

WEEKLY YIELD

Update of Equity & Debt Market

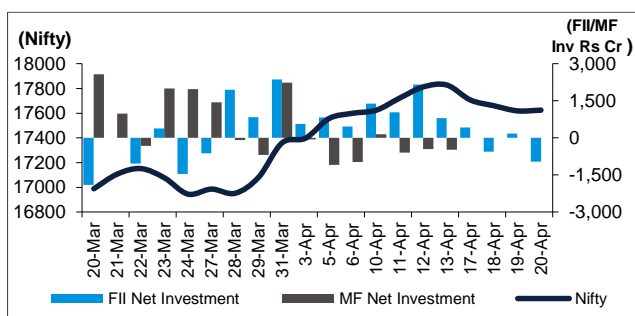
April 21, 2023

DOMESTIC EQUITY

- Indian equity indices snapped a three-week gaining spree following weak quarterly earnings from two major domestic information technology (IT) companies. S&P BSE Sensex and Nifty 50 fell above 1% each.
- Further, more losses were seen due to the global banking turmoil amid recession fears.
- Most sectors ended mixed with IT, Power and Capital Goods falling the most. S&P BSE Information Technology, S&P BSE Power and S&P BSE Capital Goods fell about 5.5%, 0.9% and 0.8%, respectively.
- However, some gains were seen led by Oil & Gas and Fast-moving Consumer Goods (FMCG) sectors. S&P BSE Oil & Gas and S&P BSE FMCG advanced more than 1% each.

Broad Indices	Week change%	3 month change%	1 year change%
S&P BSE Sensex	-1.28	-1.59	3.01
Nifty 50	-1.14	-2.24	1.33
S&P BSE Midcap	0.50	-0.64	-0.12
S&P BSE Smallcap	0.30	-1.38	-3.83
S&P BSE Bankex	-0.05	-0.94	12.41
S&P BSE CG	-0.81	0.89	26.06
S&P BSE FMCG	1.10	5.44	19.81
S&P BSE IT	-5.51	-9.45	-18.92
S&P BSE Healthcare	0.20	-0.06	-8.91

Source: BSE, NSE



Source: SEBI, NSE

GLOBAL EQUITY

- US stocks ended lower this week as investors assessed a mixed set of quarterly earnings and a slew of economic data raised concerns over the Federal Reserve's (Fed's) rate hike path and its implication on economic growth.
- Britain's FTSE ended 0.4% higher supported by banking, commodity-led and mining stocks.
- Asian equities ended mixed. Japan's Nikkei index gained 0.25% due to a rise in retailers and semiconductor shares and as a weaker yen favoured exporters.
- However, a sharp rise was capped due to sell-off in technology stocks and caution ahead of the Bank of Japan policy meet.
- Hong Kong's Hang Seng Index slipped 1.8% following lower-than-expected Chinese industrial production data and as continued currency market intervention by the region's central bank raised concerns that banks may hike rates soon this year.
- China's Shanghai Composite declined 1% as weaker-than-expected industrial production data raised doubts over the country's post-pandemic recovery.

DOMESTIC DEBT

Indicators	Apr 21, 2023	Previous Week	Trend
Call Rate	6.70%	6.20%	↑
3 M CP	7.23%	7.20%	↑
1 Yr CP	7.78%	7.90%	↓
3 M CD	7.05%	6.95%	↑
1 Yr CD	7.45%	7.52%	↓
5 Yr AAA	7.55%	7.61%	↓
1 Yr G-Sec*	6.91%	6.94%	↓
5 Yr G-Sec*	7.04%	7.06%	↓
10 Yr G-Sec*	7.19%	7.23%	↓
USD/INR*	82.10	81.85	↑

