

WEEKLY YIELD

Update of Equity & Debt Market

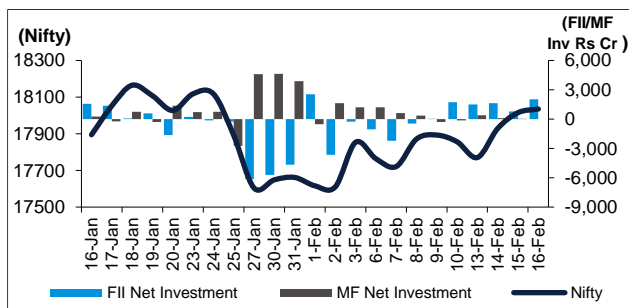
February 17, 2023

DOMESTIC EQUITY

- Indian equity indices ended the week on a positive note owing to buying in the metal, capital goods and oil and gas sectors. The S&P BSE Sensex and Nifty 50 rose about 0.5% each.
- S&P BSE Metal, S&P BSE Capital Goods and S&P BSE Oil & Gas rose 1.9%, 1.6% and 0.4%, respectively.
- More gains were seen on strong US retail sales data that raised hopes of growth recovery in the US.
- However, sentiments were dented after the latest series of US economic data fuelled worries over continuation of rate hikes by the US Federal Reserve (Fed).
- Sell-off in power, realty and banking shares also kept gains in check. S&P BSE Power, S&P BSE Realty and S&P BSE Bankex fell 3.0%, 2.8% and 1.1%, respectively.

Broad Indices	Week change%	3 month change%	1 year change%
S&P BSE Sensex	0.53	-1.21	5.37
Nifty 50	0.49	-2.18	3.70
S&P BSE Midcap	-0.82	-2.22	3.01
S&P BSE Smallcap	-0.77	-2.89	0.26
S&P BSE Bankex	-1.05	-4.16	8.30
S&P BSE CG	1.64	4.62	24.01
S&P BSE FMCG	0.25	3.07	22.53
S&P BSE IT	0.20	3.27	-10.50
S&P BSE Healthcare	-0.81	-5.23	-7.43

Source: BSE, NSE



Source: SEBI, NSE

GLOBAL EQUITY

- US stocks ended mixed this week with the Dow Jones falling 0.5% while Nasdaq advanced about 1.2%. Markets were under pressure, especially the Dow Jones, after lower-than-expected pullback in inflation numbers and a drop in weekly jobless claims fuelled worries over the continuation of rate hikes by the Fed.
- However, some gains were seen, especially in Nasdaq, after a rise in technology stocks and as strong retail sales data raised expectations of growth recovery in the US.
- Britain's FTSE rallied 1.65% after the country's inflation eased more than expected, upbeat quarterly earnings and gains in defence and telecom shares.
- Asian equities ended lower. Japan's Nikkei declined 0.57%, tracking similar intermittent weakness in the US markets and losses in technology shares.
- Hong Kong's Hang Seng closed 2.2% lower on rising US-China tensions, even as upbeat US economic data sparked concerns that the Fed would continue with its rate hike path.
- China's Shanghai Composite closed 1.1% lower this week as tensions brewed between the US and China and on worries that a delay in easing of rates by the Fed may also prompt the Chinese central bank to delay its rate easing policy to support its pandemic-hit economy

DOMESTIC DEBT

Indicators	Feb 17, 2023	Previous Week	Trend
Call Rate	6.15%	6.15%	↔
3 M CP	7.67%	7.47%	↑
1 Yr CP	8.02%	8.02%	↔
3 M CD	7.32%	7.20%	↑
1 Yr CD	7.75%	7.72%	↑
5 Yr AAA	7.77%	7.70%	↑
1 Yr G-Sec*	7.21%	7.16%	↑
5 Yr G-Sec*	7.34%	7.28%	↑
10 Yr G-Sec*	7.39%	7.36%	↑
USD/INR*	82.83	82.50	↑

