



ATLAS

Monthly Market Review
August 2024








2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
10.3	8.8	11.1	14.1	18.1	17.0	4.0	53488	2528	2164	6388	25004	2451	6600	6601.37
10.3	8.8	11.1	14.1	18.1	17.0	4.0	53488	2528	2164	6388	25004	2451	6600	6601.37
10.3	8.8	11.1	14.1	18.1	17.0	4.0	53488	2528	2164	6388	25004	2451	6600	6601.37

Index	Value
Dow Jones	11118.49
S&P 500	1183.26
Nifty	2124.45
Bank Nifty	9202.45
Global	135.75

Company	Price
Tata Motors	44.54
Infosys	46.50
Wipro	46.50
ICICI Bank	46.50
Axis Bank	46.50
HDFC Bank	46.50
Reliance	46.50
Oil India	46.50
Coal India	46.50
Steel Authority of India	46.50
Power Grid Corporation	46.50
Oil & Natural Gas Corporation	46.50
State Bank of India	46.50
Union Bank of India	46.50
Central Bank of India	46.50
Bank of Baroda	46.50
Bank of India	46.50
State Bank of India	46.50
Union Bank of India	46.50
Central Bank of India	46.50
Bank of Baroda	46.50
Bank of India	46.50

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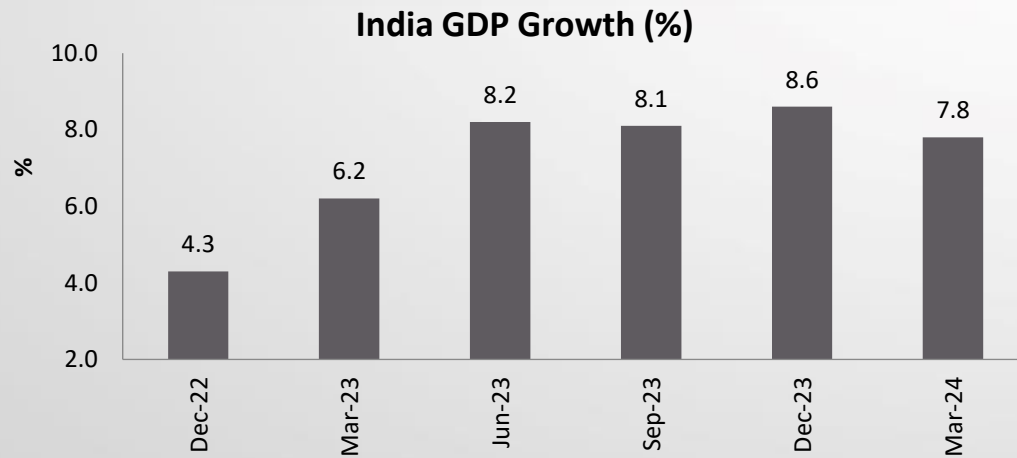
MACRO ECONOMIC INDICATORS

GDP and Current Account Deficit Trend



MACRO

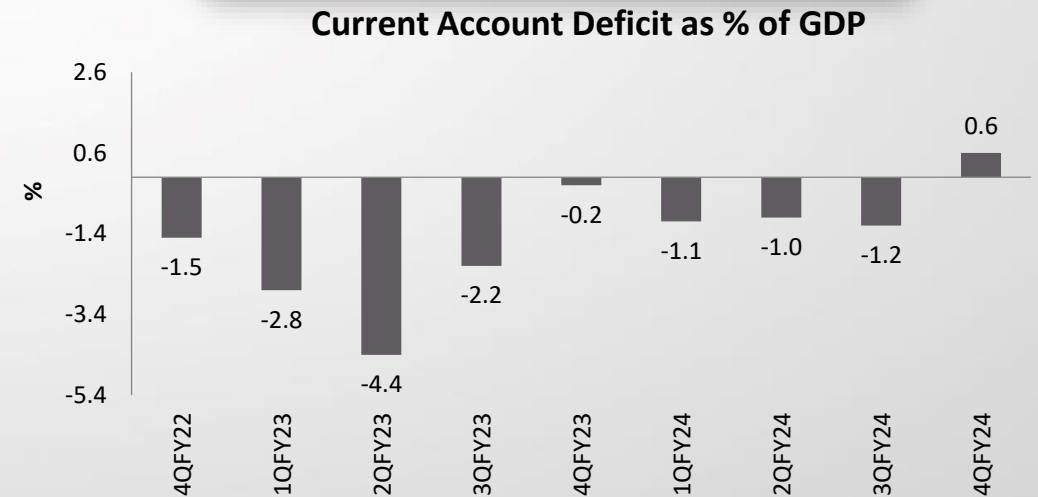
GDP growth accelerated YoY in 4QFY24



Source: Refinitiv

Gross Domestic Product (GDP) of the Indian economy at constant (2011-12) prices witnessed a growth of 7.8% in the fourth quarter of FY24.

