

# WEEKLY YIELD

## Update of Equity & Debt Market

March 28, 2024

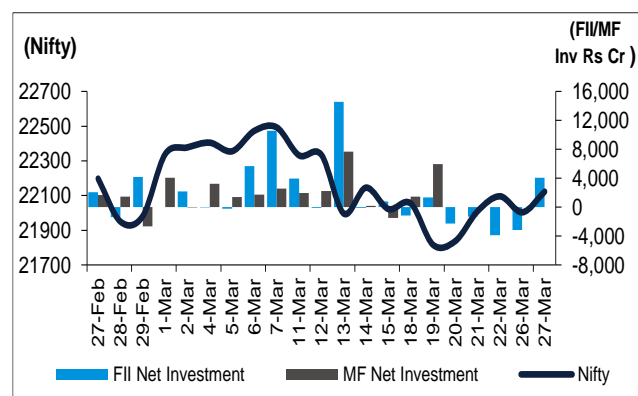


### DOMESTIC EQUITY

- Indian equity ended higher in a holiday-truncated week after the RBI eased investment rules in AIF. S&P BSE Sensex and Nifty 50 rose ~1.13% and 1.04%, respectively.
- Most shares ended positive with capital goods, realty and power gaining the most. S&P BSE CG, S&P BSE Realty and S&P BSE Power gained 3.77 %, 2.93% and 2.54%, respectively.

Broad Indices	Week change%	3 months change%	1 year change%
S&P BSE Sensex	1.13	1.71	27.84
Nifty 50	1.04	2.52	31.71
S&P BSE Midcap	1.34	7.65	67.71
S&P BSE Smallcap	0.92	1.85	65.02
S&P BSE Bankex	0.77	-2.11	19.28
S&P BSE CG	3.77	10.23	81.99
S&P BSE FMCG	0.13	-4.80	19.69
S&P BSE IT	-0.50	-1.48	29.43
S&P BSE Healthcare	1.63	11.15	61.82

Source: BSE, NSE



Source: SEBI, NSE



### GLOBAL EQUITY

- US stocks ended mixed this holiday-shortened week, wherein Dow Jones gained 0.72%, while Nasdaq fell 0.18%. However, these gains could not sustain, especially in Nasdaq, as investors await key US data such as growth and PCE price index, which would provide an overview over the Fed's rate stance.
- Britain's FTSE ended flat as gains over continued optimism on Bank of England dovish stance were trimmed on profit taking and caution ahead of key US economic data.
- Asian equities mostly ended lower. Japan's Nikkei Index declined 1.76% as investors booked profit following previous week's rally and reports of a potential currency intervention to support Yen also weighed on sentiment.
- Hong Kong's Hang Seng rose 0.25%, owing to strong earnings by major companies and after China's Premier President Xi Jinping's meeting with US business leaders instilled optimism among investors.
- China's Shanghai Composite declined 1.4% after weak Yuan soured sentiments and sell-off in technology and media shares.



### DOMESTIC DEBT

Indicators	Mar 28, 2024	Previous Week	Trend
Call Rate	6.24%	6.70%	↓
3 M CP	8.15%	8.15%	↔
1 Yr CP	8.10%	8.08%	↑
3 M CD	7.55%	7.70%	↓
1 Yr CD	7.62%	7.68%	↓
5 Yr AAA	7.57%	7.60%	↓
1 Yr G-Sec*	7.06%	7.11%	↓
5 Yr G-Sec*	7.05%	7.10%	↓
10 Yr G-Sec*	7.05%	7.09%	↓
USD/INR*	83.40	83.55	↓