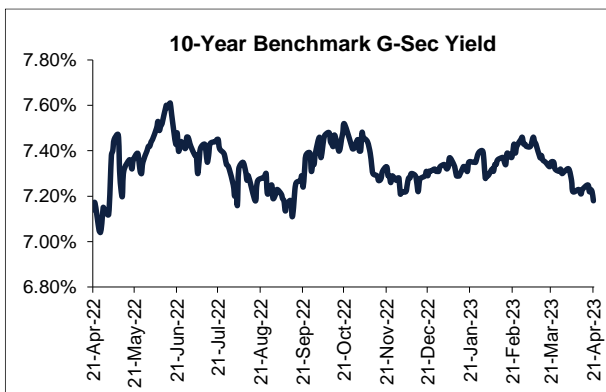
Source: CRISIL Fixed Income Database, RBI *Weighted Average Yield

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- Government bond prices ended higher in the week ended April 21, 2023. The yield of the 10-year benchmark 7.26% 2032 paper closed at 7.19% on April 21, 2023 compared with 7.23% on April 13, 2023.
- Yields began the week on a higher note tracking a rally in US treasury yields amid expectations that the US Fed may hike rates in its upcoming meeting.
- Sentiments were also affected after Reserve Bank of India's (RBI's) latest meeting minutes showed that the rate tightening cycle might not be over.
- However, stronger-than-expected demand at the debt auction erased the decline in bond prices.
- In the debt sale held on April 21, 2023, the RBI auctioned government security (G-sec) 7.06% GS 2028, 7.26% GS 2033 and 7.36% GS 2052 papers for a total notified amount of Rs 33,000 crore.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices declined during the week as upbeat economic data raised concerns that Fed might hike rates in its upcoming policy meet.
- Yields rose after the New York (NY) Empire State Manufacturing index rose unexpectedly in April 2023. Other data also showed that confidence among US single-family homebuilders improved for a fourth straight month in April 2023.
- Further gains in yields were seen after higher-than-expected inflation in Britain renewed concerns that central banks globally may resume rate hike plans.
- However, bond prices got some support after the Philadelphia Fed manufacturing index showed a larger-than-expected contraction and as jobless claims rose over the previous week.
- Yield on the 10-year benchmark Treasury bond ended at 3.55% on April 20, 2023 compared with 3.52% on April 14, 2023.



DOMESTIC NEWS

- India wholesale price index (WPI)-based inflation rate eased to 1.34% in March 2023, from 3.85% in February 2023.
- Finance Minister (FM) Nirmala Sitharaman said the government is making enough efforts to make sure the economy remains buoyant.
- India's trade deficit for March 2023 came in at \$19.7 billion, compared to \$17.43 billion in February 2023. Exports fell 13.9% on-year to \$38.38 billion in March 2023 while imports fell 7.9% to \$58.11 billion.
- The Cabinet gave nod to the National Quantum Mission, involving a total cost of around Rs 6004 crore, to create and nurture an innovative ecosystem in quantum technology.
- Government gave nod to eight projects worth Rs 638 crore under Namami Gange programme.
- Government reimposed windfall tax on domestically produced crude oil at Rs 6400 per tonne and scrapped export duty on diesel.
- Government declared energy transition as policy goal in budget, received Rs 35000 crore for deploying alternative technologies.
- Government came out with a draft of a proposal to allow non-government and state entities to authenticate Aadhaar for better delivery of services to citizens.

