

WEEKLY YIELD

Update of Equity & Debt Market

January 12, 2024

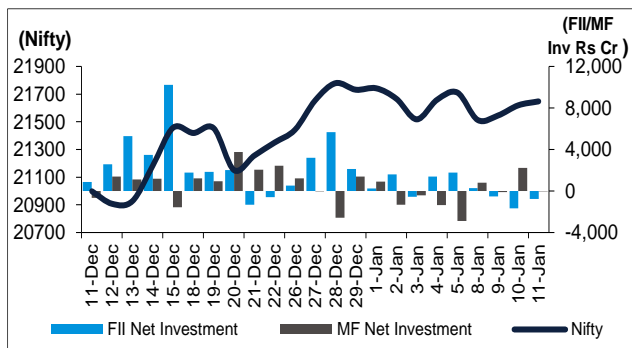


DOMESTIC EQUITY

- Indian equity indices rallied this week after investors cheered a stellar start to the December quarter earnings season by two major domestic software service providers.
- The S&P BSE Sensex and Nifty 50 rose 0.75% and 0.85%, respectively.
- Most sectors ended higher with information technology, realty and oil and gas gaining the most.
- S&P BSE Information Technology, S&P BSE Realty, and S&P BSE Oil & Gas rose 4.58%, 4.35% and 2.20%, respectively.

Broad Indices	Week change%	3 months change%	1 year change%
S&P BSE Sensex	0.75	9.28	21.03
Nifty 50	0.85	10.61	22.60
S&P BSE Midcap	0.45	17.18	50.61
S&P BSE Smallcap	1.56	16.51	54.55
S&P BSE Bankex	-0.87	7.28	12.32
S&P BSE CG	0.32	17.76	65.16
S&P BSE FMCG	-1.77	7.42	27.47
S&P BSE IT	4.58	14.49	29.30
S&P BSE Healthcare	0.18	15.69	41.43

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks closed higher this week, buoyed by technology shares and fall in US treasury yields.
- Britain's FTSE declined 1.5%, dragged down by the shares of a large multinational corporation and the US inflation data.
- Asian equities ended mixed. Japan's Nikkei Index rallied this week on expectations that the Bank of Japan will continue with its ultra-loose monetary stance and after the government revamped the Nippon Individual Savings Account, a tax-free stock investment programme for individuals.
- More gains were added as technology shares rose and after a weaker Yen supported exporter-led shares.
- Hong Kong's Hang Seng declined after brokerages slashed the upside targets for Hang Sang equities and on continued worries over the Chinese economy.



DOMESTIC DEBT

Indicators	Jan 12, 2024	Previous Week	Trend
Call Rate	6.00%	6.60%	↓
3 M CP	8.20%	7.96%	↑
1 Yr CP	8.23%	8.20%	↑
3 M CD	7.53%	7.60%	↓
1 Yr CD	7.90%	7.90%	↔
5 Yr AAA	7.67%	7.67%	↔
1 Yr G-Sec*	7.06%	7.07%	↓
5 Yr G-Sec*	7.06%	7.10%	↓
10 Yr G-Sec*	7.18%	7.24%	↓
USD/INR*	82.92	83.16	↓

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

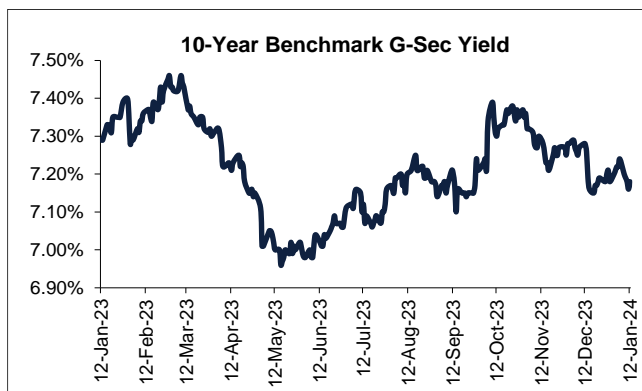
*Weighted Average Yield

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- Government bond prices ended higher in the week ended January 12, 2024. The 10-year benchmark 7.18% 2033 paper's yield closed lower at 7.18% on January 12, 2024, compared to 7.23% on January 05, 2024.
- Yield declined following the proposal to include eligible domestic bonds in the Bloomberg Emerging Market Local Currency Index. Investors expect that the inclusion would further enhance already-rising inflows after JPMorgan's Index inclusion, which will take place in June.
- Fall in the US treasury yield after higher-than-expected US inflation data also kept bond prices high.
- Further gains in bond prices were halted after weekly auction data released by the RBI witnessed weak demand.
- In the debt sale held on January 12, 2024, the RBI auctioned 7.37% GS (Government Security) 2028, 7.18% GS 2033 and 7.30% GS 2053 for a total notified amount of Rs 33,000 crore.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices rose this week as a slew of weak economic data dented investor expectations about an early rate cut by the Federal Reserve (Fed).
- Higher-than-expected rise in consumer inflation for December exerted further downward pressure on yield.

- A fall in global crude oil prices capped further gains in bond prices.
- The yield on the 10-year benchmark Treasury bond ended lower at 3.98% on January 11, 2024, compared with 4.1% on January 05, 2024.



