

WEEKLY YIELD

Update of Equity & Debt Market

January 25, 2024

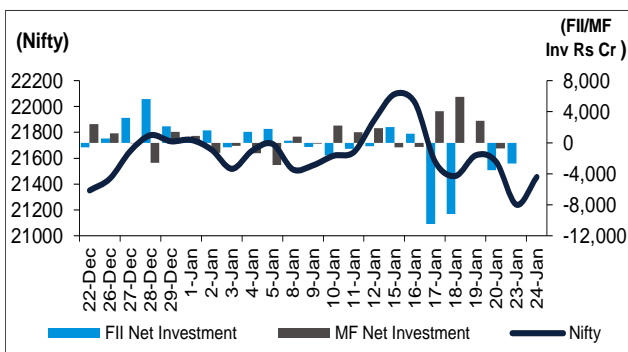


DOMESTIC EQUITY

- Indian equity indices ended lower this holiday-truncated week, as disappointing earnings from domestic companies continued to cloud investors sentiment. S&P BSE Sensex and Nifty 50 fell 1.37% and 1.25%, respectively.
- Further, reports of a merger fallout by a major Indian entertainment conglomerate also weighed on the market sentiment.
- All the sectors ended lower with realty, fast-moving consumer goods (FMCG) and oil & gas stocks falling the most. S&P BSE Realty, S&P BSE FMCG, and S&P BSE Oil & Gas fell 5.19%, 2.33% and 2.26% respectively.

| Broad Indices | Week change% | 3 months change% | 1 year change% |
|--------------------|--------------|------------------|----------------|
| S&P BSE Sensex | -1.37 | 10.39 | 17.43 |
| Nifty 50 | -1.25 | 11.66 | 19.34 |
| S&P BSE Midcap | -1.20 | 22.08 | 53.08 |
| S&P BSE Smallcap | -0.17 | 22.14 | 57.57 |
| S&P BSE Bankex | -2.10 | 5.34 | 7.51 |
| S&P BSE CG | -0.88 | 24.77 | 66.68 |
| S&P BSE FMCG | -2.33 | 7.95 | 23.92 |
| S&P BSE IT | -1.64 | 20.38 | 24.43 |
| S&P BSE Healthcare | 0.60 | 20.72 | 46.28 |

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks ended mixed this week. The Dow Jones Industrial Average fell due to weak earnings reports from 3M, while Nasdaq gained following strong buying in the shares of Netflix and ASML.
- Britain's FTSE rose this week buoyed by rally in mining shares after China announced stimulus measures and due to rally in sterling after a survey hinted at high-for-longer interest rates.
- Asian equities ended higher. Japan's Nikkei Index advanced this week buoyed by gains in chip-related shares.
- During the week investors booked profits at higher levels after the Bank of Japan, at its policy meeting, decided to keep interest rates unchanged.
- Hong Kong's Hang Seng soared 5% amid hopes of economic growth in China, following the PBoC's decision to cut rates and assurance by Beijing for more stimulus measures.
- China's Shanghai Composite rallied 2.6%, after the Peoples Bank of China (PBoC) decided to cut its reserve ratio by 50 basis points to boost liquidity and support growth.



DOMESTIC DEBT

| Indicators | Jan 25, 2024 | Previous Week | Trend |
|--------------|--------------|---------------|-------|
| Call Rate | 6.25% | 6.60% | ↓ |
| 3 M CP | 8.50% | 8.40% | ↑ |
| 1 Yr CP | 8.45% | 8.23% | ↑ |
| 3 M CD | 7.80% | 7.65% | ↑ |
| 1 Yr CD | 7.85% | 7.85% | ↔ |
| 5 Yr AAA | 7.70% | 7.65% | ↑ |
| 1 Yr G-Sec* | 7.05% | 7.07% | ↓ |
| 5 Yr G-Sec* | 7.04% | 7.05% | ↓ |
| 10 Yr G-Sec* | 7.17% | 7.18% | ↓ |
| USD/INR* | 83.12 | 83.06 | ↑ |