Current a/c balance at surplus in 4QFY24



Source: Refinitiv

Current account balance recorded a surplus of US\$ 5.7 billion (0.6% of GDP) in 4QFY24 as against a deficit of US\$ 8.7 billion (1.0% of GDP) in 3QFY24 and US\$ 1.3 billion (0.2% of GDP) in 4QFY23.

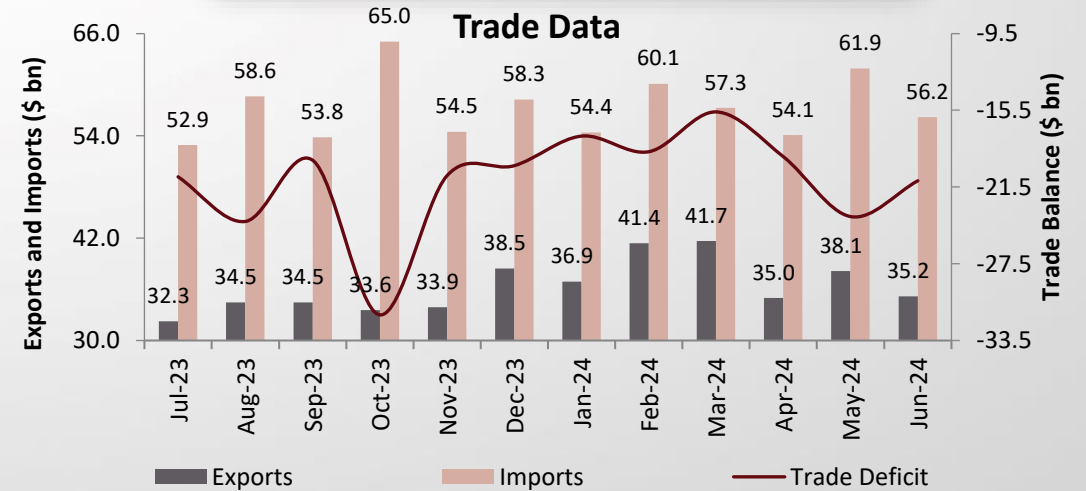
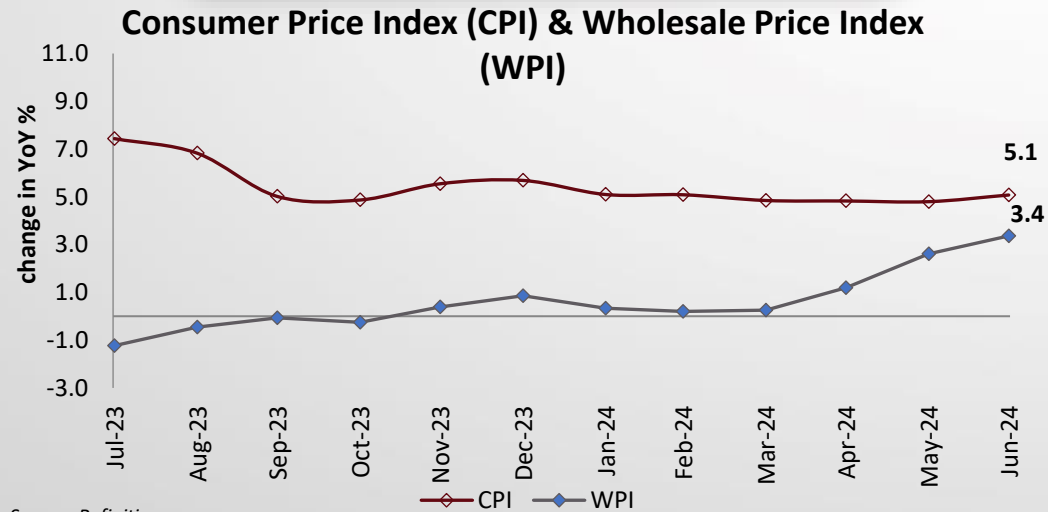
MACRO ECONOMIC INDICATORS

Inflation and Trade Data Trend

MACRO

CPI accelerated in Jun 2024

Trade deficit widened YoY in Jun 2024



Consumer price index-based inflation rose to 5.08% YoY in Jun 2024 and wholesale price index-based inflation surged to 16-month high of 3.36% YoY in Jun 2024.

Merchandise trade deficit widened to \$20.98 billion in Jun 2024 from \$19.19 billion in Jun 2023. Exports surged 2.56% YoY to \$35.20 billion in Jun 2024 and imports rose by 4.99% to \$56.18 billion.

