

WEEKLY YIELD

Update of Equity & Debt Market

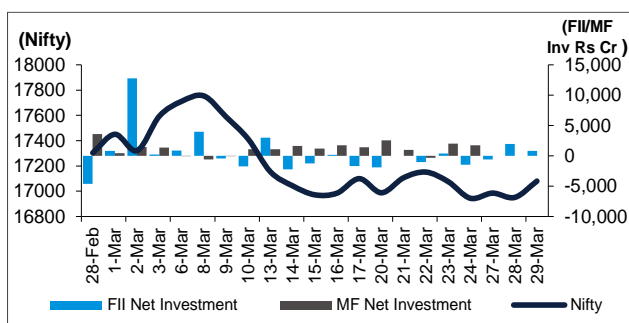
March 31, 2023

DOMESTIC EQUITY

- Indian equity indices snapped three-week losses on easing worries over the banking crisis following the Silicon Valley Bank (SVB)-First Citizens BancShares deal. S&P BSE Sensex and Nifty 50 rose nearly 2.5% each.
- Most of the sectors ended positive, with banking, metals and information technology (IT) rising the most. S&P BSE Bankex, S&P BSE Metal and S&P BSE IT advanced 3.0%, 2.6% and 2.5%, respectively.
- However, a sell-off in the power sector weighed on investor sentiment. S&P BSE Power fell 1.6%.
- Further, investors also remained cautious ahead of the release of some key domestic macroeconomic indicators.

Broad Indices	Week change%	3 month change%	1 year change%
S&P BSE Sensex	2.55	-3.04	0.72
Nifty 50	2.45	-4.12	-0.60
S&P BSE Midcap	1.83	-4.93	-0.18
S&P BSE Smallcap	0.71	-6.81	-4.46
S&P BSE Bankex	3.00	-5.88	10.25
S&P BSE CG	1.29	3.08	24.95
S&P BSE FMCG	1.82	2.56	23.64
S&P BSE IT	2.47	-0.67	-21.77
S&P BSE Healthcare	1.50	-4.99	-9.96

Source: BSE, NSE



Source: SEBI, NSE

GLOBAL EQUITY

- US stocks closed higher this week as investor fears over the US banking crisis were eased after the acquisition of SVB by First Citizens BancShares.
- Britain's FTSE advanced around 3%, mirroring a similar trend in US markets and after the Bank of England (BoE) Governor reassured stability of the banking sector.
- Asian equities ended higher. Japan's Nikkei index ended 2.4% higher due to gains in banking shares on easing of worries over the global financial system and as a weaker yen buoyed exporters' shares.
- However, further rise was restricted as some stocks traded ex-dividend and due to a sell-off in shipping stocks.
- Hong Kong's Hang Seng Index closed 2.4% higher after Premier Li assured of a recovery in the Chinese economy, and on easing of global banking crisis worries and listing plans of an internet major.
- China's Shanghai Composite rose 0.22% after Chinese manufacturing activity expanded more than expected and as Premier Li showed confidence in the country's economic growth.

DOMESTIC DEBT

Indicators	Mar 31, 2023	Previous Week	Trend
Call Rate	5.50%	6.70%	↓
3 M CP	7.35%	7.62%	↓
1 Yr CP	7.90%	7.96%	↓
3 M CD	7.00%	7.32%	↓
1 Yr CD	7.60%	7.72%	↓
5 Yr AAA	7.70%	7.73%	↓
1 Yr G-Sec*	7.14%	7.17%	↓
5 Yr G-Sec*	7.19%	7.19%	↔
10 Yr G-Sec*	7.31%	7.32%	↓
USD/INR*	82.17	82.44	↓

