

WEEKLY YIELD

Update of Equity & Debt Market

February 16, 2024

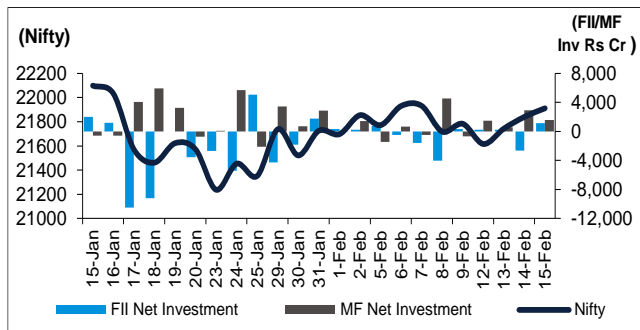


DOMESTIC EQUITY

- Indian equity indices ended higher this week as investors turned optimistic over domestic growth after domestic inflation eased from elevated levels and strong industrial production data. S&P BSE Sensex and Nifty 50 rose 1.16% and 1.19%, respectively.
- Most sectors ended higher with auto, oil and gas and banks gaining the most. S&P BSE Auto, S&P BSE Oil and Gas and S&P BSE Bankex rose 4.97 %, 3.15 % and 1.73%, respectively.

Broad Indices	Week change%	3 months change%	1 year change%
S&P BSE Sensex	1.16	9.77	18.11
Nifty 50	1.19	11.51	22.20
S&P BSE Midcap	0.91	19.94	60.55
S&P BSE Smallcap	0.02	15.72	62.41
S&P BSE Bankex	1.73	5.44	11.77
S&P BSE CG	0.99	15.49	60.86
S&P BSE FMCG	-0.73	2.02	17.07
S&P BSE IT	1.52	18.83	25.43
S&P BSE Healthcare	1.61	21.41	58.08

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks closed higher this week on the back of positive earnings reports and as jobless claims data came in line with expectations.
- Britain's FTSE fell this week as disappointing earnings weighed on few companies and as strong US data pushed back rate cut hopes.
- Asian equities ended higher. Japan's Nikkei Index advanced this week, tracking similar sentiments in the US markets and after Bank of Japan Deputy Governor signalled that policy tightening would be gradual.
- Hong Kong's Hang Seng rose 1.37% as initial gains owing to market intervention by China's sovereign wealth fund boosted sentiment. However, these gains couldn't sustain following weak earnings from Alibaba Group and as China slipped back into deflation.
- China's Shanghai Composite rallied 5% after Beijing appointed a veteran regulator as the new head and as policymakers took measures to stabilise sluggish stock markets.



DOMESTIC DEBT

Indicators	Feb 16, 2024	Previous Week	Trend
Call Rate	6.75%	6.70%	↑
3 M CP	8.54%	8.52%	↑
1 Yr CP	8.35%	8.35%	↔
3 M CD	7.82%	7.80%	↑
1 Yr CD	7.82%	7.85%	↓
5 Yr AAA	7.68%	7.66%	↑
1 Yr G-Sec*	7.04%	7.05%	↓
5 Yr G-Sec*	7.07%	7.07%	↔
10 Yr G-Sec*	7.10%	7.11%	↓
USD/INR*	83.01	83.03	↓

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

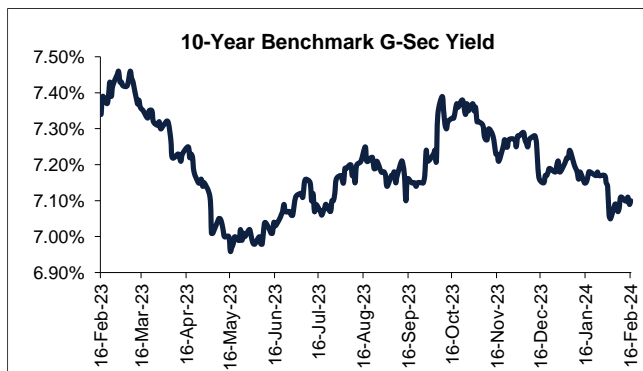
*Weighted Average Yield

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- Government bond prices ended marginally higher in the week ending February 16, 2024. The yield of 10-year benchmark 7.18% 2033 paper closed at 7.10%, compared with 7.11% on February 9, 2024.
- Yield rose after domestic inflation data came in line with expectations.
- Further weakness was witnessed in bond prices after US treasury rose, following higher-than-expected US inflation data that deferred rate cut expectations.
- Yield rose further after the weekly debt auction data released by the Reserve Bank of India (RBI) showed weak demand.
- In the debt sale held on February 16, 2024, the RBI auctioned 7.33% Government Securities (G-Sec) 2026, 7.18% G-Sec 2037 and 7.25% G-Sec 2063 for a total notified amount of Rs 30,000 crore.
- The intermittent fall in US Treasury yield cut short a sharp fall in bond prices.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices declined this week after the higher-than-expected inflation data pushed out market expectations for the timing of Federal Reserve's rate cut. However, later in the week, prices witnessed gains following comments from a Federal Reserve official about the timing of possible interest rate cuts.