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

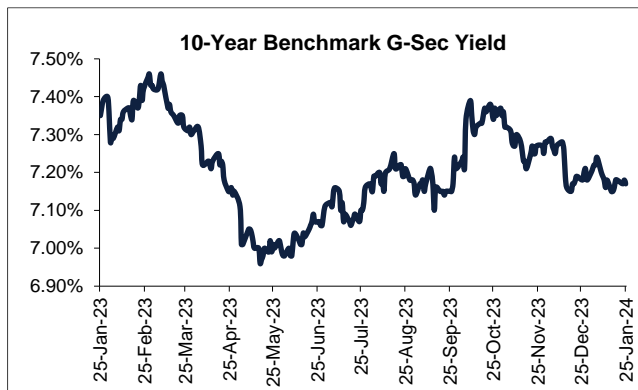
*Weighted Average Yield

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- Government bond prices were flat in the week ended January 25, 2024. The yield on 10-year benchmark 7.18% 2033 paper closed flat at 7.18% on January 25, 2024, unchanged from January 19, 2024.
- Yield remained flat during the holiday-shortened week, as investors remained on the sidelines ahead of the vote on account for further cues.
- Later in the week, yields declined after the RBI's weekly auction data showed stronger-than-expected demand.
- In the debt sales on January 25, 2024, the RBI auctioned 7.37% GS (Government Security) 2028, 7.18% GS 2033, and 7.46% GS 2073 for a total notified amount of Rs 33,000 crore.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices declined this week, weighed by upbeat economic data that boosted hopes for strong economic growth.
- Yields rose after the US flash reading showed that business activity picked up in January 2024 and inflation appeared to abate, with prices charged by companies for their products sliding to more than a 3-1/2 year low in a sign the American economy kicked off the year on a strong note.

- Further gains in yields were capped after the Treasury Department sold \$61 billion of five-year notes at an auction for a high yield of 4.055%, or higher than trading at the bidding deadline.
- Yield on the 10-year benchmark Treasury bond ended higher at 4.18% on January 24, 2024, compared with 4.13% on January 19, 2024.



DOMESTIC NEWS

- India Hongkong and Shanghai Banking Corporation (HSBC) flash manufacturing Purchasing Managers' Index (PMI) rose to 56.9 in January 2024 from 54.9 in December 2023, services PMI rose to 61.2 from 59 and composite PMI rose to 61.0, up from 58.5.
- Reserve Bank of India (RBI) Governor, Mr. Shaktikanta Das said that easing core inflation has given confidence and satisfaction to the central bank that monetary policy has worked towards containing the price rise.
- Commerce Ministry's data showed that India's exports of goods and services rose marginally by 0.4% to \$765.6 billion in 2023 despite global economic uncertainties.
- Union Petroleum Minister, Mr. Hardeep Puri said that Indian economy is ready to touch \$5 trillion next financial year 2024-25 and capitalise to double to \$10 trillion by the end of this decade.
- Government has notified bookkeeping, accounting, taxation, and financial crime compliance services as financial services under the International Financial Services Centres Authority Act of 2019.
- The Union Cabinet approved a Viability Gap Funding (VGF) Scheme of Rs 8,500 crore for coal gasification projects for public and private sector companies
- Union Minister, Mr. Nitin Gadkari said that the government will develop 200 ropeway projects at a cost of Rs 1.25 lakh crore in coming five years under the National Ropeways Development Programme, "Parvatmala Pariyojana".

