

WEEKLY YIELD

Update of Equity & Debt Market

April 13, 2023

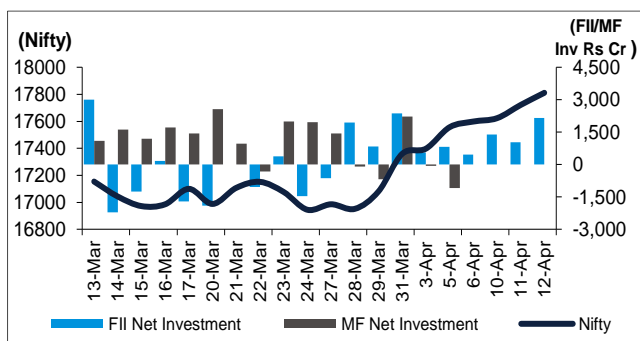


DOMESTIC EQUITY

- Indian equity indices advanced for the third consecutive week on hopes of a strong corporate earnings season following upbeat quarterly updates by some auto, realty, banking, and financial institutions. S&P BSE Sensex and Nifty 50 rose 1% and 1.3%, respectively.
- Further, a pullback in domestic inflation numbers also aided the uptrend.
- Most sectors ended positive with realty, auto and banks rising the most. S&P BSE Realty, S&P BSE Auto and S&P BSE Bankex advanced about 5%, 4% and 3%, respectively.
- However, some losses were seen on the US Federal Reserve (Fed) rate hike concerns and after the Fed March 2023 policy meeting minutes highlighted recession concerns among the officials.

Broad Indices	Week change%	3 month change%	1 year change%
S&P BSE Sensex	1.00	0.28	3.59
Nifty 50	1.30	-0.72	2.02
S&P BSE Midcap	1.52	-1.79	-1.06
S&P BSE Smallcap	1.53	-2.46	-4.65
S&P BSE Bankex	2.89	-0.77	10.96
S&P BSE CG	-0.02	3.84	25.37
S&P BSE FMCG	0.34	4.12	18.26
S&P BSE IT	-1.13	-2.49	-18.39
S&P BSE Healthcare	2.58	-1.20	-8.44

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks ended mixed this week with Dow Jones gaining 0.48%, while Nasdaq fell about 1.3%.
- Markets rose earlier, especially Dow Jones, on stock-specific buying and easing inflation numbers.
- However, some losses were seen, especially in Nasdaq, after the Fed meeting minutes highlighted concerns over banking liquidity and recession risk and expectations of a rate hike by the Fed following encouraging monthly jobs data.
- Britain's FTSE ended 1% higher led by gains in mining, healthcare and energy stocks and signs of strength in the economy and better-than-expected US inflation data.
- Asian equities ended mostly higher. Japan's Nikkei index advanced 2.3% after the country's new central bank governor said that it was appropriate to maintain the bank's ultra-loose monetary policy for now and on signs of a rise in consumer spending.
- Hong Kong's Hang Seng Index ended almost flat as gains on hopes of stimulus measures by the Chinese government to strengthen the economy following weak inflation data were cut short by worries over US-Sino geopolitical tensions.
- China's Shanghai Composite fell 0.28% on disinflationary pressure and rising China-US geopolitical tensions.



DOMESTIC DEBT

Indicators	Apr 13, 2023	Previous Week	Trend
Call Rate	6.20%	6.40%	↓
3 M CP	7.20%	7.23%	↓
1 Yr CP	7.90%	7.95%	↓
3 M CD	6.95%	7.05%	↓
1 Yr CD	7.52%	7.60%	↓
5 Yr AAA	7.61%	7.61%	↔
1 Yr G-Sec*	6.94%	6.95%	↓
5 Yr G-Sec*	7.06%	7.06%	↔
10 Yr G-Sec*	7.23%	7.21%	↑
USD/INR*	81.85	81.89	↓