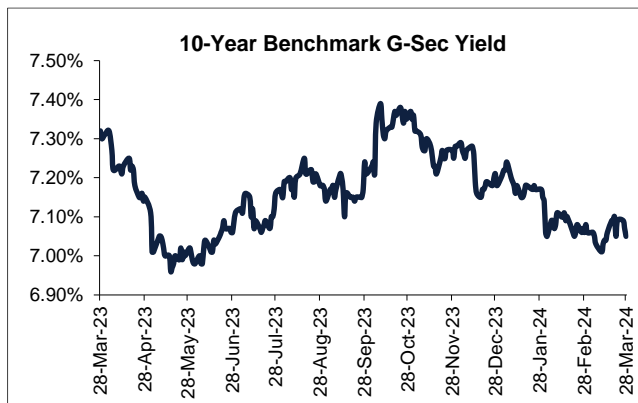
Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA  
\*Weighted Average Yield

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- Government bond prices ended higher in the week ended March 28, 2024. The yield of 10-year benchmark 7.18% 2033 paper closed at 7.06%, compared with 7.09% on March 22, 2024.
- Bond yield prices rose mainly after the government announced a lower-than-expected borrowing plan for the first half of the fiscal 2025.
- India aims to borrow Rs 7.50 lakh crore in the next six months, nearly 53% of the annual target of Rs 14.13 lakh crore.
- Earlier this week, bond prices fell, due to a record debt sales by states.



Source: CRISIL Fixed Income Database



### GLOBAL DEBT

- US Treasury prices rose marginally this week on bets that the Federal Reserve will soon cut interest rates.
- Investors expect Fed rate cuts after Bank of England and European Central Bank maintained a dovish stance and hinted on trimming rates by June 2024.
- Robust demand for bonds witnessed in the auction also elevated bond prices. However, further gains in the bond prices halted after data released by the Commerce Department showed that durable goods orders rebounded in February 2024 in another sign of a resilient US economy that boosted growth prospects in the first quarter.

- The yield on the 10-year benchmark Treasury bond ended marginally lower at 4.19% on March 28, 2024, compared with 4.20% on March 22, 2024.



### DOMESTIC NEWS

- India's Current Account Deficit (CAD) narrowed to \$ 10.5 billion or 1.2% of Gross Domestic Product (GDP) in the December 2023 quarter lower than \$ 11.4 billion or 1.3% of GDP in the September 2023 quarter of Financial Year 2023-24 and \$ 16.8 billion or 2.0% of GDP in the quarter ending December 2022.
- S&P Global raised India's Gross Domestic Product (GDP) growth forecast for Financial Year 2024-25 (FY25) by 40 basis points to 6.8% or lower than the Central Bank and Government's projection of 7%.
- Morgan Stanley raised India's GDP growth estimates for FY25 to 6.8% from 6.5% earlier on the back on continued traction in industrial and capex activity.
- Finance Ministry in its February 2024 review said that India's inflation and economic growth are at risk due to hardening crude oil prices and global supply chain bottlenecks.
- Finance Ministry in its latest Monthly Economic Review for February 2024, noted that the economic outlook for FY25 is looking bright owing to uptick in private investment, strong growth and robust fundamentals.
- Finance Ministry in its February 2024 review said that India needs to see an increase in domestic household savings in order to finance private sector's capital formation in the economy.
- Chief Economic Advisor (CEA), Mr. V Anantha Nageswaran said that improved capital formation in the economy, accompanied by various government measures, will generate more job opportunities in this decade than the previous one.
- Government released a detailed calendar of borrowing for the first half of FY25, that is for April-September 2024, with total gross borrowing at Rs

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7.50 lakh crore, including Rs 12,000 crore via Sovereign Green Bonds.