- Chicago Fed President, Mr. Austan Goolsbee said that the Fed's path back to its 2% inflation target rate would still be on track even if price increases run a bit hotter than expected over the next few months and the central bank should be wary of waiting too long before it cuts interest rates.
- Weakness in yield also came after data showed that initial jobless claims fell by 8,000 to a seasonally adjusted 212,000 for the week ended February 10, 2024, slightly below the 220,000 estimates.
- The yield on the 10-year benchmark treasury bond ended marginally higher at 4.23% on February 15, 2024, compared with 4.18% on February 9, 2024.



DOMESTIC NEWS

- India's retail inflation eased to a three-month low of 5.1% in January 2024, compared with 5.7% in December 2023.
- India's industrial output rose back again in December 2023 to 3.8% compared with 2.4% in the previous month.
- India's wholesale price index-based inflation eased further to 0.27% in January 2024 on an annual basis, as against 0.73% in December 2023.
- India's trade deficit widens to \$17.49 billion in January 2024, compared to \$17.03 billion deficit in January 2023.
- Federation of Indian Chambers of Commerce & Industry's (FICCI) latest quarterly survey on manufacturing for Q4 FY24 found that 85% of respondents in the current fourth quarter of the financial year 2023-24 are expecting a higher number of orders compared to 73% in the previous quarter.
- The Government invested Rs 12,900 crore under Production Linked Incentive (PLI) Scheme for specialty steel.
- India's net direct tax collection stood at Rs 15.60 lakh crore as of February 10, 2024, reaching approximately 80% of the revised target set for the entire financial year.

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- The Ministry of Road Transport and Highways introduced the provision of deemed approval in the request for proposal documents for consultancy services for preparation of detailed project reports (DPRs) in respect for national highways and centrally sponsored road works issued by it.
- The Government granted environmental clearance to more than 80% of the proposals for "projects and activities" in the eco-sensitive zones of the country in the last five years.
- The Reserve Bank of India raised the ceiling on remuneration of non-executive directors in private banks to Rs 30 lakh per annum from Rs 20 lakh.
- Reserve Bank of India and Nepal Rastra Bank signed terms of reference for integration of fast payment systems: Unified Payments Interface (UPI) of India and National Payments Interface (NPI) of Nepal.
- The Securities and Exchange Board of India (SEBI) has increased scrutiny of Initial Public Offer (IPO) disclosures and, in several cases, asked companies to revise their issue documents as it observed funds are being used for purposes different from those listed in the application to the regulator.
- SEBI proposed promoting collective oversight of PMS distributors by making registration with the Association of Portfolio Managers in India (APMI) mandatory for them and facilitating ease of digital onboarding process for portfolio managers' clients.
- The Insurance Regulatory and Development Authority (IRDAI) proposed to extend the free look period for the policies from the current 15 days to 30 days now.



GLOBAL NEWS

- US Consumer Price Index (CPI) inflation came unchanged at 0.2% on month in December 2023, compared to November 2023, while core consumer prices also came unchanged at 0.3%.
- US consumer inflation eased to 3.1% on year in January 2024, following a brief increase to 3.4% in December 2023 while annual core consumer price inflation rate stood steady at 3.9%.
- US Producer Prices Index declined 0.2% on month in December 2023, compared to 0.1% fall in November 2023, while core producer prices declined 0.1%, compared to flat reading in the previous month.
- US Retail sales increased 0.6% annually in January 2024 following a downwardly revised 5.3% rise in December 2023 while shrank 0.8% over-month, reversing from a downwardly revised 0.4% growth in December 2023.
- US Industrial Production stalled (0%) on-year in January 2024, following 1.2% gain in December 2023.
- The Eurozone economy expanded 0.1% on-year in the last three months of 2023, matching the first estimate, and after stalling in the third quarter.
- The UK economy Gross Domestic Product (GDP) growth contracted 0.2% on-year in the fourth quarter of 2023, the first contraction since 2021, following a downwardly revised 0.2% growth in the previous period.
- UK annual inflation rate was unchanged at 4.0% in January 2024, compared to December 2023, while annual core inflation rate was also unchanged at 5.1%.
- UK Producer Price Index dropped 0.6% on-year in January 2024, reversing a 0.1% rise in December 2023.
- The Japanese economy unexpectedly contracted 0.4% on an annualized basis during the fourth quarter of 2023, after a 3.3% fall in the prior period.

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DAY	EVENTS
Monday, Feb 19, 2024	<ul style="list-style-type: none"> China Loan Prime Rate 1Y/5Y, February
Tuesday, Feb 20, 2024	<ul style="list-style-type: none"> Eurozone consumer confidence flash, February Japan Balance of Trade, February
Wednesday, Feb 21, 2024	<ul style="list-style-type: none"> US FOMC Minutes US Initial Job Claims, February 17 US S&P Global Composite/Manufacturing/Services PMI Flash, February Eurozone HCOB Composite/Manufacturing/Services PMI Flash, February Eurozone Inflation, January Eurozone CPI, January UK S&P Global Composite/Manufacturing/Services PMI Flash, February Japan Jibun Bank Manufacturing/Services/Composite PMI Flash, February India HSBC Composite/Manufacturing/Services PMI Flash, February
Thursday, Feb 22, 2024	<ul style="list-style-type: none"> China Loan Prime Rate 1Y/5Y, February
Friday, Feb 23, 2024	<ul style="list-style-type: none"> UK Gfk Consumer Confidence, February China House Prices Index, January India Foreign Exchange Reserves, February 16

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Source: CRISIL

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