MACRO ECONOMIC INDICATORS

Manufacturing and Services PMI Trend

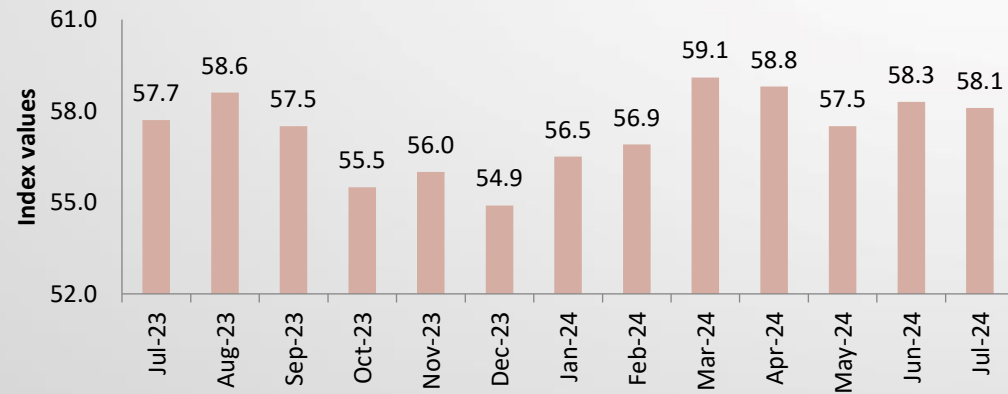


MACRO

Manufacturing PMI eased slightly in Jul 2024

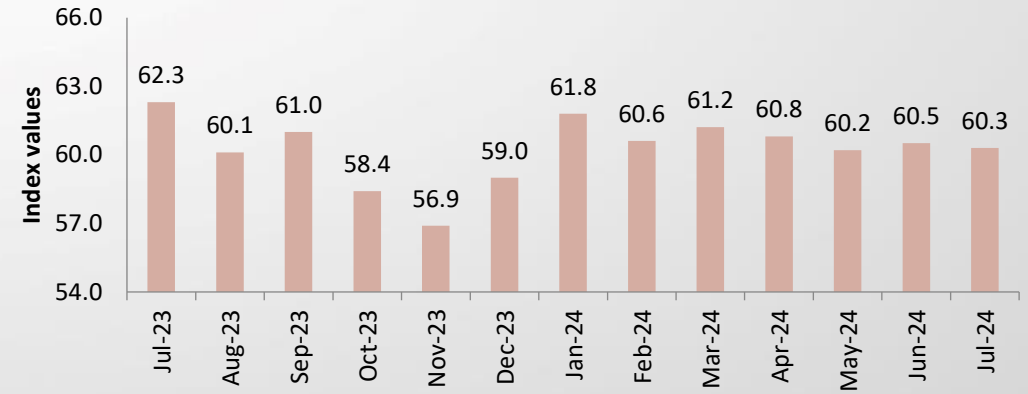
Services PMI fell marginally in Jul 2024

India Manufacturing PMI



Source: Refinitiv; PMI >50 denotes expansion and <50 is contraction

India Service PMI



Source: Refinitiv; PMI >50 denotes expansion and <50 is contraction

Manufacturing PMI edged down slightly to 58.1 in Jul 2024 compared to 58.3 in Jun 2024, indicating strong growth in Jul 2024, driven by solid demand, despite facing cost pressures.

Services PMI fell marginally to 60.3 in Jul 2024 as compared to 60.5 in Jun 2024. The services sector remained strong in Jul 2024 due to robust demand, resulting in significant job creation.

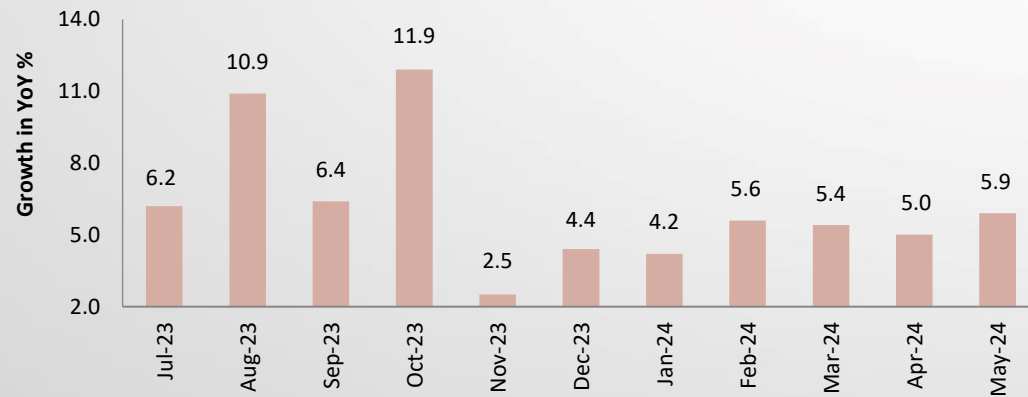
MACRO ECONOMIC INDICATORS

IIP and GST Trend



Industrial output increased YoY in May 2024

Index of Industrial production (IIP)

