

WEEKLY YIELD

Update of Equity & Debt Market

April 19, 2024

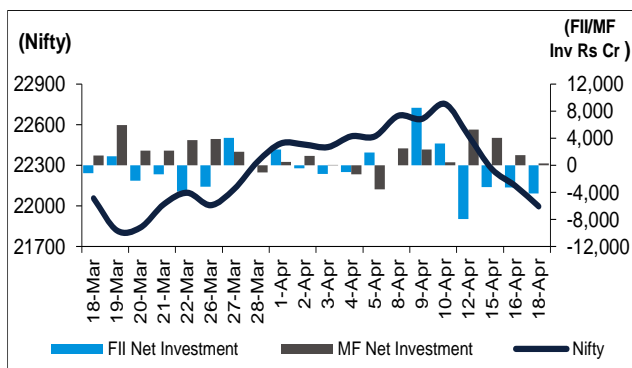


DOMESTIC EQUITY

- Indian equities ended lower this week, driven by geopolitical uncertainty and worries about delayed US rate cuts. The S&P BSE Sensex and Nifty ended lower with -1.56% and -1.65%, respectively.
- All sectors ended lower with information technology (IT), realty and healthcare losing the most. S&P BSE IT, S&P BSE Realty and S&P BSE Healthcare fell 4.59%, 2.79% and 2.38% respectively.

Broad Indices	Week change%	3 month change%	1 year change%
S&P BSE Sensex	-1.56	1.96	22.70
Nifty 50	-1.65	2.43	25.70
S&P BSE Midcap	-2.21	4.71	60.39
S&P BSE Smallcap	-0.96	2.23	60.65
S&P BSE Bankex	-2.12	3.64	12.30
S&P BSE CG	-1.95	6.31	73.48
S&P BSE FMCG	-1.16	-6.35	14.19
S&P BSE IT	-4.59	-9.73	28.53
S&P BSE Healthcare	-2.38	5.01	49.82

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks ended lower this week after Powell hinted that rates may stay higher for a prolonged period, as officials are not confident about the recent inflation data.
- More losses were seen due to persistent geopolitical uncertainty.
- Britain's FTSE index declined 1.5% on rising geopolitical uncertainty, diminishing hopes of rate cuts by the Fed and stock-specific sell-off.
- Asian equities ended mostly lower. Japan's Nikkei index slumped 6.2% due to sell-off in chip-related shares, geopolitical uncertainty and profit-taking ahead of the corporate earnings season.
- Hong Kong's Hang Seng ended lower 2.9% on geopolitical tensions, hawkish Fed stance and after weak data release from China raised concerns over the country's economic health.
- China's Shanghai Composite advanced 1.5% as investors cheered the regulatory announcement by the country's capital market regulator to improve the stock market and protect investors' interests.
- However, weak economic data indicators and geopolitical uncertainty soured the sentiment.



DOMESTIC DEBT

Indicators	Apr 19, 2024	Previous Week	Trend
Call Rate	6.25%	6.40%	↓
3 M CP	7.55%	7.60%	↓
1 Yr CP	8.00%	7.95%	↑
3 M CD	7.10%	7.16%	↓
1 Yr CD	7.48%	7.45%	↑
5 Yr AAA	7.63%	7.61%	↑
1 Yr G-Sec*	7.10%	7.06%	↑
5 Yr G-Sec*	7.23%	7.16%	↑
10 Yr G-Sec*	7.23%	7.18%	↑
USD/INR*	83.47	83.42	↑

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

*Weighted Average Yield

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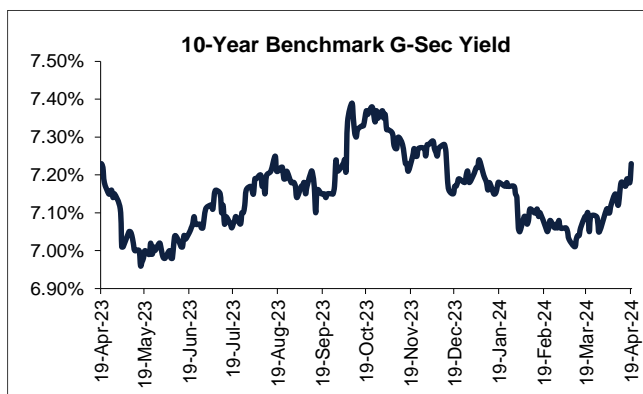
- Government bond prices ended lower in the week ended April 19, 2024. The yield of 10-year benchmark 7.18% 2033 paper closed at 7.23% on April 19, 2024, compared with 7.18% on April 12.
- Bond yield rose on escalating geopolitical tensions and worries around the timing of US rate cuts.
- Intermittent spikes in oil prices also kept bond prices under pressure.
- Higher oil prices drove India's retail inflation higher, as it is a major oil importer and may make the RBI's 4% target more difficult to achieve.
- Meanwhile, in the debt sale held on April 19, 2024, the RBI auctioned 7.37% GS 2028 and New GS 2064 for a total notified amount of Rs 24,000 crore.

- Also, Federal Reserve Vice Chair Philip Jefferson said it will be appropriate to hold in place the current restrictive stance of policy for longer if inflation fails to slow as expected.
- Earlier this week, upbeat US retail sales data kept bond prices under pressure. US retail sales increased 4% on year in March, following an upwardly revised 2.1% gain in February.
- The yield on the 10-year benchmark Treasury bonds ended higher at 4.64% on April 18, 2024, compared with 4.52% on Apr 12, 2024.