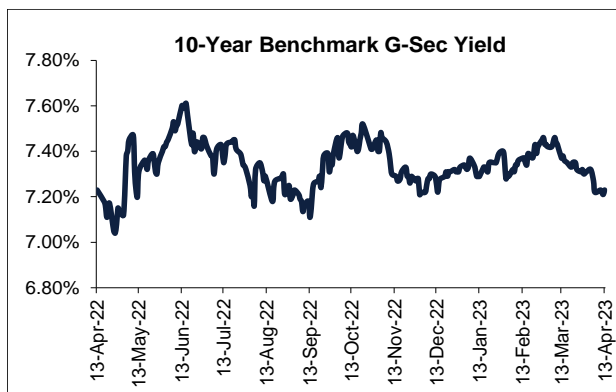
Source: CRISIL Fixed Income Database, RBI *Weighted Average Yield

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- Government bond prices ended lower in the holiday shortened week ended April 13, 2023. The yield of the 10-year benchmark 7.26% 2032 paper closed at 7.23% on April 13, 2023 compared with 7.21% on April 06, 2023.
- Yields rose earlier on profit booking by investors after the central bank halted its rate hike cycle in its recent meeting.
- Bond prices declined further as the weekly debt auction added to the supply. In the debt sale held on April 13, 2023, the RBI auctioned New Government Security (GS) 2026, New GS 2030, 7.41% GS 2036, and 7.40% GS 2062 papers for a total notified amount of Rs 39,000 crore.
- However, a pullback in latest domestic inflation numbers capped some losses.



Source: CRISIL Fixed Income Database

GLOBAL DEBT

- US Treasury prices declined in the week as better-than-expected jobs data spurred worries that the Fed may hike rates in its policy meeting scheduled for May 2023.
- US non-farm payrolls report showed an increase of 236,000 jobs for March 2023, while the February 2023 data was revised higher to show 326,000 jobs were added instead of the 311,000 reported previously.
- However, further gains in yields were prevented as easing March 2023 inflation numbers suggested that

although the central bank could still raise interest rates at the next policy meeting, it might take a pause after that.

- US consumer prices eased to 5% on-year in March 2023 compared with 6% in February 2023, while core consumer prices rose to 5.6% from 5.5%.
- Yield on the 10-year benchmark Treasury bond ended at 3.42% on April 13, 2023 compared with 3.29% on April 06, 2023.



DOMESTIC NEWS

- India's consumer price index (CPI)-based inflation eased to 5.66% on-year in March 2023 from 6.44% in February 2023 following a pullback in food inflation amid a fall in vegetable prices.
- India's industrial production grew 5.6% on-year in February 2023 compared to revised 5.5% rise in January 2023, following upbeat performance of power, mining, and manufacturing sectors.
- The United Nations projected India's economic growth to decelerate to 6% in 2023 from 6.6% in 2022.
- Commerce & Industry Minister Piyush Goyal said that India's merchandise exports touched \$447 billion in Financial Year 2023 (FY23), up from \$442 billion in Financial Year 2022 (FY22).
- Union Finance Minister Nirmala Sitharaman said the inflation has been kept at 6% or below despite adverse circumstances.
- Government has specified the retail sale price-based Goods and Services Tax (GST) cess rate that would be levied on pan masala and tobacco manufacturers with effect from April 1, 2023.
- Government came out with a draft on 'Sagarmala Innovation and Start-up Policy', aiming to nurture startups and other entities in the maritime sector.
- Income Tax Department notified new cost inflation index (CII) to make adjustments in purchase price of long-term capital assets for the purpose of computing tax on capital gains.