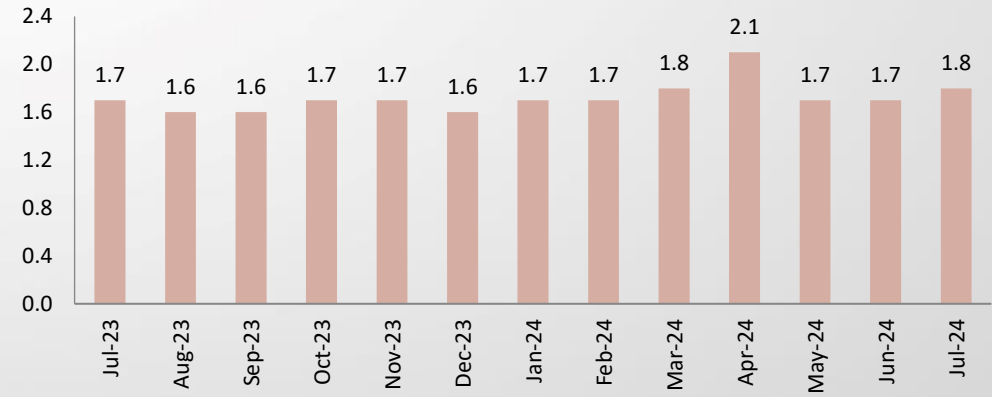


Source: Refinitiv

IIP increased to 5.9% YoY in May 2024, as compared to 5.0% rise in Apr 2024. Production in the manufacturing industry increased by 4.6%, and electricity by 13.7%.

GST collections grew 10.3% YoY to Rs. 1.82 lakh crore in Jul 2024

GST Collections (Rs. Lakh Crore)



Source: PIB

Gross GST collections in Jul 2024 stood at Rs. 1,82,075 crore, representing a 10.3% rise on yearly basis. This growth was observed across all categories: Central GST, State GST, Integrated, and cess.

MACRO ECONOMIC INDICATORS

International Gold and U.S. 10 Year Treasury Trend



MACRO

Gold prices rose MoM in Jul 2024

U.S. Treasury yields eased MoM in Jul 2024



Source: Refinitiv



Source: Refinitiv

Gold prices rose after the release of data by the Labor Department indicating a decrease in U.S. consumer prices in Jun 2024, which led to higher anticipation for interest rate cuts by the U.S. Fed.

U.S. Treasury prices rose after following lower-than-expected increase in U.S. personal consumption expenditures price index in Jun 2024, offsetting concerns about a higher inflation.

Gold data as on 31st Jul 2024; U.S. 10 Year Treasury Yield data as on 31st Jul 2024

MACRO ECONOMIC INDICATORS

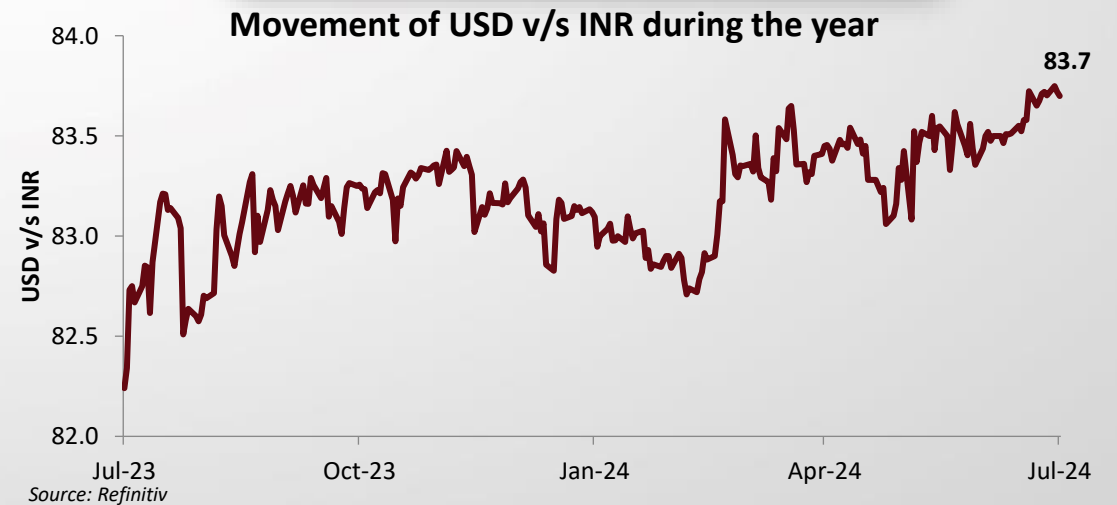
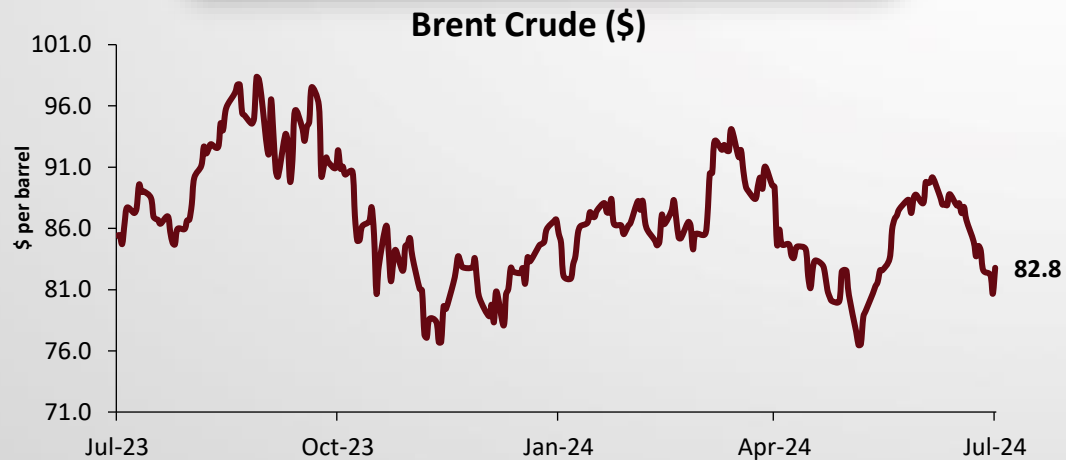
Crude and USD/INR Currency Trend



