

WEEKLY YIELD

Update of Equity & Debt Market

December 8, 2023

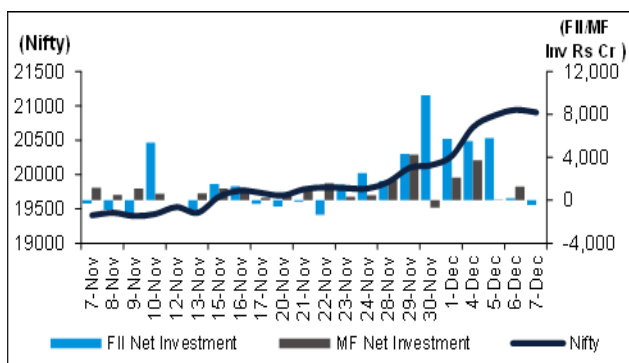


DOMESTIC EQUITY

- Indian equity indices ended higher this week. Investor sentiments strengthened after the Reserve Bank of India (RBI) kept the repo rate unchanged and raised the Gross Domestic Product (GDP) growth forecast for the next fiscal. S&P BSE Sensex and Nifty 50 rose about 3.47% and 3.46%, respectively.
- Markets soared to a record high during the week after the state assembly poll results cheered investors and crude oil prices declined.
- All sectors ended higher, with power, oil & gas, and bank leading the rally. S&P BSE Power, S&P BSE Oil & Gas, and S&P BSE Bankex were high 13.07%, 7.66% and 5.31%, respectively.

Broad Indices	Week change%	3 months change%	1 year change%
S&P BSE Sensex	3.47	4.84	11.59
Nifty 50	3.46	5.80	12.68
S&P BSE Midcap	2.04	8.02	34.63
S&P BSE Smallcap	1.33	7.42	37.68
S&P BSE Bankex	5.31	5.64	7.60
S&P BSE CG	4.84	11.76	52.22
S&P BSE FMCG	-0.35	3.41	16.55
S&P BSE IT	2.25	3.98	12.39
S&P BSE Healthcare	-0.47	7.27	29.95

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks ended mixed, with Dow Jones falling about 0.35% while Nasdaq rose 0.24%.
- Dow Jones fell due to energy stocks and as investors await the outcome of the Fed's policy meet and key US jobs data.
- Britain's FTSE declined 0.21% due to a sell-off in mining shares after Moody's cut China's ratings, caution ahead of US jobs data and as a stronger pound weighed on exporter-led shares.
- Asian equities ended lower. Japan's Nikkei Index slumped on concerns that the Bank of Japan may soon end its stimulus measures.
- Hong Kong's Hang Seng slumped ~3% as investors raised concerns over the health of the Chinese economy after Moody's lowered the outlook on several top industry players.
- China's Shanghai Composite declined 2% as investors worried over the country's growth after Moody's cut China's growth outlook and caution ahead of the government policy meet later this month.



DOMESTIC DEBT

Indicators	Dec 8, 2023	Previous Week	Trend
Call Rate	6.70%	6.75%	↓
3 M CP	7.85%	7.85%	↔
1 Yr CP	8.05%	8.05%	↔
3 M CD	7.38%	7.35%	↑
1 Yr CD	7.80%	7.75%	↑
5 Yr AAA	7.73%	7.71%	↑
1 Yr G-Sec*	7.18%	7.16%	↑
5 Yr G-Sec*	7.21%	7.25%	↓
10 Yr G-Sec*	7.24%	7.28%	↓
USD/INR*	83.38	83.29	↑

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

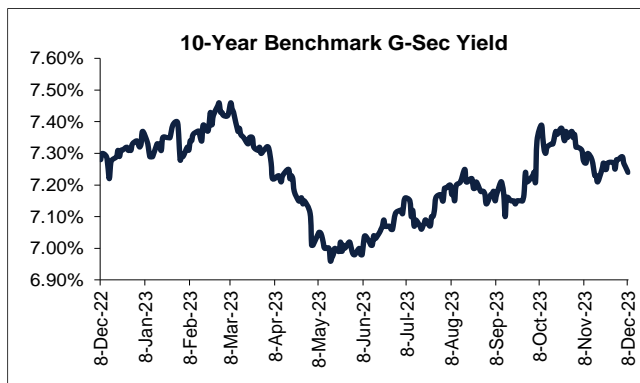
*Weighted Average Yield

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- Government bond prices closed higher in the week ended December 8, 2023. Yield of the 10-year benchmark 7.18% 2033 paper closed lower at 7.27% compared with 7.29% on December 1, 2023.
- Yields declined, tracking a sharp fall in the United States (US) Treasury yield following expectations that the Federal Reserve would cut interest rates as soon as March.
- Weakness in global crude oil prices also supported the rally in bond prices.
- The decline in the yield was halted after the RBI kept its key interest rate unchanged and retained its withdrawal of accommodation stance.
- Bond prices declined further after debt auction results released by the RBI showed higher supply. In the debt sale held on December 8, 2023, the RBI auctioned 7.32% GS (G-sec) 2030, 7.18% GS 2037, 7.25% GS 2063 and New GOI SGrB 2033 for a total notified amount of Rs 39,000 crore.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices rose this week over the possibility that the economy would weaken at a faster rate and lead the Federal Reserve to cut interest rates as soon as March.
- The yield started declining after the Fed Chairman, Mr. Jerome Powell sounded caution on the central

bank's interest rate outlook and data showed a continued manufacturing slump.

- Later in the week, weak US ADP jobs and JOLTs jobs opening data also cemented expectations that the Fed had leeway to cut rates next year.
- The yield on the 10-year benchmark Treasury Bond ended at 4.13% on December 8, 2023 compared with 4.23% on December 1, 2023.



