

# WEEKLY YIELD

## Update of Equity & Debt Market

June 2, 2023

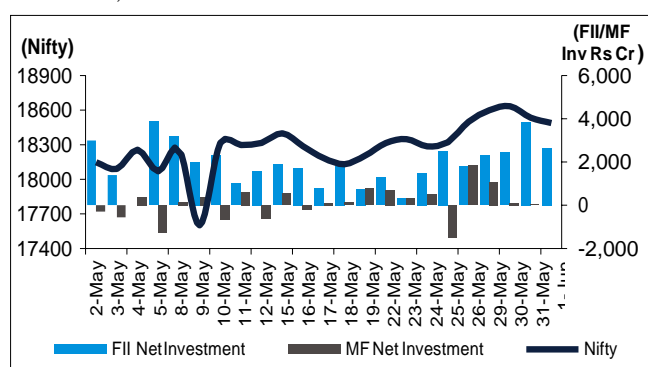


### DOMESTIC EQUITY

- Indian equity indices ended higher for the second straight week as investors rejoiced India's merrier-than-estimates GDP growth for the fourth quarter of fiscal 2023. S&P BSE Sensex and Nifty 50 gained about 0.07% and 0.19%, respectively.
- During the week, investors were uncertain on the decision about raising the United States (US) debt crisis. However, markets recovered as the US House passed a bill to raise the ceiling.
- Most indices ended positive with realty, consumer durables (CD), and healthcare rising the most. S&P BSE Realty, S&P BSE CD, and S&P Healthcare gained 3.89%, 3.14%, and 2.21%, respectively.
- However, some losses were seen due to profit booking and weak Chinese data. A sell-off in the oil and gas and power counters also added pressure to the markets. S&P BSE Oil & Gas and S&P BSE Power declined 3.10% and 0.39%, respectively.

Broad Indices	Week change%	3 month change%	1 year change%
S&P BSE Sensex	0.07	6.18	12.06
Nifty 50	0.19	7.00	11.46
S&P BSE Midcap	1.83	11.62	18.10
S&P BSE Smallcap	2.40	11.67	15.70
S&P BSE Bankex	-0.34	8.88	21.25
S&P BSE CG	1.45	9.68	37.63
S&P BSE FMCG	1.22	13.60	30.28
S&P BSE IT	0.45	-0.10	-2.89
S&P BSE Healthcare	2.21	10.99	8.18

Source: BSE, NSE



Source: SEBI, NSE



### GLOBAL EQUITY

- US stocks ended mixed during the week with Dow Jones falling 0.10%, while Nasdaq gained 0.92%.
- Markets declined, especially Dow Jones, as investors feared another interest rate hike by the US Fed followed by strong labour market data.
- Throughout the week, the markets were jittery over the debt ceiling deal.
- Eventually the markets cheered, especially Nasdaq, after the US House passed the debt ceiling bill
- Britain's FTSE declined 1.8% as energy stocks fell due to plunging oil prices and selloff in commodity-led shares following weak Chinese data.
- Asian markets ended higher. Japan's Nikkei index advanced about 2% on relief after the US lawmakers passed a bill to avert debt default and as the Bank of Japan head, Kazuo Ueda hinted that the central bank is in no rush to hike rates.
- Hong Kong's Hang Seng index closed higher 1.1% after the US House passed the debt bill.
- However, the markets were under pressure on worries over China's economic growth recovery following weak manufacturing data and on US-Sino tension
- China's Shanghai Composite rose 0.5%, as markets recovered tracking similar global trend following the US debt ceiling deal.



### DOMESTIC DEBT

Indicators	Jun 2, 2023	Previous Week	Trend
Call Rate	6.40%	6.20%	↑
3 M CP	7.05%	7.09%	↓
1 Yr CP	7.66%	7.65%	↑
3 M CD	6.90%	6.92%	↓
1 Yr CD	7.37%	7.35%	↑
5 Yr AAA	7.41%	7.42%	↓
1 Yr G-Sec*	6.79%	6.78%	↑
5 Yr G-Sec*	6.89%	6.93%	↓
10 Yr G-Sec*	6.98%	7.00%	↓
USD/INR*	82.31	82.57	↓

