

WEEKLY YIELD

Update of Equity & Debt Market

December 29, 2023

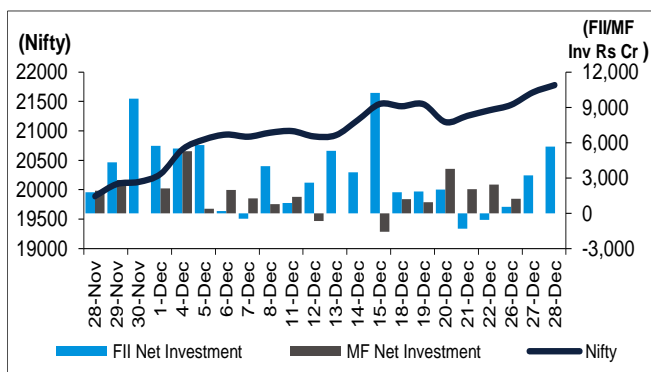


DOMESTIC EQUITY

- Indian equity indices ended higher this week on positive data imprint that showed the domestic current account deficit narrowed for the second quarter of fiscal 2024. S&P BSE Sensex and Nifty 50 rose 1.59% and 1.79%, respectively.
- More gains were seen as investors remained optimistic that the United States (US) Federal Reserve would cut the policy rate as early as March 2024.
- Most sectors ended higher with auto, metal and fast-moving consumer goods rising the most. S&P BSE Auto, S&P BSE Metal, and S&P BSE Fast Moving Consumer Goods gained 4.33%, 4.07% and 3.18%, respectively.

Broad Indices	Week change%	3 months change%	1 year change%
S&P BSE Sensex	1.59	9.74	18.17
Nifty 50	1.79	10.66	19.46
S&P BSE Midcap	2.67	13.91	46.07
S&P BSE Smallcap	1.60	13.61	48.65
S&P BSE Bankex	1.55	8.38	10.58
S&P BSE CG	2.39	16.58	66.41
S&P BSE FMCG	3.18	9.58	26.58
S&P BSE IT	-0.53	12.31	25.39
S&P BSE Healthcare	2.60	10.71	36.47

Source: BSE, NSE



Source: SEBI, NSE



GLOBAL EQUITY

- US stocks ended higher this week on continued bets that the Fed would start cutting rates next year.
- Some losses were seen due to holiday-curtailed week.
- Britain's FTSE rose 0.30% due to a rise in automobile stocks and on continued optimism over rate cuts by global central banks. However, subdued holiday trading kept gains under check.
- Asian equities ended higher. Japan's Nikkei Index advanced, tracking a similar trend in US markets on rate cut expectations and as a softer Yen buoyed exporter shares. However, these gains were restricted after investors booked profits at the higher end.
- Hong Kong's Hang Seng rallied about 4% as China industrial profits data was better than expected and Beijing calmed concerns over tightening of the industry policy on video games.
- China's Shanghai Composite advanced 2% following better-than-expected industrial profits data.



DOMESTIC DEBT

Indicators	Dec 22, 2023	Previous Week	Trend
Call Rate	6.25%	6.70%	↓
3 M CP	7.88%	8.04%	↓
1 Yr CP	8.18%	8.20%	↓
3 M CD	7.30%	7.44%	↓
1 Yr CD	7.85%	7.85%	↔
5 Yr AAA	7.67%	7.67%	↔
1 Yr G-Sec*	7.10%	7.06%	↑
5 Yr G-Sec*	7.06%	7.08%	↓
10 Yr G-Sec*	7.18%	7.19%	↓
USD/INR*	83.20	83.14	↑

