

WEEKLY YIELD

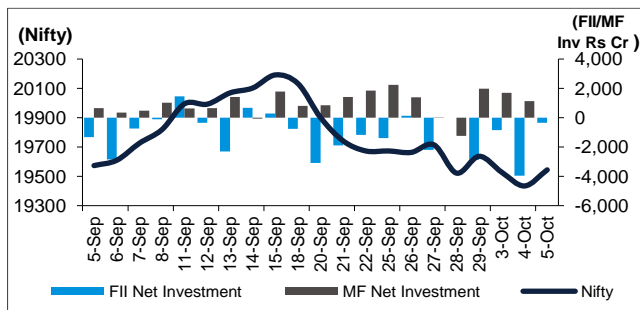
Update of Equity & Debt Market

October 6, 2023



DOMESTIC EQUITY

- Indian equity indices rose marginally this week after the RBI kept key interest rates unchanged and growth forecasts steady.
- During the week, the markets suffered as concerns of persistent higher interest rates weighed on global stocks, prompting widespread selling across sectors.
- The sectors ended mixed with consumer durables (CD), realty and information technology (IT) rising the most. The S&P BSE CD was up 2.58%, S&P BSE Realty 1.94% and S&P BSE IT 1.80%.
- Power and metal fell the most. The S&P BSE Power was down 2.5% and S&P BSE Metal 2.4%.



Source: BSE, NSE

Broad Indices	Week change%	3 months change%	1 year change%
S&P BSE Sensex	0.25	0.32	13.35
Nifty 50	0.08	0.80	13.40
S&P BSE Midcap	-0.81	9.77	26.17
S&P BSE Smallcap	0.79	13.96	30.12
S&P BSE Bankex	-0.64	-2.54	11.23
S&P BSE CG	1.00	17.56	49.56
S&P BSE FMCG	-0.02	-3.06	15.93
S&P BSE IT	1.80	8.52	15.15
S&P BSE Healthcare	-1.51	7.43	18.16

Source: SEBI, NSE



GLOBAL EQUITY

- US stocks ended mixed this week, with the Dow Jones falling more than 1% after better-than-expected jobs opening data raised concerns that the interest rate may stay elevated for longer.
- The Nasdaq ended flat as losses owing to higher rate concerns were trimmed after US lawmakers came to an agreement to avoid a government shutdown and because of intermittent pullback in US treasury yield.
- Britain's FTSE declined 2% after UK Treasury yield soared on the prospects of higher rates and sell-off in mining and oil companies.
- Asian markets closed lower. Japan's Nikkei Index ended 2.7% lower as investors were concerned of higher rates for longer period in the US and because of a sell-off in technology stocks.
- Hong Kong's Hang Seng fell 2% as sentiment soured over the possibility of persistently high interest rates following strong US jobs data.
- China's Shanghai Composite market was closed for the Golden Week holidays.



DOMESTIC DEBT

Indicators	Oct 6, 2023	Previous Week	Trend
Call Rate	6.20%	6.50%	↓
3 M CP	7.40%	7.41%	↓
1 Yr CP	7.85%	7.80%	↑
3 M CD	7.10%	7.04%	↑
1 Yr CD	7.50%	7.45%	↑
5 Yr AAA	7.62%	7.63%	↓
1 Yr G-Sec*	7.15%	7.10%	↑
5 Yr G-Sec*	7.39%	7.23%	↑
10 Yr G-Sec*	7.34%	7.21%	↑
USD/INR*	83.25	83.04	↑

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

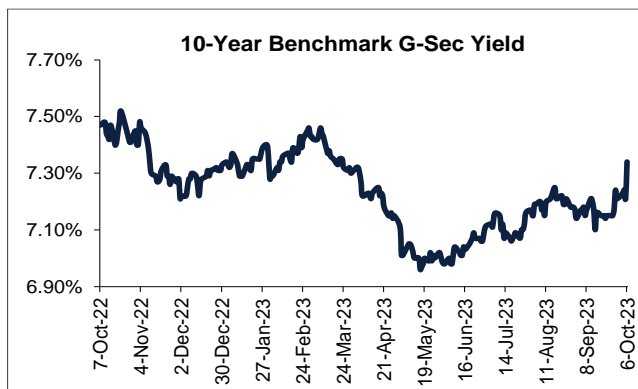
*Weighted Average Yield

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- Government bond prices declined in the week ended October 6, 2023. The yield on the 10-year benchmark 7.18% 2033 paper closed higher at 7.34% on October 6, 2023 compared with 7.21% on September 29, 2023.
- The yield rose tracking a spike in US treasury yield following upbeat private jobs data.
- A sharp fall was seen in the bond prices after the RBI surprised the market with its intention to conduct open market sale of bonds via auctions.
- At its bi-monthly monetary policy meeting, the RBI held its key repo rate for the fourth consecutive policy meet and said it plans to conduct open market sale of bonds through auctions to manage liquidity in the system.
- However, easing crude oil prices curtailed any further losses in the bond prices.
- Meanwhile, at the debt sale held on October 6, 2023 the RBI auctioned 7.06% GS (Government Security) 2028, 7.18% GS 2033 and 7.30% GS 2053 for a total notified amount of Rs 30,000 crore.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices declined this week on the likelihood that the Fed will keep rates higher for longer and potentially raise them again as the labour market remains solid and inflation stays above its 2% annual target.

