

# WEEKLY YIELD

## Update of Equity & Debt Market

March 3, 2023

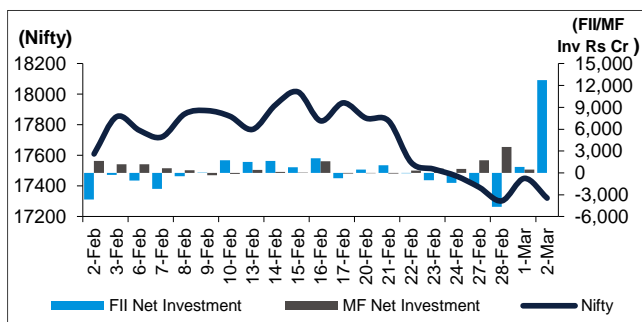


### DOMESTIC EQUITY

- Indian equity indices ended higher due to rally in the recently beaten domestic conglomerate shares. S&P BSE Sensex and Nifty 50 rose about 0.6% and 0.7%, respectively.
- Further, strong Chinese manufacturing and service activity data also aided the upward trend.
- Most of the sectors ended positive, with realty, banking and power rising the most. S&P BSE Realty, S&P BSE Bankex and S&P BSE Power advanced 8.2%, 3.3% and 3.2%, respectively.
- However, some gains were capped due to a slowdown in domestic economic growth and concerns over prolonged interest rate hike decision by global central banks

Broad Indices	Week change%	3 month change%	1 year change%
S&P BSE Sensex	0.58	-4.87	8.54
Nifty 50	0.74	-5.89	6.65
S&P BSE Midcap	1.73	-6.56	6.17
S&P BSE Smallcap	0.95	-6.90	4.20
S&P BSE Bankex	3.27	-5.04	16.24
S&P BSE CG	0.80	0.70	26.94
S&P BSE FMCG	0.21	-0.42	27.19
S&P BSE IT	-2.31	-4.71	-12.33
S&P BSE Healthcare	-1.38	-9.34	-6.01

Source: BSE, NSE



Source: SEBI, NSE



### GLOBAL EQUITY

- US stocks ended higher this week as investors' concerns on prolonged rate hike eased after a central bank official said that he favours sticking to quarter-point hikes for the time being
- Britain's FTSE closed higher at ~1% due to strong earnings from a few companies, gains in mining stocks and after a weak pound led to gains in exporters' stocks.
- Asian equities ended higher. Japan's Nikkei closed higher 1.73% tracking a similar trend in the US market and on strong economic data from China.
- Hong Kong's Hang Seng advanced 2.8% due to strong manufacturing and services data from China.
- However, rising US-Sino stress and the Fed's rate hike concerns kept markets under pressure.
- China's Shanghai Composite ended 1.9% higher after upbeat manufacturing and service activity data reassured investor confidence over economic recovery in the country.



### DOMESTIC DEBT

Indicators	Mar 3, 2023	Previous Week	Trend
Call Rate	5.80%	5.50%	↑
3 M CP	7.95%	7.84%	↑
1 Yr CP	8.19%	8.10%	↑
3 M CD	7.67%	7.42%	↑
1 Yr CD	7.86%	7.82%	↑
5 Yr AAA	7.77%	7.76%	↑
1 Yr G-Sec*	7.32%	7.27%	↑
5 Yr G-Sec*	7.40%	7.39%	↑
10 Yr G-Sec*	7.42%	7.42%	↔
USD/INR*	81.96	82.75	↓

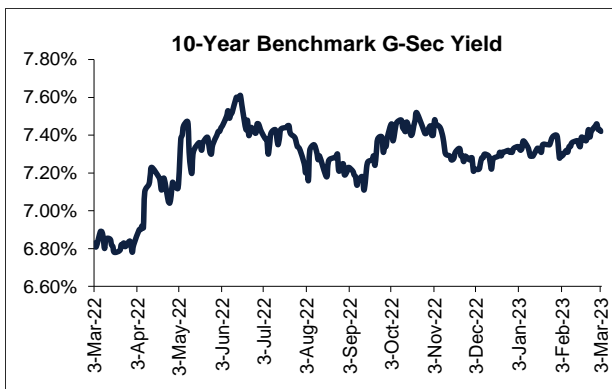
Source: CRISIL Fixed Income Database, RBI \*Weighted Average Yield