MACRO

Crude oil prices fell MoM in Jul 2024

Rupee depreciated against U.S. dollar on MoM in Jul 2024



Crude oil prices fell on concerns about political uncertainty in the U.S. and weak economic data from China.

Rupee fell against the U.S. dollar due to weakness in other Asian peers. Further, prices fell following rise in tax rates on long-term capital gains and short-term capital gains in the Budget 2024-25.

Brent Crude data as on 31st Jul 2024; Rupee data as on 31st Jul 2024

EVENT UPDATE

U.S. Fed kept the rate unchanged; signals rate cut in Sep 2024



MACRO

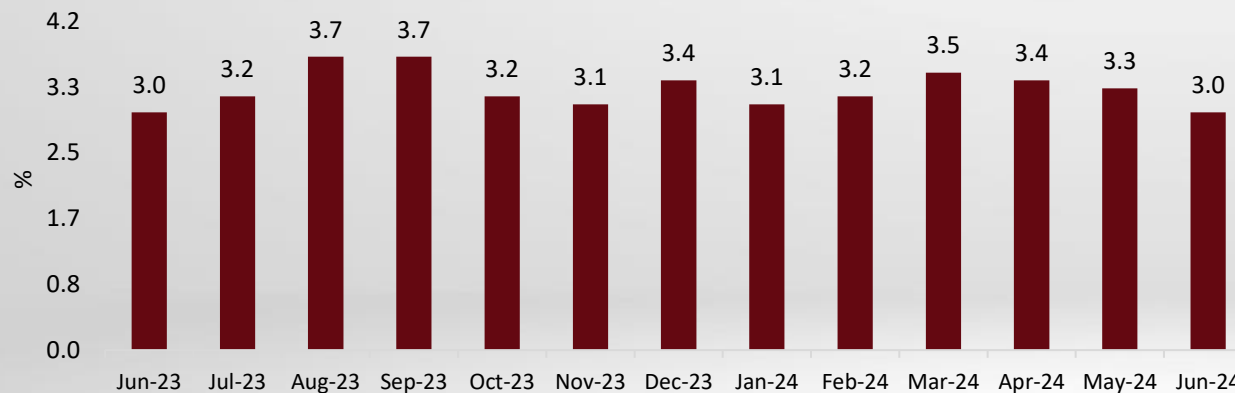
Key Highlights

- The U.S. Federal Reserve announced its widely expected monetary policy decision to **leave interest rates unchanged** on Jul 31, 2024.
- With the aim of maximum employment and maintaining a stable inflation rate of 2% in the long term, the U.S. Federal Reserve decided to maintain the **target range for the federal funds rate at 5.25 to 5.50%**.

U.S inflation Peaking

- U.S. consumer price index slipped by 0.1% MoM in Jun 2024 after coming in unchanged in May 2024. **The unexpected dip in consumer prices largely reflected another steep drop in gasoline prices, which plunged by 3.8% in Jun 2024** after tumbling by 3.6% in May 2024. **On a yearly basis, U.S. consumer price growth slowed to 3.0% in Jun 2024** from 3.3% in May 2024. Economists had expected the pace of price growth to decelerate to 3.1%.

U.S. Inflation(%)



Source: Refinitiv

To Conclude

- Current data indicates that the **economy has been growing steadily.**
- Although job growth has slowed down and **the unemployment rate has increased slightly**, it still remains low.
- **Inflation has decreased over the past year** but is still relatively high.
- **Progress has been made towards achieving the Federal Open Market Committee (FOMC) goal of 2% inflation in recent months.**