- The weakness in equities was in anticipation that persistently high interest rates will slow world growth and dampen the appetite for riskier assets.
- A further fall in the bond prices was halted as a cooler-than-expected US private payrolls report that supported a rally in equity.
- The yield on the 10-year benchmark Treasury bond ended at 4.72% on October 5, 2023 compared with 4.57% on September 29, 2023.



DOMESTIC NEWS

- India's Goods and Services Tax collections grew to Rs 1.63 lakh crore in September 2023, up by 10% on year.
- Chief Economic Advisor (CEA), Mr. V. Anantha Nageswaran said India needs to understand that global warming is a problem to be tackled but the country cannot sacrifice growth.
- India's Manufacturing Purchasing Managers' Index (PMI) fell to 57.5 in September 2023, the lowest since May 2023 compared to 58.6 in August 2023 while services PMI stood at 61 up from 60.1 while composite PMI rose slightly to 61.0 from 60.9.
- Reserve Bank of India (RBI) data showed, India's services exports climbed 8.4% on year to \$28.72 billion in August 2023 while imports fell 0.8% to \$15.10 billion.
- World Bank kept India's growth forecast unchanged at 6.3% for Financial Year 2023-24 (FY24), driven by investment, while raising its inflation projection to 5.9% from 5.2% due to abnormal rainfall and the concern over oil prices.
- The Organisation for Economic Co-operation and Development (OECD) urged India to further promote structural reforms in the financial sector by reducing government ownership of banks and insurance companies and liberalise foreign direct investment by removing remaining restrictions.
- The UN Conference on Trade and Development (UNCTAD) upped India's 2023 economic growth forecast to 6.6% from 6% predicted in April 2023.

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- Finance Secretary, Mr. T. V. Somanathan said India's retail inflation is likely to ease by December 2023 as seasonal factors become more favourable.
- Government has increased the interest rate on the five-year recurring deposit scheme by 20 basis points to 6.7% for the October-December quarter of the current financial year while keeping all other small savings rates unchanged.
- Government allocated Rs 100 crore for the Aspirational Blocks Programme (ABP) in the current financial year.
- The Finance Ministry sought expenditure proposals for the first batch of supplementary demands for grants from various Ministries and Departments.
- The Ministry of Finance said the interest rate for the General Provident Fund (GPF) and other similar provident fund initiatives shall carry interest at 7.1% with effect from October 1, 2023 to December 31, 2023.
- Securities and Exchange Board of India (SEBI) extended the timeline for mandatory verification of market rumours by listed entities from October 1, 2023 to February 1, 2024 (for top 100 listed entities by market capitalization) and from April 1, 2024 to August 1, 2024 (for top 250 listed entities by market capitalization).
- SEBI announced a centralised mechanism for reporting and verification through the Know Your Customer (KYC) Registration Agency in case of the demise of an investor.
- The Employee Provident Fund Organisation (EPFO) extended the timeframe for employers to upload wage and other details of applicant pensioners who have applied for the higher pension option to December 31, 2023.



GLOBAL NEWS

- The US Automatic Data Processing (ADP) employment change came at 89000 in September 2023, down from 180000 in August 2023.
- US nonfarm payrolls increased by 336000 in September 2023, well above an upwardly revised 22700 in August 2023. While unemployment rate was unchanged at 3.8%, US Personal Consumption Expenditures (PCE) Price Index rose by 3.5% on year in August 2023, compared 3.4% in July 2023 while core PCE Price Index rose by 3.9% on year compared to 4.3%.
- US JOLTs job openings rose by 690,000 from the previous month to 9.61 million in August 2023.
- US S&P Global manufacturing PMI rose to 49.8 in September, 2023 compared to 47.9 in August 2023 and services PMI Final declined to 50.1 compared to 50.5 while composite PMI remained unchanged at 50.2.
- US Institute of Supply Management (ISM) Manufacturing PMI rose to 49 in September 2023 from 47.6 in August 2023 and services PMI eased to 53.6 from the six-month high of 54.5 in August 2023.
- Eurozone Inflation Rate eased to 4.3% on year in September 2023, compared to 5.2% in August 2023 while core inflation rate eased to 4.5% from 5.3%.
- Eurozone unemployment rate fell to 6.4% in August 2023, the lowest on record, from an upwardly revised 6.5% in July 2023.
- China NBS Manufacturing PMI increased to 50.2 in September 2023, compared to 49.7 in August 2023 while non-manufacturing PMI up to 51.7, compared to 51 and general PMI rose to 52.0 compared to 51.3.
- Japan Consumer Confidence declined to 35.2 in September 2023 from 36.2 in August 2023.

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DAY	EVENTS
Tuesday, Oct 10, 2023	<ul style="list-style-type: none">• US Wholesale Inventories, August• US Consumer Inflation Expectations, September
Wednesday, Oct 11, 2023	<ul style="list-style-type: none">• US FOMC Minutes• US PPI, September
Thursday, Oct 12, 2023	<ul style="list-style-type: none">• US Inflation Rate, September• US CPI, September• UK Industrial Production, August• UK Balance of Trade, August• UK Manufacturing Production, August• Japan PPI, September• India Industrial Production, August• India Manufacturing Production, August• India Inflation Rate, September
Friday, Oct 13, 2023	<ul style="list-style-type: none">• US Michigan Consumer Sentiment Prel, October• US Michigan Consumer Expectations Prel, October• Eurozone Industrial Production, August• China Inflation Rate, September• India WPI Inflation, September• India Balance of Trade, September• India foreign exchange reserves, October 06

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Source: CRISIL

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