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- Government bond prices ended flat in the week ended March 3, 2023. The yield of the 10-year benchmark 7.26% 2032 paper closed at 7.42% on March 3, 2023 unchanged from February 24, 2023.
- Yield began the week on a positive, mirroring a similar trend in US Treasury amid fear that upbeat economic data may cause further hike in policy meet by the central bank.
- Heavy debt supply due to the state debt auction also weighed on the prices.
- However, further fall in bond prices was capped on value buying amid anticipation that weaker-than-expected domestic economic growth numbers may compel the Reserve Bank of India (RBI) to review its hawkish monetary policy stance.



Source: CRISIL Fixed Income Database



### GLOBAL DEBT

- US Treasury prices ended lower in the week due to growing prospects of further key rate hikes by the US Federal Reserve (Fed).
  - Yield rose as spike in labour cost and reducing jobless claims asserted expectation that the central bank will hike its policy rates later in this month.
  - Hawkish comments from Atlanta Fed President Raphael Bostic firmed investors' hopes for a rate hike. He said key rates would need to go higher still and remain elevated well into 2024 to curb inflation.
- Bond yields declined further on concerns that economic recovery in China, post pandemic, may complicate the central banks' plans to curb rising inflation and could result in aggressive policy stances.
  - Yield of the 10-year benchmark Treasury bond ended at 4.07% on March 2, 2023 compared with 3.95% on February 24, 2023.



### DOMESTIC NEWS

- India's gross domestic product (GDP) growth slowed down to 4.4% in third quarter of fiscal 2023 compared to 6.3% growth in the previous quarter.
- Second advance estimates from Ministry of Statistics & Programme Implementation (MOSPI) showed, Indian economy is expected to grow 7% in fiscal 2023 compared to revised 9.1% in fiscal 2022.
- India's fiscal deficit for April-January 2023 period of the current fiscal stood at Rs 11.91 lakh crore, or 67.8% of revised annual estimates.
- India's output of eight core industries grew 7.8% on-year in January 2023, against revised 7% growth in December 2022 and 4% rise in January 2021.
- India's Standard & Poor's (S&P) Global manufacturing Purchasing Managers' Index (PMI) for February 2023 came in at 55.3 compared to January 2023's 55.4 and the services PMI rose to 59.4 in February 2023 from 57.2 in January 2023.
- Prime Minister (PM) Narendra Modi released the 13th installment of over Rs 16000 crore under the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) through direct benefit transfer to more than eight crore beneficiaries.
- PM said that India's agriculture sector's annual budget increased five-fold to Rs 1.25 lakh crore since 2014.
- According to the Finance Ministry, goods and services tax (GST) collections rose 12% on-year to over Rs 1.49 lakh crore in February 2023 from Rs 1.33 lakh crore in the year ago month.

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- RBI fixed dates for the premature withdrawal of several tranches of Sovereign Gold Bonds from April 1, 2023 to September 30, 2023.
- RBI launched two key surveys- Inflation Expectations Survey of Households (IESH) and Consumer Confidence Survey (CCS), to provide useful inputs for the central bank's bi-monthly monetary policy.
- RBI governor Shaktikanta Das said that efforts are on to develop an international framework and architecture to deal with crypto assets.



