

WEEKLY YIELD

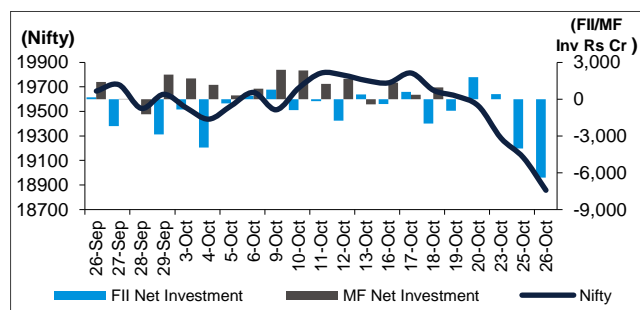
Update of Equity & Debt Market

October 27, 2023



DOMESTIC EQUITY

- Indian equity indices ended lower this week due to escalating geopolitical tensions in the Middle East, and mixed earnings results of domestic companies. S&P BSE Sensex and Nifty 50 declined about 2.47% and 2.53%, respectively.
- The sectors ended lower with realty, consumer durables and capital goods declining the most. S&P BSE Realty, S&P BSE Consumer Durables and S&P BSE Capital Goods were down 3.24%, 3.16%, and 3.06%, respectively.
- By the end of the week, some gains were seen due to buying at lower level and strong US growth data.



Source: BSE, NSE

Broad Indices	Week change%	3 months change%	1 year change%
S&P BSE Sensex	-2.47	-3.75	6.74
Nifty 50	-2.53	-3.12	7.39
S&P BSE Midcap	-2.41	3.72	23.70
S&P BSE Smallcap	-3.43	7.30	27.79
S&P BSE Bankex	-1.71	-6.22	2.03
S&P BSE CG	-3.06	5.78	39.45
S&P BSE FMCG	-1.00	-1.84	15.73
S&P BSE IT	-2.73	3.24	7.91
S&P BSE Healthcare	-2.58	-1.25	14.79

Source: SEBI, NSE



GLOBAL EQUITY

- US stocks ended lower this week owing to worries over interest rates, intermittent rise in US Treasury yield and mixed set of corporate earnings.
- Britain's FTSE closed 0.6% lower on week on dismal quarter earnings and concerns over higher interest rates.
- Asian markets closed mixed. Japan's Nikkei index fell 0.86% as chip-related shares fell tracking weakness in the US markets and Middle East crisis.
- Some gains were witnessed on lower level buying and China's announcement of an additional fiscal package to support economic growth.
- Hong Kong's Hang Seng advanced 1.3% on China's plan to sell additional bonds, plans of a few Chinese companies to buy back shares, and after local government announced a cut in stamp duty on lock stock transactions.
- China's Shanghai Composite rallied 1% after the country's top parliamentary body approved an additional \$137 billion sovereign bond issue and strong industrial profits data.



DOMESTIC DEBT

Indicators	Oct 27, 2023	Previous Week	Trend
Call Rate	6.45%	6.60%	↓
3 M CP	7.70%	7.62%	↑
1 Yr CP	7.95%	7.95%	↔
3 M CD	7.22%	7.22%	↔
1 Yr CD	7.70%	7.73%	↓
5 Yr AAA	7.72%	7.72%	↔
1 Yr G-Sec*	7.16%	7.15%	↑
5 Yr G-Sec*	7.35%	7.37%	↓
10 Yr G-Sec*	7.35%	7.36%	↓
USD/INR*	83.24	83.12	↑

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

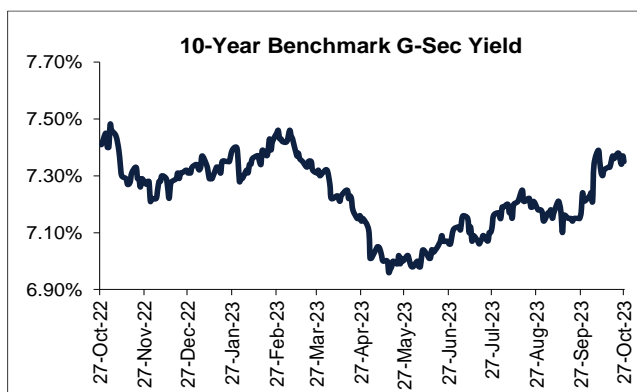
*Weighted Average Yield

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- Government bond prices ended flat in the week ended October 27, 2023. The yield of 10-year benchmark 7.18% 2033 paper closed at 7.36% on October 27, unchanged from October 20, 2023.
- Domestic yields began the week on a positive note tracking a spike in its US peers. However, further gains in the yield were halted due to pull back in US Treasury yield and global oil prices.
- Bond prices gained following the release of weaker-than-expected US PCE price index and disposable income data that supported expectations that interest rates are close to their peak.
- Back home, investors also remained worried about the RBI's first open market (OMO) sale of bonds.
- Bond prices rose further after weekly debt auction data released by RBI indicated higher demand.
- In the debt sale held on October 27, 2023, the RBI auctioned the New GS 2026, 7.18% GS (Government Security) 2037 and 7.25% GS 2063 for a total notified amount of Rs 30,000 crore.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices rose this week after Pershing Square's Bill Ackman disclosed that he had covered his bond short position.

- Yields declined further after weaker-than-expected US PCE price index and disposable income data supported expectations that interest rates are close to their peak.
- Further gains in bond prices were halted as upbeat home sales data affirmed expectations of prolonged elevated interest rates heading into 2024.
- Yield on the 10-year benchmark Treasury bond ended at 4.85% on October 26, 2023 compared with 4.92% on October 20, 2023.