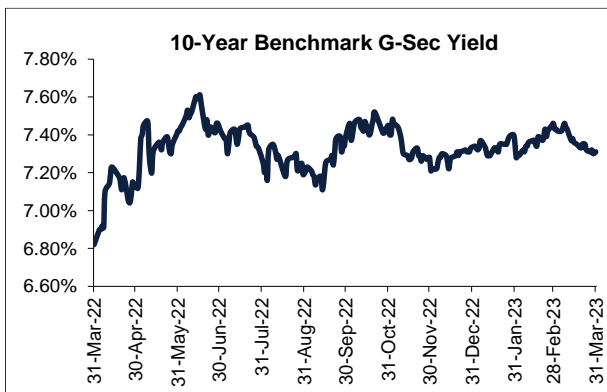
Source: CRISIL Fixed Income Database, RBI *Weighted Average Yield

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- Government bond prices ended flat in the week ended March 31, 2023. The yield on the 10-year benchmark 7.26% 2032 paper closed at 7.32% on March 31, 2023, almost unchanged from last week.
- Bonds declined earlier in the week as heavy state bond sale dented sentiment. Indian states raised Rs 41,214 crore through the sale of bonds.
- Bonds fell further after the government announced the borrowing calendar for April-September 2023.
- The government is slated to borrow Rs 8.88 lakh crore in the next six months, which is nearly 58% of the annual target of Rs 15.43 lakh crore.
- However, the rise in yields was capped on increased bond buying by mutual funds, as the taxation changes on debt-oriented mutual fund schemes come into effect from April 1, 2023.



Source: CRISIL Fixed Income Database



GLOBAL DEBT

- US Treasury prices ended lower in the week due to easing concerns over banking sector turmoil.
- Yields rose after UBS announced that the bank will bring back former CEO Sergio Ermotti to oversee its acquisition of Credit Suisse, easing banking sector worries.
- Bond prices declined further as fading worries over the banking crisis raised expectation that the Federal Reserve will be back on track to implement another interest rate hike to curb inflation.



DOMESTIC NEWS

- The yield on the 10-year benchmark Treasury bond ended at 3.55% on March 30, 2023, compared with 3.38% on March 24, 2023.
- India output of core sectors grew 6% on-year in February 2023, compared to revised 8.9% gain in January 2023 as except crude oil all sectors witnessed growth.
- India's current account deficit fell to \$18.2 billion in the third quarter of the fiscal 2023 from revised \$30.9 billion deficit in the second quarter.
- Government's fiscal deficit during April 2022-February 2023 period stood at Rs 14.53 lakh crore or 82.8% of the full-year target.
- The Finance Ministry said in a report that private consumption is witnessing continued momentum and is estimated to grow at 7.3% in 2022-23, due to rebound in demand in the current year on account of the release of pent-up demand for contact-intensive services.
- Prime Minister Narendra Modi rolled out 28 development projects worth over Rs 1780 crore in Varanasi.
- Lok Sabha passed the Finance Bill 2023 with 64 official amendments, including the one that seeks withdrawal of long-term tax benefits on certain categories of debt mutual funds, hiking the securities transaction tax (STT) on sale of options and futures and TDS on all winnings from online gaming, cap in the maximum rate of goods and services tax (GST) compensation cess on tobacco products among others.
- Finance Ministry said of the gross market borrowing of Rs 15.43 lakh crore projected for fiscal 2024, Rs 8.88 lakh crore (57.55%) is planned to be borrowed in the first half.
- Reserve Bank of India (RBI) came out with the meeting schedule of the Monetary Policy Committee (MPC) for fiscal 2024.

