

WEEKLY YIELD

Update of Equity & Debt Market

July 7, 2023

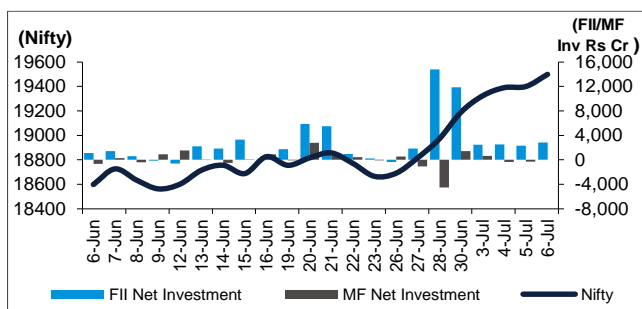


DOMESTIC EQUITY

- Indian equity indices ended higher this week with S&P BSE Sensex and Nifty 50 gaining 0.87% and 0.74%, respectively.
- During the week, markets touched record highs multiple times owing to optimism over domestic economic growth and sustained foreign fund investment.
- Most sectors ended higher with oil & gas, realty and auto gaining the most. S&P BSE Oil & Gas rose 4.6%, while S&P BSE Realty and S&P BSE Auto were up 2% each.
- However, some losses were seen on worries that the Federal Reserve (Fed) would hike rates more than expected following strong jobs data.

Broad Indices	Week change%	3 month change%	1 year change%
S&P BSE Sensex	0.87	9.10	20.49
Nifty 50	0.74	9.85	19.83
S&P BSE Midcap	0.77	19.09	28.25
S&P BSE Smallcap	1.62	19.49	29.57
S&P BSE Bankex	0.47	9.23	26.28
S&P BSE CG	-0.14	14.67	50.75
S&P BSE FMCG	1.58	14.44	28.38
S&P BSE IT	-0.14	4.47	3.92
S&P BSE Healthcare	0.50	16.78	17.53

Source: BSE, NSE



GLOBAL EQUITY

- US stocks ended lower after the Federal Open Market Committee meeting minutes indicated more rate hikes in the future, as the fight against inflation is 'far from over'.
- Britain's FTSE slumped 3.33% over fears that central banks may raise interest rates further to curb inflation. Further, a fall in industrial, financial and energy stocks also impacted the markets.
- Asian equities ended lower. Japan's Nikkei index declined 2.41% due to a fall in stocks of chip-related companies, along with strong US labour market data raising the possibility of future rate hikes.
- Hong Kong's Hang Seng index declined 2.91% after the US Fed's meeting minutes revealed a hawkish stance and raised concerns over future rate hikes to control inflation.
- China's Shanghai Composite index fell 0.17% on weak service activity data, US-Sino tensions, and the Fed's more hawkish stance on rate hikes.



DOMESTIC DEBT

Indicators	Jul 7, 2023	Previous Week	Trend
Call Rate	5.75%	6.82%	↓
3 M CP	7.21%	7.15%	↑
1 Yr CP	7.71%	7.61%	↑
3 M CD	6.95%	6.97%	↓
1 Yr CD	7.46%	7.38%	↑
5 Yr AAA	7.52%	7.54%	↓
1 Yr G-Sec*	6.84%	6.85%	↓
5 Yr G-Sec*	7.13%	7.08%	↑
10 Yr G-Sec*	7.16%	7.11%	↑
USD/INR*	82.74	82.03	↑

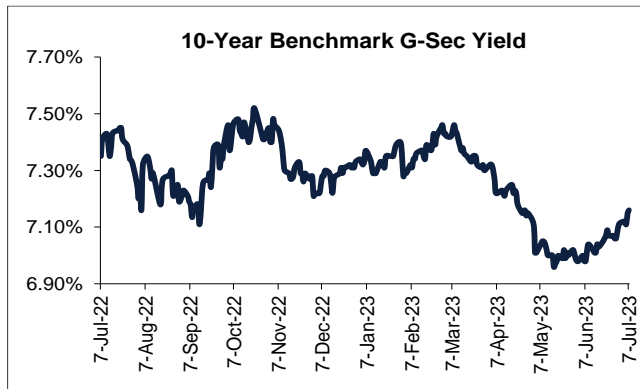
Source: CRISIL Fixed Income Database, RBI *Weighted Average Yield

