BSE Bankex	2.83	1.65	2.83
S&P BSE CG	3.67	11.76	48.65
S&P BSE FMCG	2.30	5.06	17.92
S&P BSE IT	1.67	4.40	6.81
S&P BSE Healthcare	2.49	9.93	27.25

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks ended mixed with Dow Jones gaining about 1.6% while Nasdaq fell 0.17%.
- Markets gained, especially Dow Jones after dovish comments by Fed officials and ease in inflationary pressure raised expectations of an end in the Fed's rate hike.
- Britain's FTSE declined 0.46% after Bank of England Head, Mr. Andrew Bailey said that the Central Bank will do whatever it takes to tame inflation. The Index was dragged down by energy and mining shares.
- Asian equities ended lower. Japan's Nikkei Index ended lower as investors booked profits following recent gains and a stronger Yen.
- Hong Kong's Hang Seng slumped 4% following weak Chinese manufacturing data and disappointing corporate earnings from China's Meituan, raising concerns on China's consumer spending and economic growth.
- China's Shanghai Composite fell 0.30% on concerns over the economic recovery of the country following weak economic release.



DOMESTIC DEBT

Indicators	Dec 1, 2023	Previous Week	Trend
Call Rate	6.75%	6.75%	↔
3 M CP	7.85%	7.78%	↑
1 Yr CP	8.05%	8.05%	↔
3 M CD	7.35%	7.29%	↑
1 Yr CD	7.75%	7.75%	↔
5 Yr AAA	7.71%	7.70%	↑
1 Yr G-Sec*	7.16%	7.16%	↔
5 Yr G-Sec*	7.25%	7.30%	↓
10 Yr G-Sec*	7.28%	7.27%	↑
USD/INR*	83.29	83.37	↓

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

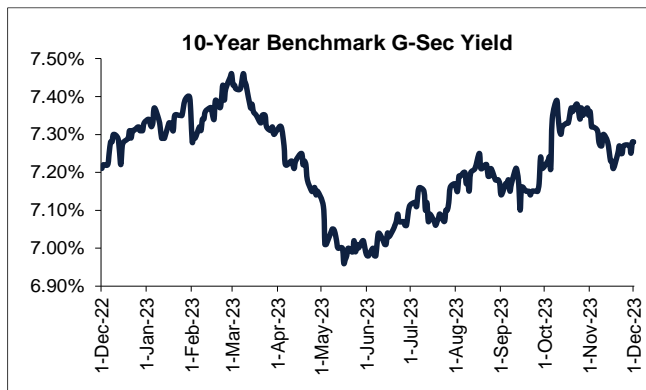
*Weighted Average Yield

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- Government bond prices ended lower on December 1, 2023. The yield of 10-year benchmark 7.18% 2033 paper closed higher at 7.29% on December 1, 2023 as compared with 7.27% on November 24, 2023.
- Yield rose due to constant supply of debt witnessed in the auction results released by the RBI.
- In the debt sale held on December 1, 2023, the RBI auctioned 7.37% Government Security (G-sec) 2028, 7.18% G-sec 2033 and 7.30% G-sec 2053 for a total notified amount of Rs 30000 crore.
- Bond prices witnessed some gains earlier this week to a fall in the US treasury yield after dovish comments from Fed officials spurred hopes for a rate cut in the first half of 2024.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices rose this week as a slew of economic data and comments from few Fed officials suggested that Fed may end its rate hike cycle soon.
- Earlier this week, a weaker-than-expected new home sales data put pressure on yield.
- Bond prices rose after the Fed Governor, Mr. Christopher Waller said that there are good economic arguments to lower the policy rate if inflation continues falling for several more months. In addition, Chicago Fed Bank President, Mr. Austan Goolsbee said that he believes that the overall inflation is coming down at a pace unseen since the

1950s. However, further gains in bond prices were halted after mixed comments from few more Fed officials indicated caution about interest rate cuts.

- The yield on the 10-year benchmark Treasury bond ended at 4.35% on November 30, 2023 as compared with 4.47% on November 24, 2023.



DOMESTIC NEWS

- India's Gross Domestic Product (GDP) witnessed a growth of 7.6% on an annual basis in the second quarter (July-September) of financial year 2023-24 (FY24) as against a four-year high of 7.8% in the previous quarter.
- India's fiscal deficit between April and October in the current financial year (FY24) touched 45% of the Centre's 2023-24 target of Rs 17.87 trillion.
- India's eight key infrastructure sectors exhibited a growth of 12.1% on an annual basis in October 2023 after growing at 9.2% in September 2023.
- Chief Economic Adviser, Mr. V. Anantha Nageswaran said that with the economy growing at 7.6% in real terms in the September quarter on FY24, India is now set to achieve 6.5% growth comfortably in FY24.
- Economic Affairs Secretary, Mr. Ajay Seth highlighted that slow post-pandemic recovery and disruption of global supply chains, combined with food and energy security challenges, spurt in inflation and geo-political tension--are posing risks to countries around the world and India's G20 presidency has attempted to address the challenges effectively.
- RBI data showed the all-India House Price Index (HPI) moderated to 3.4% in the July-September quarter of FY24 from 4.5% in the year-ago period.
- The Organisation for Economic Co-operation and Development (OECD) expect India's real Gross Domestic Product (GDP) to slow to 6.3% in the current financial year (FY24) due to adverse weather-

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related events and the weakening international outlook.

