

WEEKLY YIELD

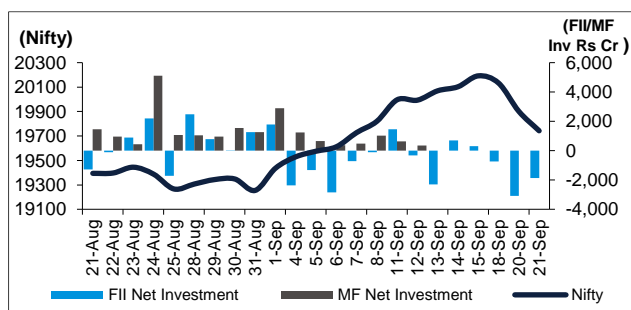
Update of Equity & Debt Market

September 22, 2023



DOMESTIC EQUITY

- Indian equity indices ended lower on weak global cues after the United States Federal Reserve (US Fed), while keeping rates unchanged, signalled more rate hikes in the future.
- S&P BSE Sensex and Nifty 50 declined about 2.70% and 2.57%, respectively.
- Sectors ended mostly lower with realty, metals, and healthcare declining the most. S&P BSE Realty, S&P BSE Metal, and S&P BSE Healthcare were down 4.28%, 3.25%, and 3.20%, respectively.



Source: BSE, NSE

Broad Indices	Week change%	3 months change%	1 year change%
S&P BSE Sensex	-2.70	4.38	11.65
Nifty 50	-2.57	4.81	11.60
S&P BSE Midcap	-1.71	12.78	23.55
S&P BSE Smallcap	-2.04	14.48	26.14
S&P BSE Bankex	-3.17	1.51	8.10
S&P BSE CG	-0.69	17.04	44.36
S&P BSE FMCG	-0.71	0.89	13.35
S&P BSE IT	-1.42	13.22	20.66
S&P BSE Healthcare	-3.20	11.26	20.49

Source: SEBI, NSE



GLOBAL EQUITY

- US stocks slumped this week after the Fed, while keeping its rates unchanged, hinted at higher rates for longer than expected.
- More losses were witnessed, dragged down by technology stocks.
- Britain's FTSE ended lower 0.42% after the Bank of England, while keeping rates unchanged, signalled that the rate would remain higher for longer.
- Asian markets mostly closed lower. Japan's Nikkei Index slumped over 3%, dragged down by technology shares tracking their US peers after the Fed's hawkish stance.
- Hong Kong's Hang Seng fell 0.7% after the US Fed signalled another rate hike by year-end and a much tighter monetary policy through 2024. More losses were seen as investors were disappointed over the Chinese Central Bank's policy decision and China's housing sector concerns.
- China's Shanghai Composite closed higher 0.5% amid hopes that the stimulus announced by the government in the property and finance sectors would revive the economy.



DOMESTIC DEBT

Indicators	Sep 22, 2023	Previous Week	Trend
Call Rate	6.70%	6.20%	↑
3 M CP	7.38%	7.31%	↑
1 Yr CP	7.78%	7.78%	↔
3 M CD	7.03%	7.03%	↔
1 Yr CD	7.45%	7.45%	↔
5 Yr AAA	7.62%	7.61%	↑
1 Yr G-Sec*	7.08%	7.06%	↑
5 Yr G-Sec*	7.18%	7.17%	↑
10 Yr G-Sec*	7.15%	7.16%	↓
USD/INR*	82.93	83.17	↓

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

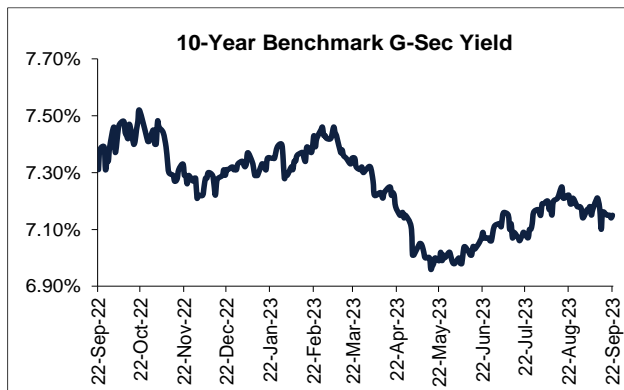
*Weighted Average Yield

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- Government bond prices rose during the week. The yield on the 10-year benchmark 7.18% 2033 paper closed lower at 7.17% on September 22, compared with 7.20% on September 15.
- Bond prices remained higher in the holiday-shortened week amid persistent hopes over inclusion of domestic debt in global indices.
- However, further gains in bond prices were halted due to weaker-than-expected participation at debt auction and profit booking at higher level.
- Meanwhile, in the debt sale held on September 22, the RBI auctioned 7.06% GS (Government Security) 2028, 7.18% GS 2033, and 7.30% GS 2053 for a total notified amount of Rs 33,000 crore.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices declined this week after the US Fed signalled another rate hike before the end of 2023.
- The US Central Bank held interest rates steady, as was widely expected, and said that its benchmark overnight interest rate may be lifted one more time this year to a peak 5.50-5.75%.
- Unexpected fall in the initial jobless claims also kept bond prices under pressure.
- Yield on the 10-year benchmark Treasury bond ended at 4.48% on September 21, compared with 4.32% on September 15.