WEEKLY YIELD

Update of Equity & Debt Market

July 7, 2023

- Government bond prices declined in the week ended July 7, 2023. The yield on the 10-year new benchmark 7.26% 2033 paper closed higher at 7.16% on July 7, 2023, compared with 7.12% on June 30, 2023.
- Yields rose sharply mirroring a similar trend in the US Treasury yield after minutes of the US Fed's June meeting indicated more rate hikes on the cards.
- Bond prices declined further after strong US jobs data cemented expectations that the US Fed would keep interest rates high.
- Meanwhile, in the debt sale held on July 7, 2023, the RBI auctioned 6.99% GS (government security) 2026, 7.17% GS 2030, 7.41% GS 2036 and 7.25% GS 2063 for a total notified amount of Rs 39,000 crore.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices declined during the holiday-shortened week as a slew of economic data fuelled hopes that the Fed will hike rates at its next policy meeting.
- Yields witnessed a sharp rally after the US Fed's latest policy minutes suggested that the central bank will raise interest rates in its future meeting to curb the rising inflation.
- Bond prices declined further after data showed the US private sector added more jobs in June. The ADP National Employment Report showed that the US

private sector added 497,000 jobs in June in its biggest increase since July 2022.

- The yield on the 10-year benchmark Treasury bond ended at 4.04% on July 6, 2023, compared with 3.82% on June 30, 2023.



DOMESTIC NEWS

- India S&P Global manufacturing Purchasing Managers' Index (PMI) fell to 57.8 in June 2023 from 58.7 in May 2023. Services PMI eased to a three-month low of 58.5 in June 2023 from 61.2 in May 2023, while composite PMI declined to 59.4 from a 13-year high of 61.1 in May 2023.
- India's services exports rose 7.7% on-year to \$27.06 billion in May 2023, whereas imports climbed 2% to \$15.5 billion, as per Reserve Bank Of India (RBI) provisional data.
- The government collected Rs 1.61 lakh crore in Goods and Services Tax (GST) in June 2023 up 12% on-year.
- The Ministry of Finance, in its latest monthly review report, said the Indian economy has carried the momentum from the past year into the current fiscal year, and there has been no evidence by far that suggests a slowdown in the current financial year 2023-24 (FY24).
- The Indian economy appears to grow more durably than before, but a host of external factors pose a threat to the country's growth momentum, as per the Ministry of Finance's latest monthly review report.
- The World Bank's Board of Executive Directors has approved \$1.5 billion in financing to accelerate India's development of low-carbon energy.
- The government approved the formation of India's first domestic regulated carbon market.
- The Union Cabinet approved the long-awaited Digital Personal Data Protection (DPDP) Bill.
- RBI Governor Shaktikanta Das said commercial banks will first begin reporting on the central bank's

WEEKLY YIELD

Update of Equity & Debt Market

July 7, 2023

latest next-generation data warehouse, the Centralised Information Management System (CIMS), followed by urban cooperative banks and non-banking financial companies.

- RBI issued draft mandating bank and non-bank card issuers to issue debt, credit and prepaid cards on more than one network, to provide more choices to customers.
- RBI-appointed committee suggested multiple short-term and long-term measures for internationalisation of Indian rupee, along with efforts for inclusion of Indian currency in IMF's Special Drawing Rights (SDR) basket.
- Securities and Exchange Board of India (SEBI) proposed a consolidated framework for cybersecurity, laying down a common structure for various regulated entities, such as stock exchanges, brokers, asset management companies and portfolio managers.
- SEBI issued a circular pertaining to guidelines around InvITs, mandating that institutional placement must be made at a price more than the average of the weekly high and low of the closing prices of said units of the same class, during the two weeks prior to the date of issue.
- SEBI mandated that all entities providing Environmental, social, and corporate governance (ESG) rating services will have to get a certification from the regulator within six months.
- SEBI proposed mandating foreign portfolio investors to undertake at least 10% of their total secondary market trades in corporate bonds by value on the Request For Quote (RFQ) Platform of the stock exchanges.