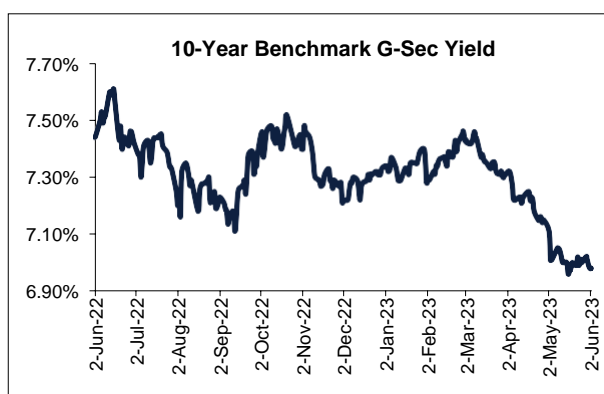
Source: CRISIL Fixed Income Database, RBI \*Weighted Average Yield

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- Government bond prices rose marginally during the week ended June 02, 2023. Yield of the 10-year new benchmark 7.26% 2033 paper closed at 6.98% on June 02, 2023, compared with 7.00% on May 26, 2023.
- Rising demand for bond witnessed in debt sale held by the central bank on June 02, 2023, supported gilt.
- In the debt sale held on June 02, 2023, the RBI auctioned 7.06% government security (GS) 2028, 7.26% GS 2033, and 7.36% GS 2052 papers for a total notified amount of Rs 33,000 crore.
- However, intermittent spike in the US Treasury yield and profit booking following recent gains after the central bank's note withdrawal plan, halted further rally in bond prices.



Source: CRISIL Fixed Income Database

- However, earlier in the week, yield witnessed some gains as investors were waiting for further details on the debt-ceiling bill.
- Yield on the 10-year benchmark Treasury bond ended at 3.61% on June 01, 2023, compared with 3.81% on May 26, 2023.



### DOMESTIC NEWS

- India's gross domestic product (GDP) rose for the first time in three quarters to 6.1% during January-March period of fiscal year 2023 quarter compared to revised 4.5% in the previous quarter.
- Government pegged India's the first provisional growth estimate at 7.2% for the fiscal year 2022-23.
- India eight core infrastructure industries came at 3.5% on year in April 2023, compared with 3.6% in March 2023.
- India S&P Global India manufacturing Purchasing Managers' Index (PMI) rose to 58.7 in May 2023 from 57.2 in April 2023.
- Government's fiscal deficit narrowed to Rs 17.33 lakh crore or 6.4% of GDP for the financial year ended March 2023 compared with the previous financial year.
- The Goods and Services Tax (GST) revenue collection in the month of May stood at Rs 1.57 lakh crore, registering a rise of 12% on a year-on-year basis.
- A government data showed, India's unemployment rate declined to 6.8% in January-March fiscal year 2022-2023 (Q4FY23) from 7.2% in the previous quarter of the same year.
- Confederation of Indian Industry (CII), president, R Dinesh said India's economy is likely to grow in the range of 6.5-6.7% in Fiscal Year 2023-2024 (FY24).
- The Reserve Bank of India (RBI) in its annual report highlighted that Indian economy showed resilience, but weakening consumption in the second half of



### GLOBAL DEBT

- US Treasury prices rose during the week on the back of the dismal macroeconomic data and after the debt-ceiling bill advanced in the US.
- Yield declined mainly after the US House of Representatives passed a bill to suspend the \$31.4 trillion debt ceiling with majority support from both the Democrats and the Republicans.
- Sentiments for safe haven bonds were lifted further after the Institute for Supply Management said its PMI remained below 50 for the seventh straight month, which indicates contraction in manufacturing, the longest such stretch since the Great Recession.

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FY23, subdued rural demand and sustained cost pressures remained a drag.