DOMESTIC NEWS

- India's trade deficit widened to a 10-month high of \$24.16 billion in August 2023, down 2.8% on year with exports at \$60.87 billion, down 4.2% while imports at \$72.50 billion, down 5.97%.
- Retail inflation for farm workers and rural labourers eased marginally to 7.37% and 7.12%, respectively, in August 2023 as compared to the previous month.
- The Organisation for Economic Co-operation and Development in its latest economic outlook said the Indian economy is likely to grow faster than earlier projected, with growth averaging 6.3% in the FY24 compared to 6% earlier.
- Asian Development Bank revised India's FY24 growth forecast downward to 6.3% from 6.4% projected earlier, pointing out that erratic monsoons are likely to impact agricultural output.
- Reserve Bank of India (RBI) in its monthly bulletin said amid weakening global prospects, the Indian economy is gaining strength led by domestic private consumption and fixed investment with strong public sector capital expenditure.
- The Central Bank also warned that even as easing vegetable prices have brought down retail inflation, risks are emerging from the global commodity markets as crude oil ruling above \$90 per barrel poses a challenge.
- Prime Minister Narendra Modi launched Rs 13,000 crore Vishwakarma scheme for artisans.
- The Finance Ministry cleared concerns over dropping household savings and said that there is "no distress".
- Defence Acquisition Council (DAC) has given its nod to proposals worth Rs 45,000 crore for the procurement of various weapons systems and platforms.
- The RBI announced the issuance of the Reserve Bank of India (Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments, Classification, Valuation and Operation

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of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions) Directions, 2023.

- RBI proposed tighter norms for treatment of wilful defaulters under which banks and other lenders will be required to examine all accounts with outstanding amount of Rs 25 lakh and more to see if the borrower is deliberately not repaying the loan.
- RBI Monetary Policy Committee (MPC) Member Ashima Goyal said India's economic growth will be above 6 per cent in the current fiscal as the country has managed to strengthen its macroeconomic stability and performance even in a period of large global shocks.
- The Reserve Bank of India asked Credit Information Companies (CICs) to prepare data quality index for commercial and microfinance segments.
- S&P Global Market Intelligence revised India's growth forecast upwards to 6.6% for FY24 on the back of solid growth in the April-June quarter, marking a sharp revision from August forecast of 5.9%.
- Securities and Exchange Board of India (SEBI) approved a proposal to provide flexibility to large corporations to meet their financing needs from debt market.
- SEBI amended rules under which listed entities with outstanding non-convertible debt securities will be required to list subsequent issuance of such securities on stock exchanges, effective from January 1, 2024.
- SEBI came out with a framework for handling complaints received through SCORES platform for registered entities and for monitoring such grievances by designated bodies.

domestic product growth to 3.0%, an upgrade from 2.7% of June 2023 outlook. However, it expects growth to slow to 2.7% in 2024 - down from its estimate of 2.9% in June 2023.

- US Federal Reserve kept its interest rates steady in a range of 5.25% to 5.5% at its September 2023 policy meet. However, the central bank stiffened its hawkish stance, with a further rate increase projected by the end of the year and monetary policy kept significantly tighter through 2024 than previously expected.
- Eurozone Inflation rate declined to 5.2% in August 2023, from 5.3% in July 2023 while, core inflation rate eased to 5.3% from 5.5%.
- Euro Area Consumer Confidence indicator came at -17.8 in September 2023 compared to -16 in August 2023.
- The Bank of England at its September meeting held its policy interest rate at 5.25%.
- UK GfK Consumer Confidence indicator rose to -21 in September 2023 from -25 in August 2023.
- UK consumer price inflation fell to 6.7% on year in August 2023 compared to 6.8% in June 2023 while annual core inflation rate fell to 6.2% from 6.9%.
- The People's Bank of China (PBoC) maintained lending rates at the September fixing. The one-year loan prime rate (LPR), was kept unchanged at a record low of 3.45%; while the five-year rate, a reference for mortgages was kept at 4.2%.
- Bank of Japan (BoJ) maintained its key short-term interest rate at -0.1% and that of 10-year bond yields at around 0% in its September 2023 meeting.
- Japan annual inflation rate in Japan edged down to 3.2% in August 2023 from 3.3% in July 2023, while core consumer price index was unchanged at 3.1%.
- Japan flash Jibun Bank manufacturing PMI decreased to 48.6 in September from 49.7 in August, while services PMI declined to 53.3 from 54.3 and composite PMI fell to 51.8 from 52.6.



GLOBAL NEWS

- Organisation for Economic Co-operation and Development (OECD) raised 2023 global gross

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DAY	EVENTS
Monday, Sep 25, 2023	<ul style="list-style-type: none">• US Dallas Fed Manufacturing Index, September• US Chicago Fed National Activity Index, August
Tuesday, Sep 26, 2023	<ul style="list-style-type: none">• US House Prices Index, July• US Consumer Confidence, September• US Richmond Fed Manufacturing/ Services/ Composite Index, September• US S&P/Case-Shiller Home Price, July
Wednesday, Sep 27, 2023	<ul style="list-style-type: none">• US Durable Goods Orders, August
Thursday, Sep 28, 2023	<ul style="list-style-type: none">• US GDP Final, Q2• US PCE Prices Final, Q2• US Pending Home Sales, August• US Kansas Fed Manufacturing / Composite Index, September• Eurozone Economic/ Industrial Sentiment, September• Eurozone Consumer Confidence Final, September
Friday, Sep 29, 2023	<ul style="list-style-type: none">• US PCE Price Index, August• US Wholesale Inventories Adv, August• US Michigan Consumer Sentiment / Inflation Expectation, September• Eurozone Inflation, September• UK GDP, Q2• UK Current Account GBP, Q2• UK Nationwide Housing Prices, September• China Caixin Manufacturing / Services /Composite PMI Final, September• Japan Unemployment Rate, August• Japan Retail Sales, August• Japan Consumer Confidence Index, September• Japan Housing Starts, August• India Fiscal Deficit, August• India Infrastructure Output, August• India Forex Reserves, September 18

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Source: CRISIL

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