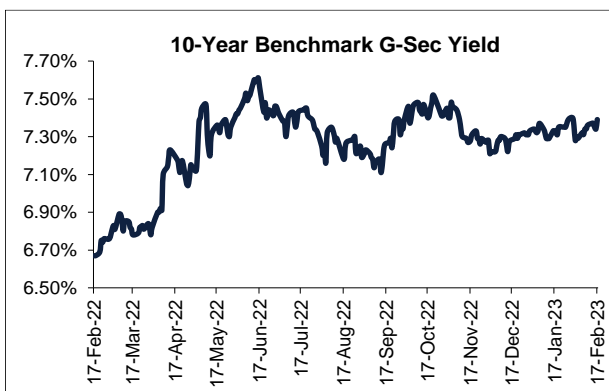
Source: CRISIL Fixed Income Database, RBI *Weighted Average Yield

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- Government bond prices ended lower in the week ended February 17, 2023. Yield of the 10-year benchmark 7.26% 2032 paper closed at 7.39% on February 17, 2023, versus 7.36% on February 10, 2023.
- Yield rose on expectations that a rise in domestic consumer price inflation may cause the central bank to maintain its aggressive policy stance and hike interest rate at its upcoming monetary policy meet.
- The Consumer Price Index rose to 6.2% in January 2023, exceeding the central bank's upper tolerance target of 6%.
- Bonds declined further after the RBI partially devolved the 7.26% Government Securities (GS) 2033 paper to the tune of Rs 8,254 crore as against its notified amount of Rs 12,000 crore on primary dealers in the weekly debt auction held on February 17, 2023. In the debt sale, the central bank had auctioned 7.38% GS 2027, 7.26% GS 2033 and 7.36% GS 2052 for a total notified amount of Rs 28,000 crore.
- However, intermittent short covering by investors cushioned a fall in bond prices.



Source: CRISIL Fixed Income Database

GLOBAL DEBT

- US Treasury prices ended lower in the week as a set of macroeconomic data raised expectations that the Fed might continue with its rate hike in its upcoming policy meet.

- A fall in jobless claims, higher than expected consumer and producer prices data, and upbeat retail sales data indicated that economy is still growing and there is a room for Fed to push policy rate high in the upcoming policy meet.
- US consumer prices eased to 6.4% on-year in January 2023 compared to 6.5% in December 2022, while core consumer prices eased to 5.6% from 5.7%.
- US producer prices eased to 6% on-year in January 2023 compared to revised 6.5% gain in December 2022. However, the prices rose 0.7% on-month in January 2023 compared to revised 0.2% decline in December 2022.
- Yield of the 10-year benchmark Treasury bond ended at 3.84% on February 16, 2023, compared with 3.74% on February 10, 2023.



DOMESTIC NEWS

- India's consumer price index (CPI) rose 6.52% on-year in January 2023 compared to 5.72% in December 2022.
- India's wholesale price index (WPI)-based inflation eased to 4.73% on-year in January 2023, compared to 4.95% in December 2022.
- India trade deficit stood at \$17.75 billion in January 2023 compared to \$23.76 in December 2022. Exports dipped by 6.58% on-year to \$32.91 billion while imports declined by 3.63% on-year to \$50.66 billion.
- The Cabinet approved Vibrant Villages Programme for the fiscal years 2023 to 2026 with financial allocation of Rs 4800 crore.
- Government unveiled a national-level 'hackathon' to identify innovative ideas and technological solutions for addressing cyber security challenges and cybercrimes in the country.
- Government cut the windfall profit tax on domestically produced crude oil from Rs 5050 per tonne to Rs 4350 per tonne.