DOMESTIC NEWS

- India Goods and Services Tax (GST) collections surged by 15% to reach Rs 1.68 lakh crore in November 2023.
- India's S&P Manufacturing Purchasing Manager's Index (PMI) reading in November 2023 stood at 56, up from the eight-month low of 55.5 seen in October 2023 and services sector PMI eased to one-year low of 56.9 from 58.4 while composite PMI eased to 57.4 from 58.4.
- Reserve Bank of India (RBI) data showed, India's service sector has showcased a robust growth in exports, surging by 10.8% to reach \$28.03 billion in October 2023.
- S&P Global Ratings report said that India will be the world's third-largest economy by 2030 and expects that in 2026-27, India's Gross Domestic Product (GDP) is expected to grow 7%.
- The Information and Broadcasting (I&B) sector attracted Foreign Direct Investment (FDI) worth Rs 6,058 crore in the first half of FY24, surpassing the previous fiscal's FDI inflow of Rs 3,745 crore.
- Confederation of Indian Industry (CII) expects the country's economy to grow at 6.8% in the current fiscal and accelerate to 7% 2024-25 and expect private investments to gain pace in second half of this fiscal.
- The Finance Ministry said that the Government's debt is estimated to moderate to 57.2% of Gross Domestic Product (GDP) in FY24 from 61.5% in FY21.

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GLOBAL NEWS

- India and the US have agreed to strengthen cooperation in sectors like pharmaceuticals, semiconductors, critical minerals and emerging technologies.
- Finance Minister, Ms. Nirmala Sitharaman stated Indian banks remain healthy, strong, and resilient despite global banking turmoil.
- Finance Minister, Ms. Nirmala Sitharaman informed Rajya Sabha that the Enforcement Directorate (ED) has confiscated assets worth Rs 15,186.64 crore under the stringent prevention of money laundering law.
- The Finance Ministry provided Rs 10,000 crore as advance for the rural employment guarantee scheme from Contingency Fund of India, over and above the budgetary allocation of Rs 60,000 crore.
- The Reserve Bank of India (RBI) signed a Memorandum of Understanding (MoU) with the Bank of England (BoE) centred around collaboration and the exchange of information related to the Clearing Corporation of India Ltd (CCIL).
- RBI halts peer-to-peer lending practices after finding rule violations.
- Securities and Exchange Board of India (SEBI) issued a standard framework to calculate net distributable cash flows (NDCFs) for Infrastructure Investment Trusts (InvITs) and Real-estate Investment Trusts (REITs).
- SEBI Whole-Time Member (WTM), Mr. Ananth Narayan said that SEBI may relook at its norms restricting tranching and pledging, and those on liquidation in Alternative Investment Funds (AIFs), if the industry gives comfort on not misusing the relaxation and agrees to comply with a general obligation and standards.
- The US Federal Reserve Chair, Mr. Jerome Powell said that while the Central Bank has made significant progress on bringing inflation down to its 2% target, it's still prepared to tighten Monetary Policy further if needed.
- US Automatic Data Processing (ADP) Employment Change declined to 103,000 workers in November 2023, from downwardly revised 106,000 in October 2023.
- US jobs openings decreased to 8.773 million in October 2023, the lowest since March 2021, compared to 9.35 million in September 2023.
- US S&P Global manufacturing PMI was confirmed at 49.4 in November 2023, compared to 50 in October 2023 and services Purchasing Managers' Index (PMI) rose to 50.8 in November 2023, from 50.6 in October 2023 while composite PMI remained unchanged at 50.7.
- US ISM manufacturing PMI was unchanged at 46.7 in November 2023, the same as in October 2023 and services PMI increased to 52.7 in November 2023, from 51.8 in October 2023.
- Eurozone economy stalled in the third quarter of 2023 compared to earlier estimates of 0.1% and upwardly revised 0.6% growth in the previous quarter.
- Eurozone Consumer Inflation Expectations remained unchanged for October 2023 at 4% compared to September 2023.
- China Caixin Service PMI increased to 51.5 in November 2023 from 50.4 in October 2023 while Composite PMI rose to 51.6 from 50.0.
- The Japanese economy contracted 2.9% on an annualized basis during the third quarter of 2023, after a downwardly revised 3.6% growth in Q2 of 2023.

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DAY	EVENTS
Monday, Dec 11, 2023	<ul style="list-style-type: none"> US Consumer Inflation Expectations, November
Tuesday, Dec 12, 2023	<ul style="list-style-type: none"> US Inflation Rate, November US CPI, November Eurozone ZEW Economic Sentiment Index, December UK employment changes, September India Inflation Rate, November India Industrial Production, October
Wednesday, Dec 13, 2023	<ul style="list-style-type: none"> US PPI, November UK GDP, October UK Manufacturing production, October UK Industrial Production, October
Thursday, Dec 14, 2023	<ul style="list-style-type: none"> US Fed rate decision US retail sales, November US Export/Import Prices, November Eurozone ECB interest rate decision UK BoE interest rate decision UK RICS Housing survey, November Japan Industrial Production, October India WPI Inflation, November
Friday, Dec 15, 2023	<ul style="list-style-type: none"> US Industrial / Manufacturing Production, November US S&P Global Manufacturing/ Services/ Composite PMI flash, December US NY Empire State Manufacturing Index, December Euro Zone HCOB Manufacturing/ Services/ Composite PMI flash, December Eurozone balance of trade, December UK S&P Global/CIPS Manufacturing/ Services/ Composite PMI flash, December UK GfK Consumer Confidence, December Japan Jibun Bank Manufacturing/ Services/ Composite PMI flash, December China retail sales, December China Industrial Output, December China House Prices Index, December India FX Reserves, December 04

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Source: CRISIL

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