

WEEKLY YIELD

Update of Equity & Debt Market

January 5, 2024

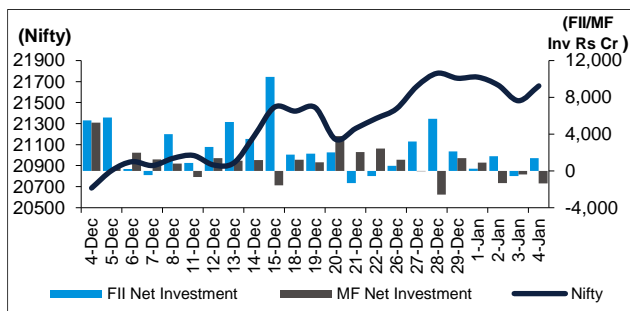


DOMESTIC EQUITY

- Indian equity indices ended lower this week as investors awaited third-quarter earnings update from domestic corporates and on fading hopes of rate cut by the United States (US) Federal Reserve. S&P BSE Sensex and Nifty 50 fell 0.30% and 0.09%, respectively.
- Most sectors ended mixed with Metal, Information Technology and Auto falling the most. S&P BSE Metal, S&P BSE Information Technology, and S&P BSE Auto fell 1.88%, 1.43% and 1.18% respectively.
- Some gains were witnessed due to strong quarterly business updates by real estate shares. S&P BSE Realty was up 7.9%.

Broad Indices	Week change%	3 months change%	1 year change%
S&P BSE Sensex	-0.30	9.74	19.34
Nifty 50	-0.09	11.08	20.67
S&P BSE Midcap	2.35	18.33	48.74
S&P BSE Smallcap	2.68	16.39	51.12
S&P BSE Bankex	-0.20	9.23	11.77
S&P BSE CG	1.07	16.69	67.96
S&P BSE FMCG	1.32	11.50	28.59
S&P BSE IT	-1.43	9.51	24.48
S&P BSE Healthcare	3.27	16.65	40.39

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks ended lower this week after the minutes from the Federal Reserve's December 2023 policy meet provided an uncertain timeline for rate cuts in 2024.
- Further, sell-off in the technology shares and as investors booked profits following robust gain in the previous week.
- Britain's FTSE fell 0.13% weighed by the rising UK treasury yield and sell-off in personal care products and financial shares.
- Asian equities also ended lower. Japan's Nikkei Index was dragged down by technology shares after speculation that the Fed will keep interest rates elevated for longer period. Moreover, sentiment soured due to a powerful earthquake in the northwest.
- Hong Kong's Hang Seng slumped 3% as China's manufacturing activity contracted for a third straight month and as optimism about rate cut by the Fed faded.
- China's Shanghai Composite ended lower 1.5% on worries over health of the economy following weak manufacturing data.



DOMESTIC DEBT

Indicators	Jan 5, 2024	Previous Week	Trend
Call Rate	6.60%	6.25%	↑
3 M CP	7.96%	7.88%	↑
1 Yr CP	8.20%	8.18%	↑
3 M CD	7.60%	7.30%	↑
1 Yr CD	7.90%	7.85%	↑
5 Yr AAA	7.67%	7.67%	↔
1 Yr G-Sec*	7.07%	7.10%	↓
5 Yr G-Sec*	7.10%	7.06%	↑
10 Yr G-Sec*	7.24%	7.18%	↑
USD/INR*	83.16	83.20	↓

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

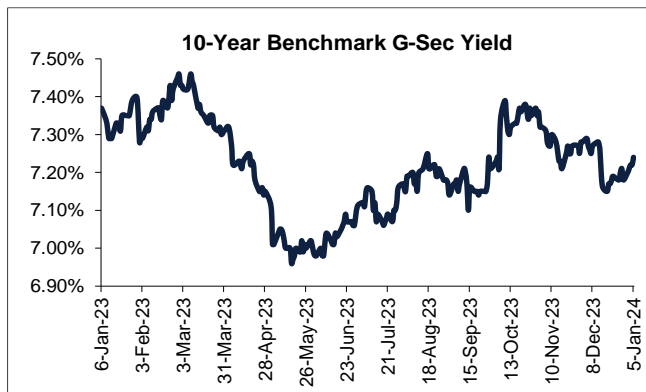
*Weighted Average Yield

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- Government bond prices ended lower in the week ended January 05, 2024. The yield of 10-year benchmark 7.18% 2033 paper closed higher at 7.23% on January 05, 2024, compared with 7.18% on December 29, 2023.
- Yield rose tracking a similar trend in the US Treasury yield after strong jobs data dimmed rate cut hopes.
- Bond prices declined further after debt auction results released by the Reserve Bank of India (RBI) showed higher supply.
- In the debt sale held on January 05, 2024, the RBI auctioned 7.32% GS (Government Security) 2030, 7.18% GS 2037 and 7.25% GS 2063 for a total notified amount of Rs 34,000 crore.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices declined this week after strong jobs data tempered hopes of an interest rate cut by the US Fed at its March meeting. These sentiments were further strengthened after improved manufacturing and jobs opening data reduced expectations that the Fed would not be as aggressive as expected in cutting rates.
- Minutes of the Fed's most recent policy meeting provided an unclear view over the course of rate cuts in 2024.

- The yield on the 10-year benchmark Treasury bond ended at 4.00% on January 4, 2024, compared with 3.87% on December 29, 2023.