DOMESTIC & GLOBAL

Equity Market Update

INDIAN EQUITY MARKET DASHBOARD

July 2024



DOMESTIC

Index Name (Broader Market Indices)	Absolute (%)				CAGR(%)		
	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
BSE Sensex	3.53	10.52	14.87	24.45	17.24	18.26	13.58
Nifty 50	4.00	11.07	15.72	27.84	17.86	18.90	13.79
Nifty 100	4.15	11.65	18.82	33.70	18.76	19.62	14.37
Nifty 500	4.39	12.57	19.52	39.28	21.05	22.32	15.53
Nifty Midcap 150	5.04	15.94	22.65	55.53	28.60	31.54	20.97
Nifty Smallcap 250	5.01	13.59	19.52	59.11	26.26	32.55	17.94
Nifty Microcap 250	7.83	18.54	21.31	72.68	35.62	43.52	25.21
Sectoral Indices							
Nifty IT	13.14	24.37	12.71	39.30	12.41	23.61	16.99
Nifty Pharma	10.61	15.08	21.97	46.15	15.59	23.11	9.52
Nifty Healthcare	9.55	15.07	20.88	44.57	16.30	25.02	11.59
Nifty FMCG	9.45	15.54	14.42	20.12	21.95	18.40	14.44
Nifty Oil & Gas	8.47	12.12	23.97	64.12	28.36	26.17	17.89
Nifty Auto	6.13	19.20	39.45	71.14	39.59	32.63	15.59
Nifty Energy	5.53	9.24	20.61	66.52	34.77	27.45	18.92
Nifty Infrastructure	4.07	11.00	21.33	56.86	30.25	26.84	13.24
Nifty PSU Bank	0.42	-2.04	18.79	61.24	46.43	22.80	8.48
Nifty Realty	-0.84	12.58	27.99	93.53	40.43	32.98	16.87
Nifty Bank	-1.49	5.06	12.82	13.94	15.10	12.90	13.60
Nifty Metal	-2.25	4.56	20.41	42.38	20.13	31.84	13.70

- Domestic equity markets rose during the month amid reinstated expectations that the U.S. Federal Reserve would start interest rate cuts in Sep 2024 following the dovish commentary from the U.S. Federal Reserve Chairperson. Sentiments were boosted following the faster-than-expected U.S. GDP growth data of Q2 2024 along with slower rise in PCE (price consumption expenditures) price index.

BROADER MARKET INDICES PERFORMANCE

Calendar Year wise



DOMESTIC

2015 (%)	2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)	CYTD (%)
Nifty Smallcap 250 11.3	Nifty Midcap 150 6.5	Nifty Smallcap 250 58.5	BSE Sensex 7.2	BSE Sensex 15.7	Nifty Smallcap 250 26.5	Nifty Smallcap 250 63.3	BSE Sensex 5.8	Nifty Smallcap 250 49.1	Nifty Midcap 150 28.5
Nifty Midcap 150 9.7	Nifty 500 5.1	Nifty Midcap 150 55.7	Nifty 50 4.6	Nifty 50 13.5	Nifty Midcap 150 25.6	Nifty Midcap 150 48.2	Nifty 50 5.7	Nifty Midcap 150 44.6	Nifty Smallcap 250 28.2
Nifty 500 0.2	Nifty 100 5.0	Nifty 500 37.7	Nifty 100 2.6	Nifty 100 11.8	Nifty 500 17.9	Nifty 500 31.6	Nifty 100 4.9	Nifty 500 26.9	Nifty 500 21.9
Nifty 100 -1.3	Nifty 50 4.4	Nifty 100 32.9	Nifty 500 -2.1	Nifty 500 9.0	BSE Sensex 17.2	Nifty 100 26.4	Nifty 500 4.2	Nifty 50 21.3	Nifty 100 19.6
Nifty 50 -3.0	BSE Sensex 3.5	Nifty 50 30.3	Nifty Midcap 150 -12.6	Nifty Midcap 150 0.6	Nifty 50 16.1	Nifty 50 25.6	Nifty Midcap 150 3.9	Nifty 100 21.2	Nifty 50 15.7
BSE Sensex -3.7	Nifty Smallcap 250 1.4	BSE Sensex 29.6	Nifty Smallcap 250 -26.1	Nifty Smallcap 250 -7.3	Nifty 100 16.1	BSE Sensex 23.2	Nifty Smallcap 250 -2.6	BSE Sensex 20.3	BSE Sensex 14.1

- On CYTD basis, Nifty Midcap 150 and Nifty Smallcap 250 continue to deliver better returns than Nifty 50.
- Out of the past 9 full calendar years, the Nifty Smallcap 250 has been the top performer in 5 years.

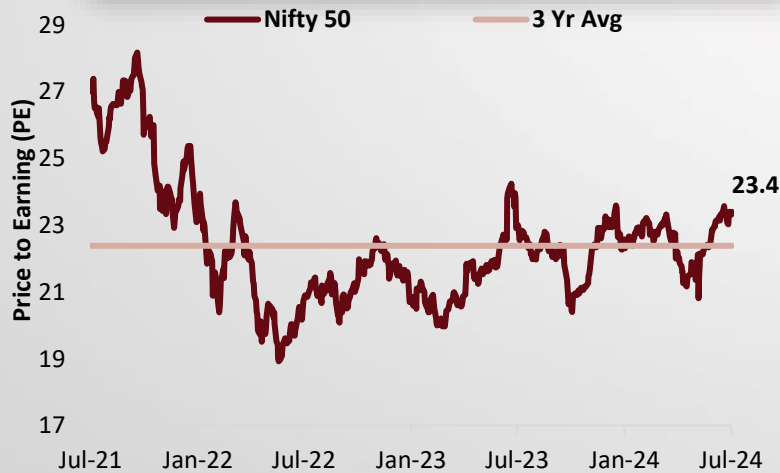
RELATIVE TRAILING VALUATIONS (P/E)