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- RBI preponed by a day the enforcement of capital adequacy and net worth norms for urban co-operative banks (UCBs), from the earlier date of April 1, 2023.
- Securities and Exchange Board of India (SEBI) relaxed the procedural requirements for onboarding of Foreign Portfolio Investors (FPIs) to facilitate ease of doing business and to reduce the time taken for their registration.
- SEBI discontinued the option of payment through demand draft for intermediaries and asked them to pay fees and penalties only through digital mode, effective from April 1, 2023.
- SEBI introduced a framework for 'scheme of arrangement' by unlisted stock exchanges, clearing corporations and depositories.
- SEBI gave nod to a broad framework of Application Supported by Blocked Amount (ASBA)-like facility to be available to investors for secondary market trading.
- SEBI said top 100 listed companies by market capitalization must provide clarification and confirmation on market rumours, with effect from October 1, 2023.
- SEBI approved amendments to SEBI (Mutual Funds) Regulations, 1996 to allow private equity funds as sponsors of mutual funds.
- SEBI decided to set up Corporate Debt Market Development Fund (CDMDF) to act as a 'backstop' facility to purchase investment grade corporate debt securities in times of stress.
- Eurozone consumer confidence edged down to -19.2 in March 2023 from 19.1 in February 2023.
- Eurozone economic sentiment declined to 99.3 in March 2023, down from a revised 99.6 in February 2023, while industrial sentiment decreased to -0.20 from revised 0.40 and services confidence indicator fell to 9.4 from 9.5.
- Eurozone flash S&P Global manufacturing Purchasing Manager's Index (PMI) decreased to 47.1 in March 2023 from 48.5 in February 2023, while services PMI rose to 55.6 from 52.7. The composite PMI rose to 54.1 from 52.
- UK flash S&P Global/ Chartered Institute of Procurement and Supply (CIPS) manufacturing PMI fell to 48 in March 2023 from 49.3 in February 2023, while services PMI went down to 52.8 from 53.5. The composite PMI fell to 52.2 from 53.1.
- UK retail sales decreased 3.5% on-year in February 2023 compared with revised 5.2% decline in January 2023.
- China industrial profits fell 22.9% on-year in February 2023 compared to 4% decline in January 2023.
- China's National Bureau of Statistics (NBS) manufacturing PMI declined to 51.9 in March 2023 from 52.6 in February 2023 and the non-manufacturing PMI rose to 58.2 in March 2023 from 56.3 in the previous month. The general PMI advanced to 57.0 in March 2023 from 56.4 in February 2023.
- Japan's unemployment rate came in at 2.6% in February 2023 from 2.4% in January 2023.
- Japan's retail sales rose 6.6% on-year in February 2023 from a 5% increase in the previous month.
- Japan's preliminary industrial production fell 0.6% on-year in February 2023 from a 3.1% decline in the prior month.



GLOBAL NEWS

- US economy grew 2.6% in the fourth quarter of 2022, compared to a 3.2% growth in the third quarter.
- US consumer confidence index rose to 104.2 in March 2023 from 102.9 in February 2023.
- US pending home sales fell 21.1% on-year in February 2023 compared to 24.1% decline in January 2023.

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DAY	
Monday, Apr 1, 2023	<ul style="list-style-type: none"> • US S&P Global Manufacturing PMI, March 2023 • US ISM Manufacturing PMI, March 2023 • Eurozone S&P Global Manufacturing PMI, March 2023 • UK S&P Global/CIPS Global Manufacturing PMI, March 2023 • China Caixin Manufacturing PMI, March 2023 • Japan Jibun Bank Manufacturing PMI, March 2023 • India S&P Global Manufacturing PMI, March 2023
Tuesday, Apr 2, 2023	<ul style="list-style-type: none"> • US Factory Orders, February 2023 • Eurozone Producer Prices, February 2023
Wednesday, Apr 3, 2023	<ul style="list-style-type: none"> • US ADP Employment Change, March 2023 • US S&P Global Composite/Services PMI, March 2023 • US ISM Non-Manufacturing PMI, March 2023 • Eurozone S&P Global Composite/Services PMI, March 2023 • UK S&P Global/CIPS Composite/Services PMI, March 2023 • Japan Jibun Bank Services/Composite PMI, March 2023 • India S&P Global Composite/Services PMI, March 2023
Thursday, Apr 4, 2023	<ul style="list-style-type: none"> • US Initial Jobless Claims, April 01, 2023 • Eurozone S&P Global Construction PMI, March 2023 • UK Halifax House Price Index, March 2023 • China Caixin Composite/Services PMI, March 2023 • India RBI Interest Rate Decision
Friday, Apr 5, 2023	<ul style="list-style-type: none"> • US Non-Farm Payrolls, March 2023 • US Unemployment Rate, March 2023 • Japan Household Spending, February 2023 • India Foreign Exchange Reserves, March 31, 2023

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Source: CRISIL

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