### GLOBAL NEWS

- US personal consumption expenditure (PCE) price index rose 5.4% on-year in January 2023 compared to revised 5.3% gain in December 2022, while the core PCE price index rose 4.7% in January 2023 from revised 4.6% gain in December 2022.
- US personal income rose 0.6% on-month in January 2023 compared to revised 0.3% gain in December 2022, while personal spending rose 1.8% in January 2023 compared to revised 0.1% decline in December 2022.
- US consumer confidence index fell to 102.9 in February 2023 from revised 106 in January 2023.
- US non-farm productivity rose 1.7% on-year in the fourth quarter of 2022 compared to revised 1.2% gain in the third quarter.
- US Institute of Supply Management (ISM) manufacturing index rose to 47.7 in February 2023 from 47.4 in January 2023.
- US S&P Global manufacturing PMI rose to 47.3 in February from 46.9 in January.
- Eurozone consumer confidence for February came in at -19 from -20.7 in January.
- Eurozone flash consumer price inflation eased to 8.5% on-year in February 2023 from 8.6% in January 2023, while the core inflation rose to 5.6% from 5.3%.
- Eurozone manufacturing PMI came in at 48.5 in February 2023, slightly below 48.8 in January 2023 and the services PMI came in at 52.7 in February 2023 from 50.8 in January 2023.
- Eurozone producer prices rose 15% on-year in January 2023, easing sharply from 24.5% rise in December 2022.
- UK consumer confidence improved to -38 in February 2023 from -45 in January 2023.
- UK Nationwide housing price index fell 1.1% on-year in February 2023 from 1.1% rise in the previous month.
- China National Bureau of Statistics (NBS) manufacturing PMI rose to 52.6 in February 2023 from 50.1 in January 2023 and the non-manufacturing PMI increased to 56.3 in February 2023 from 54.4 a month ago. The general PMI advanced to 56.4 in February 2023 from 52.9 in the previous month.
- China Caixin manufacturing PMI rose to 51.6 in February 2023 from 49.2 in January 2023 and the services PMI rose to 55.0 in February 2023 from 52.9 in January 2023. The composite PMI advanced to 54.2 in February 2023 from 51.1 in the previous month.
- Japan consumer confidence edged higher to 31.1 in February 2023 from 31.0 in January 2023.
- Japan Jibun Bank manufacturing PMI fell to 47.7 in February 2023 from 48.9 in January 2023 and the services PMI came in at 54.0 in February 2023 from 52.3 in January 2023.
- Japan retail sales rose 6.3% on-year in January 2023 from a 3.8% rise in the previous month.
- Japan's unemployment rate came in at 2.4% in January 2023 compared to 2.5% in December 2022.

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DAY	
Monday, Mar 6, 2023	<ul style="list-style-type: none"> <li>• US Factory Orders, January 2023</li> <li>• Eurozone Retail Sales, January 2023</li> <li>• Eurozone S&amp;P Global Construction PMI, February 2023</li> <li>• UK S&amp;P Global/CIPS Construction PMI, February 2023</li> </ul>
Tuesday, Mar 7, 2023	<ul style="list-style-type: none"> <li>• US Wholesale Inventories, January 2023</li> <li>• China Trade Balance, Jan-Feb 2023</li> </ul>
Wednesday, Mar 8, 2023	<ul style="list-style-type: none"> <li>• US Fed Chair Powell Testimony</li> <li>• US ADP Employment Change, February 2023</li> <li>• US Consumer Credit Change, January 2023</li> <li>• US Trade Balance, January 2023</li> <li>• Eurozone GDP Growth Rate QoQ 3rd Est, Q4 2022</li> <li>• Japan Current Account, January 2023</li> <li>• Japan Coincident Index Preliminary, January 2023</li> <li>• Japan Leading Economic Index Preliminary, January 2023</li> <li>• Japan Eco Watchers Survey Outlook, February 2023</li> </ul>
Thursday, Mar 9, 2023	<ul style="list-style-type: none"> <li>• US Initial Jobless Claims, March 04, 2023</li> <li>• China Consumer Price, February 2023</li> <li>• China Producer price, February 2023</li> <li>• Japan GDP Price Index, Q4 2022</li> </ul>
Friday, Mar 10, 2023	<ul style="list-style-type: none"> <li>• US Non Farm Payroll, February 2023</li> <li>• US Unemployment Rate, February 2023</li> <li>• UK GDP, January 2023</li> <li>• UK Industrial/Manufacturing Production, January 2023</li> <li>• UK Trade Balance, January 2023</li> <li>• Japan BoJ Interest rate Decision</li> <li>• Japan Producer Price, February 2023</li> <li>• India Industrial/Manufacturing Production, January 2023</li> <li>• India Foreign Exchange Reserves, March 3, 2023</li> </ul>

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Source: CRISIL

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