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA

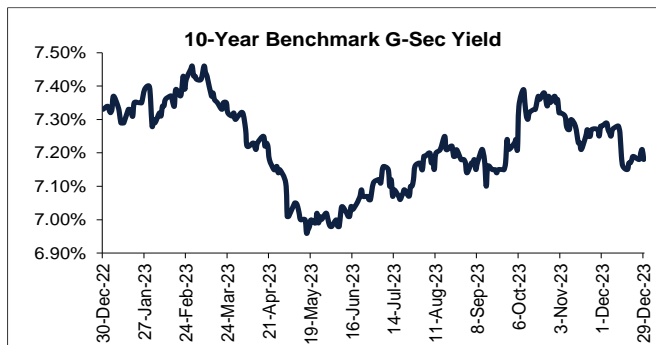
*Weighted Average Yield

WEEKLY YIELD

Update of Equity & Debt Market

December 29, 2023

- Government bond prices ended marginally higher in the week ended December 29, 2023. The yield of the 10-year benchmark 7.18% 2033 paper closed lower at 7.18% compared with 7.19% on December 22, 2023.
- Yield declined marginally tracking a similar trend in the US treasury yield.
- Bond prices rose further after debt auction results released by the Reserve Bank of India (RBI) showed higher demand.
- In the debt sale held on December 29, 2023 the RBI auctioned 7.37% GS (Government Security) 2028, 7.18% GS 2033 and 7.30% GS 2053 for a total notified amount of Rs 31,000 crore.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices rose this week as dismal economic data weighed on investor outlook on interest rate cuts and a mild recession in the coming year.
- New home price data was a further sign of encouragement. Home prices rose 4.8% in October 2023 from the prior year, according to S&P CoreLogic Case-Shiller's National Home Price Index, marking the largest annual gain in 2023.
- Yields gained after the initial jobless claims rose by 12,000 to 218,000.

- The yield on the 10-year benchmark Treasury Bond ended at 3.85% on December 28, 2023 compared with 3.90% on December 22, 2023.



DOMESTIC NEWS

- India's fiscal deficit widened to Rs 9.07 lakh crore in April-November of Fiscal year 2023-24 (FY24) from Rs 8.04 lakh crore in April-October FY24.
- India retail inflation for industrial workers increased marginally to 4.98% in November 2023 compared to 4.45% in October 2023.
- India's current account deficit (CAD) narrowed to \$8.3 billion in the second quarter of 2023-24, compared to \$9.2 billion in April-June quarter and \$30.9 billion in Jul-Sep 2022.
- All six members of the Reserve Bank of India's (RBI's) Monetary Policy Committee (MPC) expressed caution over food inflation during the October 2023 review of the monetary policy, while two external members warned about high real interest rates as headline inflation approaches its target of 4%.
- Chief Economic Advisor, Mr. V Anantha Nageswaran said that the spike in oil prices is unlikely to be a major downside risk for the Indian economy in the next financial year (FY25).
- RBI data showed, the flow of money into Non-Resident Indians (NRIs) deposits doubled to touch \$6.11 billion in April-October 2023, compared with \$3.05 billion in April-October 2022.
- ASSOCHAM said that India is likely to remain the fastest-growing major economy in the world in 2024 on the back of strong consumer demand leading to a pick up in investment across sectors.
- Reserve Bank of India (RBI) Governor, Mr. Shaktikanta Das in the Financial Stability Report (FSR) said that the Central Bank remains alert and committed to act early and decisively to prevent any build-up of risks.
- RBI's FSR highlights that the global headwinds pose the main risks to the outlook for the Indian economy.

WEEKLY YIELD

Update of Equity & Debt Market

December 29, 2023

- RBI proposed to introduce a new category of money changers who may conduct business through an agency model by becoming Forex Correspondents (FxCs) of Authorised Dealers.
- RBI released a draft 'Licensing Framework for Authorised Persons (APs)' under Foreign Exchange Management Act (FEMA), 1999.
- RBI decided to allow reversal of liquidity facilities under both Standing Deposit Facility (SDF) and Marginal Standing Facility (MSF) even during weekends and holidays with effect from December 30, 2023.
- The Securities and Exchange Board of India (SEBI) is considering the implementation of a T+0 (same day) settlement cycle in two phases as an initial step towards instantaneous settlement.
- SEBI extended the deadline to June 30, 2024, for demat and mutual fund account holders to provide choice of nomination.
- SEBI improved guidelines for settlement of running accounts of clients' funds or securities lying with stockbrokers.
- SEBI plans to amend regulations pertaining to the verification of market rumours and floats consultation paper for the same.
- SEBI tweaked the regulatory framework for Online Bond Platform Providers (OBPPs) to enhance the ease of doing business.
- SEBI came out with a procedure for public issuance of 'zero coupon zero principle' instruments by not-for-profit organisations (NPOs) and listing of such instruments on the Social Stock Exchange (SSE).
- According to SEBI, the value of P-note investments in Indian markets stood at Rs 1.31 lakh crore in November 2023 compared to Rs 1.26 crore in October 2023.
- Employees' Provident Fund Organisation (EPFO) laid out Standard Operating Procedures (SOPs) for freezing and de-freezing of accounts.

- Competition Commission of India (CCI) cleared the proposed stake acquisition in Reliance Capital by IndusInd International Holdings Ltd, IIHL BFSI (India) Ltd, and Aasia Enterprises.