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- Rajeev Chandrasekhar, Minister of State for Electronics and Information Technology said India will spend some \$200 million to develop an Artificial Intelligence (AI) ecosystem that will make e-governance platforms more accessible.
- RBI Governor Shaktikanta Das assured that the Indian financial system remains “completely insulated” from the recent turmoil in the global banking system.
- RBI decided not to activate countercyclical capital buffer (CCyB) at this point as it is not required.
- RBI’s April 2023 policy meeting minutes showed that the central bank governor Shaktikanta Das hinted towards the possibility of more rate hikes ahead.
- Securities and Exchange Board of India (SEBI) issued a framework for upfront collection of funds from eligible issuers of debt securities to build the Settlement Guarantee Fund of the Limited Purpose Clearing Corporation (LPCC).
- Eurozone inflation slowed to 6.9% on-year in March 2023, from 8.5% in February 2023, while core inflation rose to 5.7% from 5.6%.
- Eurozone industrial production rose 2% on-year in February 2023 compared to 0.9% gain in January 2023.
- Eurozone flash consumer confidence improved to -17.5 in April 2023 from revised -19.1 in March 2023.
- UK Gross Domestic Product (GDP) rose 0.5% on-year in February 2023 compared to revised 0.4% gain in January 2023.
- UK industrial production fell 3.1% on-year in February 2023 compared to revised 3.2% decline in January 2023.
- UK consumer prices eased to 10.1% on-year in March 2023, from 10.4% in February 2023, while the core inflation was unchanged at 6.2%.
- UK producer prices rose 7.6% on-year in March 2023, slowing from an upwardly revised 12.8% rise in February 2023.



GLOBAL NEWS

- US producer prices fell 0.5% on-month in March 2023 compared to a flat reading in February 2023. The prices eased to 2.7% on-year in March 2023 compared to 4.6% gain in February 2023.
- US industrial production increased 0.5% year-on-year in March of 2023, the least in two years.
- US Michigan Consumer Sentiment Index came in at 63.5 for April 2023 compared to 62 in March 2023.
- US NY Empire State Manufacturing Index improved to 10.8 in April 2023 from -24.6 in March 2023.
- US retail sales increased 2.9% year-on-year in March of 2023, the smallest increase since June 2020, following an upwardly revised 5.9% increase in February 2023.
- US housing starts fell 0.8% on-month in March 2023 compared to revised 7.3% gain in February 2023.
- China economy advanced 4.5% on-year in first quarter of 2023, accelerating from a 2.9% growth in fourth quarter of 2022.
- The People's Bank of China left its one-year and five-year loan prime rate unchanged at 3.65% and 4.3%, respectively.
- Japan trade deficit rose to 754.7 billion yen in March 2023 from 464.9 billion yen in the same month a year earlier.
- Japan industrial production decreased 0.5% on-year in February 2023, compared to 3.1% decline in January 2023.

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DAY	
Monday, Apr 24, 2023	<ul style="list-style-type: none"> • US Dallas Fed Manufacturing Index, April 2023 • US Chicago Fed national Activity Index, March 2023
Tuesday, Apr 25, 2023	<ul style="list-style-type: none"> • US S&P/Case-Shiller Home Price, February 2023 • US House Price Index, February 2023 • US CB Consumer Confidence, April 2023 • US New Home Sales, March 2023 • US Richmond Fed Manufacturing Index, April 2023 • Japan Coincident Index, February 2023
Wednesday, Apr 26, 2023	<ul style="list-style-type: none"> • US Durable Goods Orders, March 2023 • US Goods Trade Balance, March 2023 • US Wholesale Inventories Advance, March 2023 • Japan Unemployment Rate, March 2023
Thursday, Apr 27, 2023	<ul style="list-style-type: none"> • US GDP Growth Rate Advance, Q1 2023 • US Core PCE Prices Advance, Q1 2023 • US Consumer Spending Advance, Advance, Q1 2023 • US Pending Home Sales, March 2023 • US Initial Jobless Claims, April 22, 2023 • Eurozone Consumer Confidence Final, April 2023 • Eurozone Services Sentiment, April 2023 • Eurozone Consumer Inflation Expectations, April 2023 • China Industrial Profits, March 2023
Friday, Apr 28, 2023	<ul style="list-style-type: none"> • US Core PCE Price Index, March 2023 • US Chicago PMI, April 2023 • US Michigan Consumer Sentiment, April 2023 • US Personal Income, March 2023 • Eurozone GDP Growth Rate Flash, Q1 2023 • Japan Bank of Japan Interest Rate Decision • India Infrastructure Output, March 2023 • India Foreign Exchange Reserves, April 21, 2023

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Source: CRISIL

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