DOMESTIC NEWS

- India Industrial production grew by 2.4% in November 2023 on an annual basis, down from 11.7% recorded in October 2023.
- India's retail inflation surged to a four-month high of 5.69% in December 2023 on an annual basis as against 5.55% in November 2023.
- World Bank kept its economic growth projection for India unchanged at 6.4% for Fiscal Year 2024-25 (FY25) on the back of strong domestic demand, rising public infrastructure spending, and strong private-sector credit growth.
- Prime Minister, Mr. Narendra Modi said that the world looks at India as an important pillar of stability, a trusted friend, an engine of growth in the global economy, a technology hub for finding solutions and a powerhouse of talented youth.
- Finance Minister, Ms. Nirmala Sitharaman said that India will become the third largest economy by 2027-28, with a Gross Domestic Product (GDP) of over \$5 trillion.
- Prime Minister, Mr. Narendra Modi inaugurated the Vibrant Gujarat Global Trade Show 2024 on the eve of the main summit.
- The World Bank has approved financial assistance of Rs 2,328 crore to develop infrastructure to divert flood water from western Maharashtra to Marathwada.
- The Government has increased benchmark central financial assistance for the residential sector under the rooftop solar program to give a push to the projects and cover the higher cost of solar panels.
- Finance Minister, Ms. Nirmala Sitharaman said that direct listing of stocks at the International Financial Services Centre (IFSC) in GIFT City would happen

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soon to enable Indian companies to access global funds easily.

- The Government has given a one-month relaxation in timelines to facilitate site visits by bidders for mineral auctions.
- The Reserve Bank of India Governor, Mr. Shaktikanta Das said that the Indian banking and financial sector has turnaround since Covid pandemic and this has helped the Indian economy to be the bright spot amid global economic meltdown.
- The RBI Governor, Mr. Shaktikanta Das said that the Central Bank is in the process of formulating a framework for securitization of stressed assets.
- The RBI Governor, Mr. Shaktikanta Das said that the financial creditors' claims over the bankrupt firms should have primacy relative to other forms of creditors as they take more risks.
- The RBI Governor flagged the issue of inordinate delays in resolution of stressed assets through bankruptcy courts that erodes the value of assets and further highlighted time taken to even admit a case in the courts.
- Securities and Exchange Board of India (SEBI) proposed changes in rules for fundraising and disclosure requirements for listed companies.
- SEBI recommended companies more flexibility to alter the issue size following the filing of an offer document and recommending more avenues for maintaining the mandatory 20% minimum promoters' contribution (MPC) post-listing.
- SEBI proposed limiting the number of subordinate units that can be issued by REITs and InvITs as well as ensuring uniformity in the granted rights of such units.

2023. While core consumer price inflation rate eased to 3.9% from 4%.

- The US consumer inflation expectations decreased to 3% in December 2023 from 3.40% in November 2023.
- US consumer credit rose by \$23.7 bn in November 2023, from a \$5.7 bn rise in October 2023.
- US Wholesale Inventories fell by 0.2% over-month in November 2023, following a downwardly revised 0.3% decrease in October 2023.
- Cleveland Federal President, Ms. Loretta Mester and Richmond Fed President, Mr. Tom Barkin said that consumer price data for December 2023 did little to assure them inflation is now on a steady track back to the Central Bank's 2% target, with more information needed before any decision to begin reducing rates.
- Eurozone consumer inflation expectations increased to 10.5 in December 2023, up from 9.3 in November 2023. The Eurozone consumer confidence rose to -15 in December 2023, the highest since February 2022, from -16.9 in November 2023. Whereas, the Eurozone retail sales fell by 1.1% on year in November 2023, higher from 0.8% decline in October 2023.
- Eurozone unemployment rate came in at 6.4% in November 2023, compared to 6.5% in October 2023.
- China's consumer prices fell by 0.3% on year in December 2023, compared to 0.5% decline in November 2023 while producer prices shrank by 2.7% softer than a 3.0% drop.
- China's trade surplus increased to \$75.34 billion in December 2023, compared to \$68.39 billion in November 2023.
- Japan household spending declined by 2.9% on year in November 2023, after a 2.5% drop in October 2023.
- Japan Coincident Index dropped to 114.5 in November 2023 from 115.9 in October 2023, while leading economic index declined to 107.7 from 108.9.



GLOBAL NEWS

- US annual inflation rate rose to 3.4% in December 2023 from a five-month low of 3.1% in November

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DAY	EVENTS
Monday, Jan 15, 2024	<ul style="list-style-type: none"> • Eurozone Industrial Production, November • India WPI Inflation, December • India Balance of Trade, December
Tuesday, Jan 16, 2024	<ul style="list-style-type: none"> • Eurozone ZEW Economic Sentiment Index, January • Eurozone Consumer Inflation Expectations, November • UK Unemployment Rate, November • Japan PPI, December
Wednesday, Jan 17, 2024	<ul style="list-style-type: none"> • US Industrial Production, December • Eurozone Inflation, December • UK inflation Rate, December • China GDP, Q4 • China Industrial Production, December
Thursday, Jan 18, 2024	<ul style="list-style-type: none"> • US housing starts, November. • US Initial jobless claims, January 13 • US Philadelphia Fed Manufacturing Index, January
Friday, Jan 19, 2024	<ul style="list-style-type: none"> • US Existing Home Sales, December • US Michigan Consumer Sentiment Prel, January • Japan Inflation Rate, December • India Forex Reserves, Jan 05

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Source: CRISIL

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