- S&P Global Ratings revised India's Gross Domestic Product (GDP) growth projection for financial year 2024 to 6.4% from 6% earlier on the back of strong domestic tailwinds. The rating agency also expects India's GDP growth rate to rise to 7% by 2026 compared to 4.6% for China.
- Finance Minister, Ms. Nirmala Sitharaman said that the government continues to monitor external factors such as the US Federal Reserve interest rate policy and the currency exchange rate.
- Government advised banks to appoint nodal officers to tackle cyber security issues.
- Government extended the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) scheme for another five years, starting January 1, 2024.
- The Union Cabinet has approved a central scheme with an outlay of Rs 1,261 crore to provide drones to 15,000 progressive women Self Help Groups (SHGs).
- The Securities and Exchange Board of India (SEBI) came out with a proposal to provide flexibility in adopting trading plans by persons, who are perpetually in possession of unpublished price sensitive information.
- SEBI approved a slew of proposals, comprising flexibility to Not for Profit Organisations (NPOs) in raising funds through the social stock exchange and decided to introduce a regulatory framework for index providers.
- SEBI approved a proposal to introduce a framework for fractional ownership of real estate assets.
- SEBI announced to bring entities facilitating fractional investment in real estate under a regulatory framework. SEBI Chairperson, Ms. Madhabi Puri Buch announced that a roadmap has been planned for the same-day settlement of trades by March 2024, followed by an optional parallel system for instantaneous settlement.

- SEBI announced to cut the minimum issue size for non-profit organisations (NPOs) on the Social Stock Exchange (SSE) by half, that is to Rs 50 lakh from Rs 1 crore.



GLOBAL NEWS

- The Organisation for Economic Co-operation and Development trimmed its forecast for global growth this year to 2.9%, down from the 3.0% it forecasted in September on near term risk due to Israel-Hamas war.
- US Gross Domestic Product (GDP) Growth Rate expanded an annualized 5.2% in Q3 of 2024 compared to 2.1% growth in previous quarter.
- US Personal Consumption Expenditures (PCE) Price Index declined to 3% in October 2023, from 3.4% in September 2023 while Core PCE prices increased by 3.5% from 3.7%. US Chicago Purchasing Managers' Index (PMI) climbed to 55.8 in November 2023 from 44 in the prior month. US pending home sales declined 8.5% year-on-year in October 2023, following an upwardly revised 11.2% drop in September 2023.
- Eurozone inflation rate eased to 2.4% on-year in November from 2.9% in October 2023 while core inflation rate eased to 3.6% from 4.2%. Eurozone consumer inflation expectations decreased to 9.30 points in November 2023 from 11.30 points in October 2023. Eurozone Consumer Confidence increased to -16.90 in November 2023 from -17.80 in October 2023, while industry confidence indicator fell to -9.5, down from a revised -9.2 and services confidence rose to 4.9, up from a revised 4.6.
- UK Consumer Confidence increased to -16.90 points in November 2023 from -17.80 points in October 2023.
- Chins NBS Manufacturing PMI edged down to 49.4 in November 2023 from 49.5 in October 2023, non-manufacturing PMI was down to 50.2 from 50.6 and composite PMI edged down to 50.4 from 50.7.

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DAY	EVENTS
Monday, Dec 4, 2023	<ul style="list-style-type: none"> US Factory Orders, October
Tuesday, Dec 5, 2023	<ul style="list-style-type: none"> US S&P Global Services/ Composite Final PMI, November US ISM Non-manufacturing PMI, November Euro Zone HCOB Services/Composite Final PMI, November Euro Zone Producer Price, October UK S&P GLBL/CIPS Services PMI Final, November China Caixin Services PMI, November Japan Jibun Bank Services/Composite PMI Final, Nov India S&P Global Services/ Composite PMI, November
Wednesday, Dec 6, 2023	<ul style="list-style-type: none"> US ADP National Employment, November US Goods Trade Balance, October UK S&P GLBL/CIPS Composite PMI Final, November Euro Zone retail sales, October
Thursday, Dec 7, 2023	<ul style="list-style-type: none"> US Initial Jobless claims, November 27 UK Halifax Housing Prices, November Eurozone GDP revised, Q3 Eurozone Employment, Q3 China Exports/ Import, November Japan Coincident Index, October Japan Leading Indicator, October
Friday, Dec 8, 2023	<ul style="list-style-type: none"> US Non farm payroll, November US Unemployment Rate, November US Michigan Consumer Sentiment Prel, December US Michigan Consumer Expectations Prel, December Japan GDP, Q3 Japan Household spending, October India RBI Interest Rate decision India Forex reserves, November 27

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Source: CRISIL

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