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- Union Cabinet approved a plan to set up 200,000 Primary Agriculture Cooperative Societies (PACS), dairy and fishery cooperatives in all the uncovered villages and panchayats over the next five years.
- The Reserve bank of India (RBI) came out with an updated alert list of entities which are neither authorised to deal in forex under the Foreign Exchange Management Act, 1999 (FEMA) nor authorised to operate electronic trading platforms (ETPs) for forex transactions.
- RBI made necessary changes in National Electronic Funds Transfer (NEFT) and Real-Time Gross Settlement (RTGS) systems for Foreign Contribution (Regulation) Act (FCRA) related transactions RBI came out with a list of 32 entities that have been given in-principle authorisation for their payment aggregator licences.
- RBI said loans offered on debit cards, including equated monthly instalment (EMI) programmes, would be governed under the digital lending guidelines of the central bank.
- Securities and Exchange Board of India (SEBI) proposed to increase the role and accountability of the trustees in a bid to safeguard unitholders' interest.
- SEBI came out with a master circular on substantial acquisition of shares and takeovers.
- SEBI mandated all stock brokers and depositories to maintain websites with an aim to bring in transparency.
- Eurozone economy grew 1.9% on-year in the fourth quarter compared to 2.3% growth in the previous quarter.
- Eurozone industrial production declined by 1.7% on-year in December 2022, from upwardly revised 2.8% growth in November 2022.
- Eurozone recorded a trade deficit of 8.8 billion euros in December 2022, from 11.7 billion euros deficit in November 2022.
- UK annual inflation rate eased to 10.1% in January 2023 from 10.5% in December 2022, while the core inflation eased to 5.8% from 6.3%.
- UK producer price index rose by 14.1% on-year in January 2023 compared to a downwardly revised 16.2% gain in December 2022.
- UK industrial production fell by 4% on-year in December 2022, following a revised 4.3% decline in November 2022.
- UK trade deficit rose to £7.2 billion in December 2022 from a revised £2.3 billion deficit in November 2022.
- The People's Bank of China (PBOC) injected a total 499 billion yuan via a one-year medium-term lending facility (MLF) to some financial institutions and kept the interest rate unchanged at 2.75%.
- China's banks extended 4.9 trillion yuan in new loans in January 2023, up from 1.40 trillion yuan in December 2022.
- The Japanese economy advanced 0.6% on year in the fourth quarter of 2022, after a revised 1% contraction in third quarter.
- Japan industrial production decreased 2.4% on-year in December 2022, compared to 0.9% decline in November 2022.



GLOBAL NEWS

- US budget deficit for January 2023 came in at \$39 billion compared to \$85 billion deficit in December 2022.
- US retail sales rose 3% on-month in January 2023 compared to 1.1% decline in December 2022.
- US industrial production rose 0.8% on-year in January 2023 compared to 1.6% gain in December 2022.

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DAY	
Monday, Feb 20, 2023	<ul style="list-style-type: none"> • Eurozone Consumer Confidence Flash, February 2023 • China Loan Prime Rate 1Y/5Y
Tuesday, Feb 21, 2023	<ul style="list-style-type: none"> • US S&P Global Manufacturing PMI Flash, February 2023 • US S&P Global Services PMI Flash, February 2023 • US S&P Global Composite PMI Flash, February 2023 • US Existing Home Sales, January 2023 • Eurozone S&P Global Manufacturing PMI Flash, February 2023 • Eurozone S&P Global Services PMI Flash, February 2023 • Eurozone S&P Global Composite PMI Flash, February 2023 • Eurozone ZEW Economic Sentiment Index, February 2023 • UK S&P Global/CIPS Manufacturing PMI Flash, February 2023 • UK S&P Global/CIPS Services PMI Flash, February 2023 • UK S&P Global/CIPS Composite PMI Flash, February 2023 • Japan Jibun Bank Manufacturing PMI Flash, February 2023 • Japan Jibun Bank Services PMI Flash, February 2023 • Japan Jibun Bank Composite PMI Flash, February 2023
Wednesday, Feb 22, 2023	<ul style="list-style-type: none"> • RBI Monetary Policy Meeting Minutes
Thursday, Feb 23, 2023	<ul style="list-style-type: none"> • US GDP Price Index QoQ 2nd Estimate, Q4 2022 • US FOMC Minutes • US Chicago Fed National activity Index, January 2023 • US PCE Prices QoQ 2nd Estimate, Q4 2022 • US Kansas Fed Manufacturing Index, February 2023 • US Kansas Fed Composite Index, February 2023 • US Real Consumer Spending QoQ 2nd Estimate, Q4 2022 • US Initial Jobless Claims, February 18, 2023 • Eurozone Consumer Prices, January 2023
Friday, Feb 24, 2023	<ul style="list-style-type: none"> • US PCE Price Index, January 2023 • US New Home Sales, January 2023 • US Michigan Consumer Sentiment, February 2023 • US Building Permits, January 2023 • US Personal Income/Spending, January 2023 • UK Gfk Consumer Confidence, February 2023 • Japan Consumer Prices, January 2023 • India Foreign Exchange Reserves, February 17, 2023

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Source: CRISIL

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