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GLOBAL NEWS

- Department of Economic Affairs (DEA), Ministry of Finance, has amended Foreign Exchange Management (Non-debt Instruments) Rules, 2019, and notified the 'Direct Listing of Equity Shares of Companies Incorporated in India on International Exchanges Scheme'.
- The Reserve Bank of India (RBI) Governor, Mr. Shaktikanta Das said that the central bank has not set any target date to implement the Central Bank Digital Currency (CBDC) for mass use as it is necessary to ensure the safety and efficiency of the currency before role out.
- An RBI report said that panchayats need to intensify efforts to augment their own tax and non-tax revenue resources as well as to improve their governance.
- The Securities and Exchange Board of India (SEBI) launched two multi-lingual initiatives of Central Depository Services (India) (CDSL) aimed at increasing inclusivity and accessibility in the capital market landscape.
- The Securities and Exchange Board of India (SEBI) released a circular encapsulating the framework for offer for sale (OFS) of shares to employees through stock exchanges such as Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). It said that promoters of companies can give shares to their employees under the OFS through the stock exchange mechanism.
- SEBI has given offshore funds an additional seven months to liquidate holdings if they fail to disclose data about their investors by January 29, 2024.
- SEBI will start using Generative Artificial Intelligence (GenAI) to scan documents for check for compliance requirement.
- The US economy grew at an annualised rate of 3.3% for Q4 2023 and following the 4.9% growth in Q3 2023.
- US manufacturing PMI increased to 50.3 in January 2024 from 47.9 in December 2023, while the services PMI surged to a 7-month high of 52.9 from 51.4 points in the previous month and composite PMI surged to 52.3 in January 2024, from the previous month's 50.9.
- The European Central Bank kept its key marginal lending facility rate steady at a 4.75% for the third consecutive meeting in January 2024.
- Eurozone Consumer Confidence Flash fell by -16.1 points in January 2024 compared to revised -15.1 in December 2023.
- Eurozone HCOB flash manufacturing PMI rose to 46.6 in January 2024, 44.4 in December 2023, services PMI edged down to 48.4 from 48.8 and composite PMI was up at 47.9 from 47.6.
- UK Retail sales fell by 2.4% on year in December 2023, following a revised 0.2% increase in November 2023.
- UK S&P Global flash manufacturing PMI rose to 47.3 in January 2024 from 46.2 in December 2023, services PMI rose to 53.8 from 53.4 and composite PMI rose to 52.5, up from 52.1.
- The People's Bank of China (PBoC) kept the one-year Loan Prime Rate (LPR) unchanged at a record low of 3.45% for the fifth consecutive month; and the five-year rate, a reference for mortgages, was held at 4.2% for the seventh straight month.
- The Bank of Japan (BoJ) kept its key short-term interest rate unchanged at -0.1% and that of 10-year bond yields at around 0% in its meeting of 2024 by unanimous vote.
- Japan Jibun Bank flash Manufacturing PMI edged up to 48 in January 2024 from December 2023's 10-month low of 47.9 while Services PMI was up to 52.7 from 51.5 and Composite PMI rose to 51.1 from 50.0.

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| DAY | EVENTS |
|-------------------------|--|
| Monday, Jan 29, 2024 | <ul style="list-style-type: none"> US Dallas Fed Manufacturing Index, January |
| Tuesday, Jan 30, 2024 | <ul style="list-style-type: none"> US Dallas Fed Services Index, January Eurozone GDP Growth Rate QoQ Flash Q4 Eurozone Consumer Confidence Final, January Eurozone Economic / Industrial Sentiments, January |
| Wednesday, Jan 31, 2024 | <ul style="list-style-type: none"> US Chicago PMI, January US ADP Employment Change, January Japan Industrial Production, December China NBS manufacturing/ non-manufacturing /services PMI, January India Infrastructure Output, December India Fiscal Deficit, December |
| Thursday, Feb 1, 2024 | <ul style="list-style-type: none"> US Fed Interest Rate Decision US ISM Manufacturing PMI, January US S&P Global Manufacturing PMI Final, January Eurozone Inflation Rate YoY Flash, January Eurozone HCOB Manufacturing PMI Final, January UK S&P Global Manufacturing PMI Final, January UK BOE Interest Rate decision China Caixin Manufacturing PMI Final, January Japan Jibun Bank Manufacturing PMI Final, January India HSBC Manufacturing PMI Final, January |
| Friday, Feb 2, 2024 | <ul style="list-style-type: none"> US Non-Farm Payrolls, January US Unemployment Rate, January India Foreign Exchange Reserves, January 26 |

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Source: CRISIL

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