GLOBAL NEWS

- US annual Personal Consumption Expenditures (PCE) inflation rate cooled to 2.6% in November 2023, the lowest since February 2021, from a downwardly revised 2.9% in October 2023, while core PCE prices eased to 3.2% from 3.4%.
- US personal income went up by 0.4% on month in November 2023, following an upwardly revised 0.3% rise in October 2023, while personal spending rose by 0.2%, following a downwardly revised 0.1%.
- US durable goods surged by 5.4% on month in November 2023, reversing from a 5.1% fall in October 2023.
- US S&P CoreLogic Case-Shiller Home Price Index surged by 4.9% on year in October 2023 compared to 3.9% in September 2023.
- US House Prices Index advanced 6.3% from a year earlier in October 2023 compared to revised 6.2% growth in September 2023.
- US Dallas Fed Manufacturing Index increased to -9.30 in December 2023 from -19.90 in November 2023 while Services Index increased to -8.70 from -11.60.
- US Pending home sales fell by 5.2% on year in November 2023, following a revised 8.2% drop in October 2023.
- China industrial profits declined by 4.4% on year in Jan-Nov period, slowing from a 7.8% drop in Jan-Oct period.
- Japan Industrial Production decreased 1.40% on year in November 2023, following a 1.1% rise in October 2023.

WEEKLY YIELD

Update of Equity & Debt Market

December 29, 2023

DAY	EVENTS
Tuesday, Jan 02, 2024	<ul style="list-style-type: none"> • US S&P Global Manufacturing PMI Final, December • US Construction Spending, November • Euro Zone HCOB Manufacturing Final PMI, December • UK S&P Global/CIPS Manufacturing PMI Final, December • China Caixin Manufacturing PMI Final, December
Wednesday, Jan 03, 2024	<ul style="list-style-type: none"> • US ISM Manufacturing PMI, December • India S&P Global Manufacturing PMI, December
Thursday, Jan 04, 2024	<ul style="list-style-type: none"> • US FOMC Minutes • US ADP Employment Change, December • US S&P Global Services/ Composite Final PMI, December • US Initial Jobless Claims, December 30 • Euro Zone HCOB Services/Composite Final PMI, December • UK S&P Global/CIPS Services/ Composite PMI Final, December • China Caixin Services/Composite PMI, December • Japan Jibun Bank Manufacturing PMI Final, December
Friday, Jan 05, 2024	<ul style="list-style-type: none"> • US Non farm payrolls, December • US Unemployment Rate, December • US ISM Services PMI, December • Eurozone Inflation Rate Flash, December • Eurozone Producer Prices Index, November • Japan Jibun Bank Services/ Composite PMI Final, December • Japan Consumer Confidence, December • India S&P Global Services/ Composite PMI Final, December • India Fiscal Year GDP Growth Prel 2023-24 • India Foreign Exchange Reserves, December 29

WEEKLY YIELD

Update of Equity & Debt Market

December 29, 2023

Source: CRISIL

Disclaimer: CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this Report based on the information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this report should be construed as an investment advice. CRISIL especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Limited (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published / reproduced in any form without CRISIL's prior written approval. CRISIL or its associates may have commercial transactions with the company/entity.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

Disclaimers: This document is for information purposes only and is not an offer to sell or a solicitation to buy any mutual fund units / securities or to have business relations with Union Asset Management Company Private Limited (the AMC) / Union Trustee Company Private Limited (the Trustee Company) or any of its associates. The information in this document is as of Dec 29, 2023, unless stated otherwise, and may change without notice. The information in this document alone is not sufficient and should not be used for the development or implementation of an investment strategy. Neither the Sponsors/the AMC/ the Trustee Company/ their associates/ any person connected with it, accepts any liability arising from the use of this information.

This report and the views expressed in this report are that of CRISIL Research. The Sponsors/ the AMC/ the Trustee Company/ their associates/ any person connected with it, do not warrant the completeness or accuracy of the information and disclaim all liabilities, losses and damages arising out of the use of this information. The recipients of this material should rely on their investigations and take their own professional advice.

Statutory Details: Constitution: Union Mutual Fund has been set up as a Trust under the Indian Trusts Act, 1882; Sponsors: Union Bank of India and Dai-ichi Life Holdings, Inc.; Trustee: Union Trustee Company Private Limited, [Corporate Identity Number (CIN): U65923MH2009PTC198198], a company incorporated under the Companies Act, 1956 with a limited liability; Investment Manager: Union Asset Management Company Private Limited, [Corporate Identity Number (CIN): U65923MH2009PTC198201], a company incorporated under the Companies Act, 1956 with a limited liability. Registered Office: Unit 503, 5th Floor, Leela Business Park, Andheri Kurla Road, Andheri (East), Mumbai - 400059. Toll Free No. 18002002268/ 18005722268 · Non Toll Free. 022-67483333 · Fax No: 022-67483402 · Website: www.unionmf.com · Email: investorcare@unionmf.com