DOMESTIC NEWS

- India's G20 Sherpa Amitabh Kant said India is poised to become a \$5 trillion economy and the challenge for the country will be to grow at 8-9% for the next three decades.
- Reserve Bank of India (RBI) Governor Shaktikanta Das said interest rates will remain high at the moment.
- RBI Governor Shaktikanta Das at the Monetary Policy Committee (MPC) of India minutes flagged the risk of a possible loss of the credibility of monetary policy emanating from recurring incidence of large and overlapping supply shocks that stroke inflation, while reiterating that the monetary policy needs to stay alert and act when necessary.
- The Finance Ministry's monthly economic review for September said that the global economy is facing fresh challenges in the form of "adverse geopolitical turns and volatile crude oil prices", and if these risks worsen and sustain, they can affect economic activity in India as well.
- S&P Global Market Intelligence Report said that India is likely to overtake Japan to become world's 3rd largest economy with Gross Domestic Product (GDP) of \$7.3 trillion by 2030.
- The Finance Ministry has notified the Rules for the appointment of the President and Members of Goods and Services Tax (GST) Appellate Tribunals.

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- Government introduced mandatory quality norms for copper products, drums, and tin containers to reduce the import of sub-standard goods and promote domestic manufacturing.
- RBI asked commercial banks to ensure that there are at least two Whole-time Directors (WTDs) on their Boards.
- RBI released the framework for compensation to customers for delayed updation or rectification of credit information by credit institutions (CIs) and credit information companies (CICs).
- RBI proposed stricter norms for recovery of overdue loans under which financial institutions and their recovery agents cannot call borrowers before 8 am and after 7pm.
- The Securities and Exchange Board of India (SEBI), along with custodians of Foreign Portfolio Investors (FPIs), have finalised a standard operating procedure to stop promoter families and investors from misusing foreign investment entities.
- SEBI issued guidelines to strengthen governance of Qualified Registrars and Transfer Agents (QRTAs) for handling disruption and improving preparedness by conducting periodic drills.
- SEBI announced a framework to operationalise the Corporate Debt Market Development Fund (CDMDF), a workflow has been developed on the National Stock Exchange's (NSE) Request for Quote (RFQ) platform.
- SEBI will review the practice of exchanges offering pass-backs or rebates to brokers for transactions in the futures and options (F&O) segment.
- SEBI has written to Association of Mutual Funds in India (AMFI) seeking the view of individual Asset Management Companies (AMCs) on a new Mutual Fund category.
- Insurance Regulatory and Development Authority (IRDAI) set up a committee to simplify the wording of insurance policies to help people make an informed decision before buying cover.



GLOBAL NEWS

- The US economy expanded an annualized 4.9% in the third quarter of 2023, the most since the last quarter of 2021, higher than 2.1% expansion in Q2 of 2023.
- US Personal Consumption Expenditures (PCE) price index was steady at 3.4% in September 2023, the same as a downwardly revised 3.4% rate in the previous month.
- US S&P Global flash manufacturing Purchasing Managers' Index (PMI) rose to 50 in October 2023 from 49.8 in September 2023, services PMI increased to 50.9 from 50.1 and composite PMI rose to 51.0 from 50.2.
- The European Central Bank at its policy meet kept its key interest rate unchanged at 4.5%.
- Eurozone Hamburg Commercial Bank (HCOB) flash manufacturing Purchasing Managers' Index (PMI) fell to 43 in October 2023 from 43.4 in September 2023, services PMI fell to 47.8 from 48.7. The composite PMI dropped to 46.5, down from 47.2.
- China's industrial profits fell by 9.0% on year in Jan-Sep period of 2023, slowing from an 11.7 % slump in Jan-Aug period of 2023.
- Japan Jibun flash manufacturing Purchasing Managers' Index (PMI) stood at 48.5 in October 2023, unchanged from September 2023, while Services PMI declined to 51.1 from 53.9. The composite PMI fell to 49.9 from 52.1.
- Japan coincident economic indicators revised higher to 114.6 in August 2023 from 114.2 in July 2023 while leading economic index rose 109.2 from 108.2.

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DAY	EVENTS
Monday, Oct 30, 2023	<ul style="list-style-type: none">• US Dallas Fed Manufacturing Index, October• Eurozone Consumer Confidence Final, October• Eurozone Consumer Inflation Expectations, October
Tuesday, Oct 31, 2023	<ul style="list-style-type: none">• US CB Consumer Confidence, October• Eurozone GDP Growth Rate Flash Q3• Eurozone Inflation Rate Flash, October• China NBS Manufacturing / Services / Composite PMI, October• Japan BoJ Interest Rate Decision• Japan Consumer Confidence, October• India Infrastructure Output, September
Wednesday, Nov 1, 2023	<ul style="list-style-type: none">• US Fed Interest Rate Decision• US ISM Manufacturing PMI, October• China Caixin Manufacturing PMI, October• India S&P Global Manufacturing PMI, October
Thursday, Nov 2, 2023	<ul style="list-style-type: none">• US Initial Jobless Claims, October 28• US Factory Orders, October• UK BoE Interest Rate Decision• UK Nationwide Housing Prices MoM
Friday, Nov 3, 2023	<ul style="list-style-type: none">• US US S&P Global Services/Composite PMI, October• US ISM Services PMI, October• US Non Farm Payrolls, October• US Unemployment Rate, October• UK S&P Global/CIPS Services/Composite PMI, October• China Caixin Services/Composite PMI, October• India S&P Global Services/Composite PMI, October• India Foreign exchange reserve, October 20

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Source: CRISIL

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