GLOBAL NEWS

- The US economy added 209,000 jobs in June 2023, following a downwardly revised 306,000 in May 2023, while unemployment rate fell to 3.6% in June 2023, which is lower than 3.7% in May 2023.
- US Automatic Data Processing (ADP) Employment Change rose to 497,000 in June 2023 compared to 267,000 in May 2023.
- US factory orders rose 0.3% on-month in May 2023 unchanged from April 2023.
- US Institute for Supply Management (ISM) Manufacturing PMI, June 2023, declined marginally to 46 in June compared to 46.9 in May 2023 while Services PMI rose to 53.9 in June 2023 compared to 53 in May 2023.
- US S&P Global Manufacturing PMI declined to 46.3 in June 2023 from 48.4 in May 2023 and services PMI fell to 54.4 compared to 54.9 while composite PMI declined to 53.2 in June 2023 from 54.3 in May 2023.
- Eurozone consumer price inflation rate decreased to 5.5% on year in June 2023, down from 6.1% in May 2023, while core inflation rate rose to 5.4% from 5.3%.
- Eurozone Hamburg Commercial Bank (HCOB) manufacturing PMI stood at 43.4 in June 2023, from 44.80 in May 2023 and services PMI fell to 52 in June 2023 from 55.1 in May 2023 while composite PMI fell to a six-month low of 49.9 compared to 52.8.
- UK S&P Global/CIPS manufacturing PMI came in at 46.5 in June 2023, lower than 47.1 in May 2023 while services PMI too, declined to 53.7 from 55.20 and composite PMI declined to 52.8 in June 2023 from 54 in May 2023.
- China caixin manufacturing PMI fell to 50.5 in June 2023 from 50.9 in May 2023 and General Services PMI eased to 53.9 in June 2023 from 57.1 in the previous month while Composite PMI came in at 52.5 in compared to 55.6.

WEEKLY YIELD

Update of Equity & Debt Market

July 7, 2023

DAY	
Monday, Jul 10, 2023	<ul style="list-style-type: none">• US Consumer Inflation Expectations, June 2023• China Inflation Rate, June 2023• China PPI, June 2023
Tuesday, Jul 11, 2023	<ul style="list-style-type: none">• US Consumer Credit Change, May 2023• Eurozone ZEW Economic Sentiment Index, July 2023• UK Unemployment Rate 2023
Wednesday, Jul 12, 2023	<ul style="list-style-type: none">• US Inflation Rate, June 2023• US Core Inflation Rate, June 2023• Japan PPI, June 2023• India Inflation Rate, June 2023• India Industrial Production, May 2023• India Manufacturing Production, May 2023
Thursday, Jul 13, 2023	<ul style="list-style-type: none">• US PPI, June 2023• US Initial Jobless Claims, July 08, 2023• Eurozone Industrial Production, May 2023• UK GDP, May 2023• UK RICS House Price Balance, June 2023• UK Manufacturing Production, May 2023• UK Industrial Production, May 2023• UK Balance of Trade, May 2023• China Balance of Trade, June 2023
Friday, Jul 14, 2023	<ul style="list-style-type: none">• US Export Prices, June 2023• US Import Prices, June 2023• US Michigan Consumer Sentiment Prel, July 2023• Japan Industrial Production Final, May 2023• India WPI Inflation, June 2023• India Balance of Trade, June 2023

WEEKLY YIELD

Update of Equity & Debt Market

July 7, 2023

Source: CRISIL

Disclaimer: CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this Report based on the information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this report should be construed as an investment advice. CRISIL especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Limited (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published / reproduced in any form without CRISIL's prior written approval. CRISIL or its associates may have commercial transactions with the company/entity.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

Disclaimers: This document is for information purposes only and is not an offer to sell or a solicitation to buy any mutual fund units / securities or to have business relations with Union Asset Management Company Private Limited (the AMC) / Union Trustee Company Private Limited (the Trustee Company) or any of its associates. The information in this document is as of July 7, 2023, unless stated otherwise, and may change without notice. The information in this document alone is not sufficient and should not be used for the development or implementation of an investment strategy. Neither the Sponsors/the AMC/ the Trustee Company/ their associates/ any person connected with it, accepts any liability arising from the use of this information.

This report and the views expressed in this report are that of CRISIL Research. The Sponsors/ the AMC/ the Trustee Company/ their associates/ any person connected with it, do not warrant the completeness or accuracy of the information and disclaim all liabilities, losses and damages arising out of the use of this information. The recipients of this material should rely on their investigations and take their own professional advice.

Statutory Details: Constitution: Union Mutual Fund has been set up as a Trust under the Indian Trusts Act, 1882; Sponsors: Union Bank of India and Dai-ichi Life Holdings, Inc.; Trustee: Union Trustee Company Private Limited, [Corporate Identity Number (CIN): U65923MH2009PTC198198], a company incorporated under the Companies Act, 1956 with a limited liability; Investment Manager: Union Asset Management Company Private Limited, [Corporate Identity Number (CIN): U65923MH2009PTC198201], a company incorporated under the Companies Act, 1956 with a limited liability. Registered Office: Unit 503, 5th Floor, Leela Business Park, Andheri Kurla Road, Andheri (East), Mumbai - 400059. Toll Free No. 18002002268 · Non Toll Free. 022-67483333 · Fax No: 022-67483401 · Website: www.unionmf.com · Email: investorcare@unionmf.com