- The Asian Development Bank (ADB) rolled out its 2023-27 country partnership strategy for India that identifies accelerating structural transformation and job creation, promoting climate-resilient growth, and deepening social and economic inclusiveness as key focus areas.
- Union Cabinet approved the City Investments to Innovate, Integrate and Sustain (CITIIS) 2.0 to support projects promoting a circular economy with focus on integrated urban management.
- Cabinet Minister Anurag Thakur said the government will be allocating Rs 1 lakh crore approx. for developing the world's largest food storage scheme in the cooperative sector.
- The Reserve Bank of India (RBI) governor Shaktikanta Das said the central bank has found some gaps in governance at certain banks, having the potential to cause some level of volatility in the banking sector.
- The Securities and Exchange Board of India (SEBI) extended the deadline to June 8, 2023 from June 3, 2023 for submitting public comments on a proposal that seeks asset management companies (AMCs) to set up an institutional mechanism for the deterrence of possible market abuse and fraudulent transactions.
- SEBI constituted an Intermediary Advisory Committee to advise the markets regulator on changes in legal framework and increasing transparency in the functioning of market intermediaries.
- SEBI issued exhaustive guidelines for Investor Protection Fund (IPF) and Investor Services Fund (ISF) maintained by stock exchanges and depositories.



## GLOBAL NEWS

- US nonfarm payroll came at 339000 in May 2023, compared to upwardly revised 294000 in April 2023, while unemployment rate increased to 3.7% in May 2023, from 3.4% in April 2023.
- US Automatic Data Processing (ADP) employment change came at 278000 in May 2023, compared to a downwardly revised 291000 in April 2023.
- US Conference Board (CB) Consumer Confidence declined to 102.3 in May 2023 from revised 103.7 in April 2023.
- US Chicago PMI, fell to 40.4 points in May 2023, down from an eight-month high of 48.6 in April 2023.
- US Institute for Supply Management index (ISM) manufacturing PMI fell to 46.9 in May 2023 from 47.1 in April 2023.
- US S&P Global Manufacturing PMI came in at 48.4 in May 2023, from 50.2 in April 2023.
- US Michigan consumer sentiment revised higher to 59.2 in May of 2023 from 63.5 in the previous month.
- US goods trade deficit widened to \$96.8 bn in April 2023 from the upwardly revised \$85.5 bn in March 2023.
- US durable goods rose by 1.1% on month in April 2023, following an upwardly revised 3.3% growth in March 2023.
- Eurozone consumer confidence indicator came in at -17.4 in May 2023, compared with -17.5 in April 2023.
- China industrial profits fell by 20.6% on year in Jan-April period of 2023, from 21.4% decline in Jan-Mar period of 2023.
- Japan Jibun Bank Manufacturing PMI increased to 50.6 in May 2023 compared to 49.5 increase in April 2023.

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DAY	
Monday, Jun 5, 2023	<ul style="list-style-type: none"><li>• US S&amp;P Global Services/ Composite Final PMI, May</li><li>• US ISM Services PMI, May</li><li>• US Factory Orders, April</li><li>• Eurozone HCOB Services/ Composite Final PMI, May</li><li>• Eurozone Producer Prices Index, April</li><li>• UK S&amp;P Global /CIPS Services/ Composite PMI Final, May</li><li>• China Caixin Services/ Composite PMI, May</li><li>• Japan Jibun Bank Composite Final, May</li><li>• Japan Jibun Bank Services PMI Final, May</li><li>• India S&amp;P Global Services/ Composite PMI, May</li></ul>
Tuesday, Jun 6, 2023	<ul style="list-style-type: none"><li>• Eurozone HCOB Construction PMI, May</li><li>• Eurozone Retail Sales, April</li><li>• UK S&amp;P Global/CIPS Construction PMI, May</li><li>• Japan Household Spending, April</li></ul>
Wednesday, Jun 7, 2023	<ul style="list-style-type: none"><li>• US Balance of Trade, April</li><li>• UK Halifax House Prices Index, May</li><li>• China Trade Balance, May</li><li>• Japan Coincident/ Leading Economic Index, April</li></ul>
Thursday, Jun 8, 2023	<ul style="list-style-type: none"><li>• US Initial Jobless Claims, May 29</li><li>• Eurozone Employment Final YY, Q1</li><li>• Eurozone GDP Growth Rate, Q1</li><li>• UK Royal Institution of Chartered Surveyors (RICS) House Price Balance, May</li><li>• Japan GDP Annualized Final, Q1</li><li>• India RBI Policy Meet</li></ul>
Friday, Jun 9, 2023	<ul style="list-style-type: none"><li>• China CPI, May</li><li>• China PPI, May</li><li>• India Industrial / Manufacturing Production, April</li><li>• India FX Reserves, USD, June 02</li></ul>

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**Union**  
Mutual Fund

June 2, 2023

Source: CRISIL

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