DOMESTIC NEWS

- India S&P Global services Purchasing Managers' Index (PMI) rose to 59 in December 2023, up from 56.9 in November 2023, while composite PMI rose to 58.5 from 57.4.
- According to the first advance estimate released by the National Statistical Office the Indian economy is expected to grow 7.3% on an annual basis in the current financial year.
- The Finance Ministry in its half yearly economic review report sees the Indian economy's Gross Domestic Product (GDP) growth rate in 2023-24 to "comfortably" exceed its forecast of 6.5% following the blockbuster data for July-September.
- According to the United Nations, India is projected to grow at 6.2% in 2024, supported by robust domestic demand and strong growth in the manufacturing and services sectors.
- India's GST collections came at Rs 1.65 lakh crore in December 2023, compared to Rs 1.50 lakh crore in December 2022 and Rs 1.68 lakh crore collected in November 2023.
- The Government announced the interest rates for Small Savings Schemes applicable in the January-March 2024 quarter.
- The Finance Ministry has sought expenditure proposals for the second and final batch of Supplementary Demands for Grants from various ministries and departments ahead of the Budget session likely to commence in the last week of January 2024.
- The Government has issued the bare minimum Terms of Reference (ToRs) to the 16th Finance Commission, naming the former Niti Aayog Vice-Chairman Mr. Arvind Panagariya as its Chairman and

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Bureaucrat Mr. Ritvik Ranjanam Pandey as its Secretary.

- The Government plans to end Free Movement Regime with Myanmar to check invasion of illegal migrants, insurgents. The Government has launched the National Single Window System (NSWS).
- The Government has relaxed the Quality Control Order (QCO) norms for the air conditioner industry to promote ease of doing business.
- The RBI extended the Payments Infrastructure Development Fund (PIDF) scheme till December 31, 2025. The scheme was first launched in 2021 for three years.
- The Reserve Bank of India (RBI) has updated Know Your Customer (KYC) norms for politically exposed persons (PEPs).
- The RBI said it is not mandatory for banks and NBFCs to raise green funds, but in case they intend to do so they must follow the prescribed framework.
- The RBI has tweaked norms for the issuance of Commercial Papers (CPs) and Non-Convertible Debentures (NCDs) of up to one year to regulate short-term investments and ensure transparency in the market.
- The RBI has asked banks not to classify zero balance accounts, which are opened for the beneficiaries of government schemes like direct benefit transfer (CBS), even if there is no activity in the account for two years.
- The RBI reviewed the norms, eligibility criteria and board oversights pertaining to the declaration of dividends by the banks. The RBI asked Credit Information Bureaus to improve data quality and ensure timely redressal of complaints.
- According to the data shared by the National Payments Corporation of India (NPCI), Unified Payment Interface (UPI) transactions scaled a fresh peak in December 2023 by clocking Rs 18.23 lakh crore in value and 12.02 billion in volume compared to 11.24 billion transactions worth Rs 17.4 lakh crore in November 2023.



GLOBAL NEWS

- In the minutes of the Dec 12-13 Federal Open Market Committee meeting, the Central Bank said that the participants viewed the policy rate as likely at or near its peak for this tightening cycle.
- US Automatic Data Processing (ADP) Employment came to 164,000 in December 2023, higher than a downwardly revised 101,000 in November 2023.
- US JOLTs Job Openings decreased 8.790 mn in November 2023, from revised 8.852 mn in October 2023.
- US ISM Manufacturing PMI increased to 47.4 in December 2023, from 46.7 in November 2023.
- US S&P Global Manufacturing PMI eased to 47.9 in December 2023 from 49.4 in November 2023 and Composite PMI came in at 50.9 little-changed from November's 2023 50.7, while Services PMI came at 51.4 from higher 50.8.
- US Wholesale inventories fell by 0.2% on month in November 2023, following a 0.4% slump in October 2023.
- Eurozone HCOB Manufacturing PMI increased slightly to 44.4 in December 2023, from 44.20 in November 2023 and composite PMI remained unchanged at 47.6, while the Services PMI stood at 48.8 from higher 48.7.
- China NBS Manufacturing PMI unexpectedly fell to 49.0 in December 2023 from 49.4 in the prior month while Non-Manufacturing PMI edged up to 50.4 from 50.2 and general PMI eased to 50.3 from 50.4.
- China Caixin General Manufacturing PMI inched up to 50.8 in December 2023 from 50.7 in November 2023 and service PMI increased to 52.9 from 51.5, while Composite PMI rose to 52.6 from 51.6.
- Japan Jibun Bank manufacturing PMI came at 47.9 in December 2023, lower than November's 48.3 and services PMI rose to 51.5 in December 2023 compared to 50.8 in November 2023, while composite PMI came at 50.0 higher than 49.6.

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DAY	EVENTS
Monday, Jan 08, 2024	<ul style="list-style-type: none"> • US Consumer Inflation Expectations, December • Eurozone Retail Sales, November • Eurozone Consumer Confidence, December
Tuesday, Jan 09, 2024	<ul style="list-style-type: none"> • US Trade Balance, November • Eurozone Unemployment Rate, November • Japan Household Spending, November
Thursday, Jan 11, 2024	<ul style="list-style-type: none"> • US Inflation Rate, December • US CPI, December • US Initial jobless claims, January 06
Friday, Jan 12, 2024	<ul style="list-style-type: none"> • US PPI, December • UK GDP, November • UK Industrial/Manufacturing Production, November • China inflation, December • China PPI, December • India Inflation Rate, December • India Industrial Production, December • India Forex Reserve, January 05

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Source: CRISIL

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