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- Government to introduce a new Data Protection Bill in the monsoon session of Parliament.
- The Reserve Bank of India (RBI) tweaked the application form companies must fill out to register as core investment companies (CICs), making it more structured and aligned with the rules that govern such entities.
- RBI came out with detailed norms for outsourcing of Information Technology (IT) services by banks, Non-Banking Financial Companies (NBFCs) and regulated financial sector entities to ensure that such arrangements do not undermine their responsibilities and obligations to customers.
- RBI came out with various guidelines to regulated entities to ensure transparency in disclosure of penalty interest.
- RBI to permit banks to raise 'green deposits' from June 2023 as it seeks to boost allocation of funds towards renewable energy and clean transportation projects.
- The Securities and Exchange Board of India (SEBI) asked Alternative Investment Funds (AIFs) to give direct plan options to investors, aiming to bring larger allocation.
- SEBI asked bourses to set a "common equilibrium price" for stocks on the first day of the listing post the initial public offering (IPO), with a view to remove any ambiguity over price discovery.
- SEBI asked investment advisers and research analysts to prominently display information, including their name registered with the regulator, logo, registration number and complete address with telephone numbers, in their advertisements.
- US consumer prices eased to 5% on-year in March 2023 compared to 6% in February 2023, while core consumer prices rose to 5.6% from 5.5%.
- The Federal Reserve meeting minutes showed that several officials at policy meeting last month considered pausing interest rate increases until it was clear that the failure of two regional banks would not cause wider financial stress, but even they ultimately concluded that high inflation remained the priority
- Eurozone retail sales fell 3.0% on-year in February 2023 after a revised 1.8% decline in January 2023.
- China's annual Inflation rate declined to 0.7% in March 2023 compared to 1.0% in February 2023.
- China's producer prices declined 2.5% on-year in March 2023 compared to a 1.4% fall in February 2023.
- Japan consumer confidence index increased to 33.9 in March 2023 from 31.1 in the prior month.
- Japan producer prices rose 7.2% on-year in March 2023 from an upwardly revised 8.3% in February 2023.
- International Monetary Fund (IMF) expects the global economy to grow by 2.8% this year and 3% in 2024, a decline of 0.1% from its previous forecasts in January 2023.



GLOBAL NEWS

- US non-farm payrolls increased by 236000 in March 2023 following an increase of 326000 in February 2023. The unemployment rate edged down to 3.5% in March 2023 from 3.6% in February 2023.

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DAY	
Monday, Apr 17, 2023	<ul style="list-style-type: none"> US NAHB Housing Market Index, April 2023 US NY Empire State Manufacturing Index, April 2023 China PBoC 1-Year MLF Announcement
Tuesday, Apr 18, 2023	<ul style="list-style-type: none"> US Housing Starts, March 2023 US Building Permits Preliminary, March 2023 Eurozone Trade Balance, February 2023 Eurozone ZEW Economic Sentiment Index, April 2023 UK Unemployment Rate, February 2023 China GDP Growth Rate, Q1 2023 China Industrial Production, March 2023 China Retail Sales, March 2023
Wednesday, Apr 19, 2023	<ul style="list-style-type: none"> Eurozone Consumer Prices, March 2023 UK Consumer Prices, March 2023 Japan Industrial Production, February 2023
Thursday, Apr 20, 2023	<ul style="list-style-type: none"> US Initial Jobless Claims, April 15, 2023 US Philadelphia Fed Manufacturing Index, April 2023 US Existing Home Sales, March 2023 US CB Leading Index, March 2023 Eurozone Flash Consumer Confidence, April 2023 China Loan Prime Rate 1Y/5Y, April 2023 Japan Tertiary Industry Index, February 2023 Japan Trade Balance, March 2023
Friday, Apr 21, 2023	<ul style="list-style-type: none"> US S&P Global Manufacturing/ Composite/Services PMI Flash, April 2023 Eurozone S&P Global Manufacturing/ Composite/Services PMI Flash, April 2023 UK S&P Global/CIPS Manufacturing/ Composite/Services PMI Flash, April 2023 UK Retail sales, March 2023 Japan Jibun Bank Manufacturing/ Composite/Services PMI Flash, April 2023 India Foreign Exchange Reserves, April 14, 2023

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Source: CRISIL

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