DOMESTIC NEWS

- India wholesale inflation rose to a four-month high of 0.53% on year in March 2024 compared to 0.20% in February 2024.
- India's merchandise trade deficit narrowed to \$15.6 billion in March 2024, compared to deficit of \$18.7 billion February 2024 and \$18.1 billion deficit in March 2023.
- The International Monetary Fund (IMF) in its latest outlook raised India's growth projections for 2024 from 6.5% to 6.8%, with the country maintaining the fastest-growing status in emerging markets and developing economies.
- Finance Minister Nirmala Sitharaman said India has been the fastest growing economy in the last three consecutive financial years and this growth can continue in the coming years as well.
- United Nations Trade and Development (UNCTAD) sees India's economic growth for 2024 at 6.5%, a slight decrease from 2023's 6.7% and added that factors contributing to India's growth in 2023, such as strong public investment and a thriving services sector, are expected to persist and support similar growth in 2024.
- India and Brazil are working to harmonize their certification systems for the trade in biological genetic material as well as certificates for pork and fish.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices fell on steady labour market data and warnings from US Fed officials that the decline in inflation may have stalled.
- US Initial jobless claims remained unchanged at 214,500 in the week ended on April 13 from 214,500 in the previous week.
- Yields rose after Federal Reserve Chair Jerome Powell said recent inflation data has not given policymakers enough confidence to ease credit soon, noting that the US central bank may need to keep rates higher for longer than previously thought.

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- Government has amended its foreign direct investment policy in the space sector to attract offshore investors in satellite manufacturing and satellite launch vehicle segments.
- Government has directed all gas-based power generating stations to operationalise their plants from May 1, 2024 to June 30, 2024 because of a rise in electricity demand due to a likely prolonged heat wave this summer.
- The Central Board of Direct Taxes (CBDT) has asked self-reporting organisations (SROs) including banks, post offices, co-operatives, fintechs and mutual fund houses to file details of all high-value transactions carried out in 2022-23 by June 30, 2024.
- The Reserve Bank of India (RBI) extended the applicability of Key Fact Statement or KFS to borrowers of all retail and micro, small and medium enterprise (MSME) term loans as part of enhancing transparency in loan deals.
- The RBI eased rules to allow resident entities to hedge their exposures to the price risk of gold using the Over the Counter (OTC) derivatives in the International Financial Services Centre (IFSC) in addition to the derivatives on the exchanges in the IFSC.
- The Reserve Bank of India (RBI) issued a directive, stating that from August 1, 2025, no entity involved in card transactions, except for the card issuer and card networks, will be permitted to store data.
- RBI has asked lenders to examine the possibility of establishing a central fund to pay the salaries of banks' internal ombudsman (IO).
- RBI issued draft rules to regulate point-of-sale payment service providers (PA-P) and said companies providing the service will need to apply for authorisation from the RBI by May 31, 2025.
- The Securities and Exchange Board of India (Sebi) will delegate administrative and supervisory responsibilities of research analysts (RAs) and investment advisors (IAs) to a stock exchange along

with many other non-core functions like approval of advertisements and scrutiny of applications.

- The Telecom Regulatory Authority of India (Trai) has proposed that the government should provide the funding for testing new products in the communications sector as some innovations can have the potential to bridge the digital divide.



GLOBAL NEWS

- US retails sales increased 4% on year in March 2024, following an upwardly revised 2.1% gain in February 2024.
- US industrial production flattened on year in March 2024 following a downwardly revised 0.3% fall in February 2024.
- US Philadelphia Fed Manufacturing Index rose 12 points to 15.5 in April 2024 from 3.2 in March 2024.
- The eurozone consumer price inflation rates stood at 2.4% on year in March 2024, lower from 2.6% in February 2024, while annual core inflation rate slowed to 2.9%, from 3.1% in February 2024.
- Eurozone Industrial production declined by 6.4% on year in February 2024 compared to 6.6% in March 2024.
- The UK Gross Domestic Product (GDP) decreased to -0.20% on year in February 2024 from -0.10% in January 2024.
- UK inflation rate eased to 3.2% on year in March 2024 from 3.4% in February 2024 while annual core inflation rate slowed to 4.2%, compared to 4.5%.
- China's economic growth advanced 5.3% on year in Q1 of 2024 slightly accelerating from a 5.2% growth in Q4 of 2023.
- The People's Bank of China kept the rate of the one-year medium-term lending facility (MLF) at 2.5% on April 15.
- Japan annual inflation rate eased to 2.7% in March 2024 compared to 2.8% in February 2024.

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DAY	EVENTS
Monday, Apr 22, 2024	<ul style="list-style-type: none"> • US Chicago Fed National Activity Index, March • Eurozone Consumer Confidence, April • China Loan Prime Rate 1Y/5Y, April • India HSBC Composite/Manufacturing/Services PMI April
Tuesday, Apr 23, 2024	<ul style="list-style-type: none"> • US S&P Global Composite/Manufacturing/ Services PMI, April • US New Home sales, March • Eurozone HCOB Composite/Manufacturing/ Services PMI, April • UK S&P Global Composite/Manufacturing/ Services PMI, April • Japan Jibun Bank Manufacturing/Composite/Services PMI, April • India HSBC Composite/Manufacturing/ Services PMI April
Wednesday, Apr 24, 2024	<ul style="list-style-type: none"> • US Durable Goods Order, April
Thursday, Apr 25, 2024	<ul style="list-style-type: none"> • US GDP Growth Rate adv, Q1 • US PCE Prices QoQ Adv Q1 • US Pending Home Sales, March • US Initial Jobless Claims, April 20
Friday, Apr 26, 2024	<ul style="list-style-type: none"> • US PCE Price Index, March • US Personal Income/spending, March • US Michigan Consumer Sentiment Final, April • Japan BoJ Interest Rate Decision • BoJ Quarterly Outlook Report • Japan Coincident/Leading Economic Index February • India Foreign Exchange Reserves, April 19

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Source: CRISIL

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