Large Cap vs Mid Cap vs Small Cap



DOMESTIC

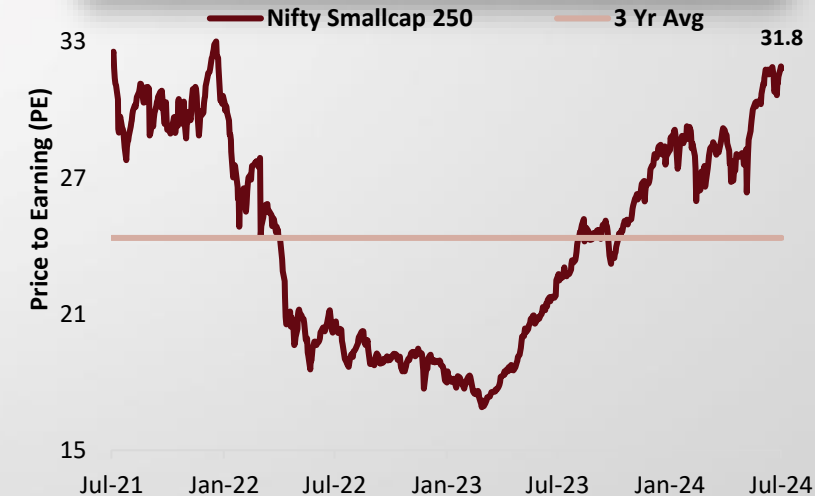
Nifty 50 trailing PE remained above of 3-year average mark



Nifty Midcap 150 trailing PE surged way above 3-year average level



Nifty Smallcap 250 trailing PE continued to remain above 3-year average level



- Currently, Midcap valuations are expensive compared with Large cap and small cap due to sudden surge in the last six months.
- Large cap valuations are hovering near their 3-year avg level since Jan this year while midcap and small cap are well above their avg level.

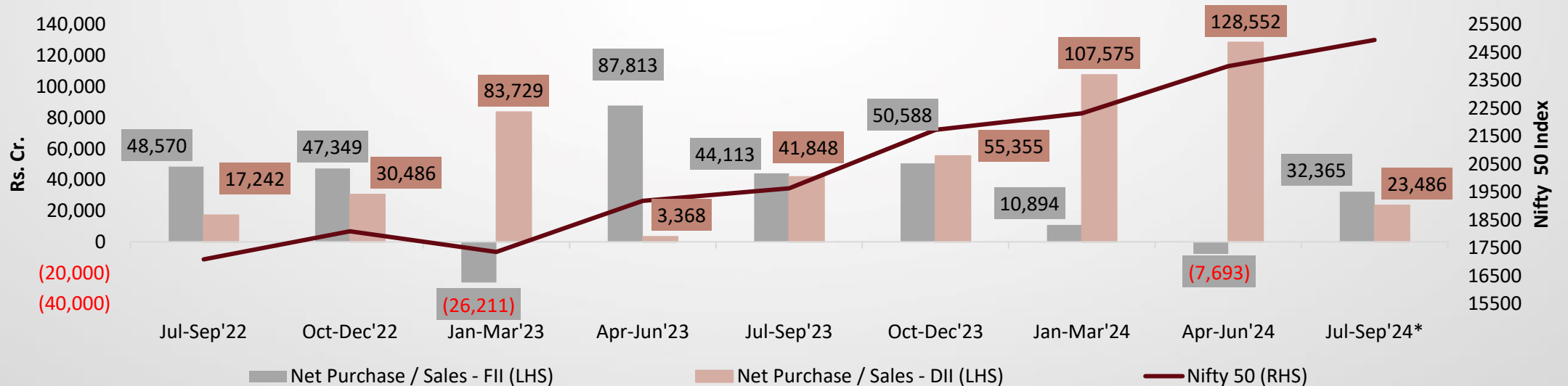
EQUITY FLOWS

Quarterly FII & DII Flows



DOMESTIC

Quarterly Net FII & DII Flow (Cash) in Rs. Cr. V/S Nifty 50



- FIIs were net buyers in Jul 2024 for the second consecutive month. Nonetheless, cumulative inflows stood at Rs. 3,02,593 Cr since Jul 2022 till date.
- Mutual funds have been net buyers in equity segment in the last 39 months till Jul 2024, except Apr 2023 and Aug 2022. Cumulative inflows stood at Rs. 6,77,603 Cr from Mar 2021 till date.