- Government has announced a 3-10% increase in the wage rate of MGNREGA workers in nominal terms for the financial year 2024-25.
- The Employees' Provident Fund Organisation went up by 2.69% in January 2024 to 1.62 million as compared to 1.56 million formal jobs created in December 2023.
- Chief Minister, Mr. Pushkar Singh Dhama informed that a Committee has been formed to examine all aspects of the Uniform Civil Code, and it will be implemented at the earliest in Uttarakhand.
- Finance Minister, Ms. Nirmala Sitharaman said that the imposition of tariffs is not the permanent stance of the Government and that calibrations are being made on the policy.
- The Reserve Bank of India's (RBI's) Central Board reviewed the domestic economic situation and outlook, including the challenges posed by the global financial market volatility and also approved the bank's budget for the accounting year 2024-25.
- The Reserve Bank of India issued an advisory regarding banks' investments in Alternative Investment Funds (AIFs), giving banks directions on the extent of their investments in these funds.
- Insurance Regulatory and Development Authority of India (IRDAI) has given its greenlight to eight principle-based regulations.
- IRDAI retains existing life insurance policy surrender values following concerns from insurers and allows sale of index linked insurance products tied to public indexes.



### GLOBAL NEWS

- US CB Consumer Confidence declined to 104.7 in March 2024 compared to revised 104.8 in February 2024.
- US House Price Index rose by 6.3% on year in January 2024, easing from an upwardly revised 6.7% increase in the previous month, while down by 0.1% on month, compared to a 0.1% increase in the previous month.
- US Dallas manufacturing index came at -14.4 in March 2024, down 3.1 points from -11.3 in February 2024 and Services Index decreased to -5.50 points from -3.90 points.
- US Richmond Fed Manufacturing Index dropped to -11 in March 2024 compared to -5 in February 2024 while services Index increased to -7 from -16.
- UK retail sales declined by 0.4% on year in February 2024, following a downwardly revised 0.5% increase in January 2024.
- Eurozone consumer inflation expectation decreased to 12.30 points in March 2024 from 15.40 points in February 2024.
- UK retail sales declined by 0.4% on year in February 2024, following a downwardly revised 0.5% increase in January 2024.
- China's industrial profits rose by 10.2% on year in Jan-Feb period compared to fall of 2.3% drop in December 2023.
- Japan Index of coincident economic indicators was revised upward to 112.1 in January 2024, down from 115.9 in December 2023 while index of leading economic indicators revised lower to 109.5 downwardly revised 109.9.
- Bank of Japan in its latest meeting minutes said it will slowly reduce the pace of corporate bond buying before fully stopping it in about a year. Still, the bank added that in case of a rapid rise in long-term rates.

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DAY	EVENTS
Monday, Apr 1, 2024	<ul style="list-style-type: none"> <li>• US S&amp;P Global Manufacturing PMI, March</li> <li>• US ISM Manufacturing PMI, March</li> <li>• China Caixin Manufacturing PMI, March</li> <li>• Japan Jibun Bank Manufacturing PMI, March</li> </ul>
Tuesday, Apr 2, 2024	<ul style="list-style-type: none"> <li>• US JOLTs Job Opening, February</li> <li>• Eurozone HCOB Manufacturing PMI, March</li> <li>• UK S&amp;P Global Manufacturing PMI, March</li> <li>• India HSBC Manufacturing PMI, March</li> </ul>
Wednesday, Apr 3, 2024	<ul style="list-style-type: none"> <li>• US ADP Employment Change, March</li> <li>• US S&amp;P Global Composite/Services/ PMI, March</li> <li>• US ISM Services PMI, March</li> <li>• Eurozone Inflation Rate, March</li> <li>• China Caixin Services/Composite PMI, March</li> <li>• Japan Jibun Bank Services/Composite PMI, March</li> </ul>
Thursday, Apr 4, 2024	<ul style="list-style-type: none"> <li>• Eurozone HCOB Composite/Services PMI, March</li> <li>• UK S&amp;P Global Composite/Services PMI, March</li> <li>• India HSBC Composite/Services PMI, March</li> </ul>
Friday, Apr 5, 2024	<ul style="list-style-type: none"> <li>• US Unemployment Rate, March</li> <li>• US Non-Farm Payrolls, March</li> <li>• UK Halifax House Price Index, March</li> <li>• India RBI Interest Rate Decision</li> <li>• India Foreign Exchange Reserve, March 29</li> </ul>

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Source: CRISIL

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