GLOBAL EQUITY MARKET DASHBOARD

July 2024



GLOBAL

Emerging Markets	Index	Absolute (%)					CAGR(%)		
		1 Month	3 Months	YTD	6 Months	1 Year	2 Years	3 Years	5 Years
China	Shanghai Composite	3.78	16.58	2.10	41.94	33.96	35.94	20.09	21.07
South Korea	Kospi	3.47	13.43	2.10	35.13	30.76	33.82	20.88	22.39
Russia	MOEX Russia	1.99	5.63	2.10	21.33	17.68	24.13	14.89	15.97
India	Nifty 50	1.55	2.70	2.10	15.88	16.11	21.89	13.75	14.47
Taiwan	Taiwan TAIEX	1.45	2.84	2.10	16.55	13.37	21.20	13.23	14.68
Brazil	Brazil Ibovespa	1.18	2.07	2.10	14.67	16.20	21.51	14.03	14.46
Developed Markets									
UK	FTSE 100	2.50	2.75	8.21	9.66	8.66	6.15	5.96	1.98
Germany	DAX	1.50	3.21	10.49	9.49	12.50	17.08	5.98	8.70
France	CAC 40	0.70	-5.68	-0.15	-1.64	0.45	8.04	4.42	6.41
Europe	Euro Stoxx 50 Pr	-0.43	-0.98	7.77	4.83	8.96	14.57	6.01	7.04
Japan	Nikkei 225	-1.22	3.08	16.85	7.76	17.82	18.51	12.72	12.67
US	Russell 3000	-1.29	11.15	17.92	15.41	25.20	20.36	7.92	16.68

- U.S. equity markets fell due to sell-off by semiconductor stocks came after a report suggested that political uncertainty could impact global trade.
- European equity markets rose following the release of the U.S. consumer price index data that indicated a decline in Jun 2024 after coming in unchanged in May 2024, which raised expectations that the U.S. might begin to lower interest rates sooner rather than later.

GLOBAL MARKET INDICES PERFORMANCE

Calendar Year wise



GLOBAL

	2015 (%)	2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)	CYTD (%)
Germany	9.6	U.K. 14.4	Hong Kong 36.0	India 3.2	U.S. 34.2	U.S. 36.9	U.S. 25.0	India 4.3	U.S. 40.0	U.S. 17.9
China	9.4	Germany 6.9	India 28.7	U.S. -3.3	Germany 25.5	Japan 16.0	India 24.1	U.K. 0.9	Japan 28.2	Japan 16.9
Japan	9.1	U.S. 5.7	U.S. 27.8	Japan -12.1	China 22.3	India 14.9	Germany 15.8	Japan -9.4	Germany 20.3	India 14.8
U.S.	3.5	India 3.0	Japan 19.1	U.K. -12.5	Japan 18.2	China 13.9	U.K. 14.3	Germany -12.4	India 20.0	Germany 10.5
India	-4.1	Japan 0.4	Germany 12.5	Hong Kong -13.6	U.K. 12.1	Germany 3.6	Japan 4.9	China -15.1	U.K. 3.8	U.K. 8.2
U.K.	-4.9	Hong Kong 0.4	U.K. 7.6	Germany -18.3	India 12.0	Hong Kong -3.4	China 4.8	Hong Kong -15.5	China -3.7	Hong Kong 1.7
Hong Kong	-7.2	China -12.3	China 6.6	China -24.6	Hong Kong 9.1	U.K. -14.3	Hong Kong -14.1	U.S. -29.6	Hong Kong -13.8	China -1.2

- The Chinese and Hong Kong markets fell after China's third plenum failed to address key economic issues.
- Losses were extended as the U.S. President announced his withdrawal from the 2024 presidential race and China's central bank has made the surprising decision to reduce its one-year benchmark loan prime rate in order to support an economy that is experiencing a slowdown.

ASSET CLASS PERFORMANCE

Calendar Year wise



ASSET CLASS

2015 (%)	2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)	CYTD (%)
Real Estate 9.7	G-Sec 14.3	Indian Equity 37.7	G-Sec 8.0	Intl 34.2	Intl 36.9	Indian Equity 31.6	Gold 13.9	Intl 40.0	Indian Equity 21.9
Bonds 8.9	Bonds 13.1	Intl 27.8	Gold 7.9	Gold 23.8	Gold 28.0	Intl 25.0	Cash 5.2	Indian Equity 26.9	Intl 17.9
Cash 8.3	Gold 11.3	Real Estate 7.2	Cash 7.3	Bonds 12.2	Indian Equity 17.9	Bonds 4.2	Indian Equity 4.2	Gold 15.4	Gold 9.7
G-Sec 8.2	Real Estate 8.3	Cash 6.6	Bonds 6.0	G-Sec 11.3	Bonds 13.5	Cash 3.6	Real Estate 2.8	G-Sec 7.7	G-Sec 6.2
Intl 3.5	Cash 7.5	Bonds 5.5	Real Estate 5.1	Indian Equity 9.0	G-Sec 13.2	G-Sec 3.1	Bonds 2.7	Cash 7.3	Bonds 5.7
Indian Equity 0.2	Intl 5.7	Gold 5.1	Indian Equity -2.1	Cash 6.7	Cash 4.4	Real Estate 3.1	G-Sec 2.3	Bonds 7.2	Cash 4.5
Gold -6.6	Indian Equity 5.1	G-Sec 3.5	Intl -3.3	Real Estate 3.0	Real Estate 2.2	Gold -4.2	Intl -29.6	Real Estate 3.8	Real Estate 0.9

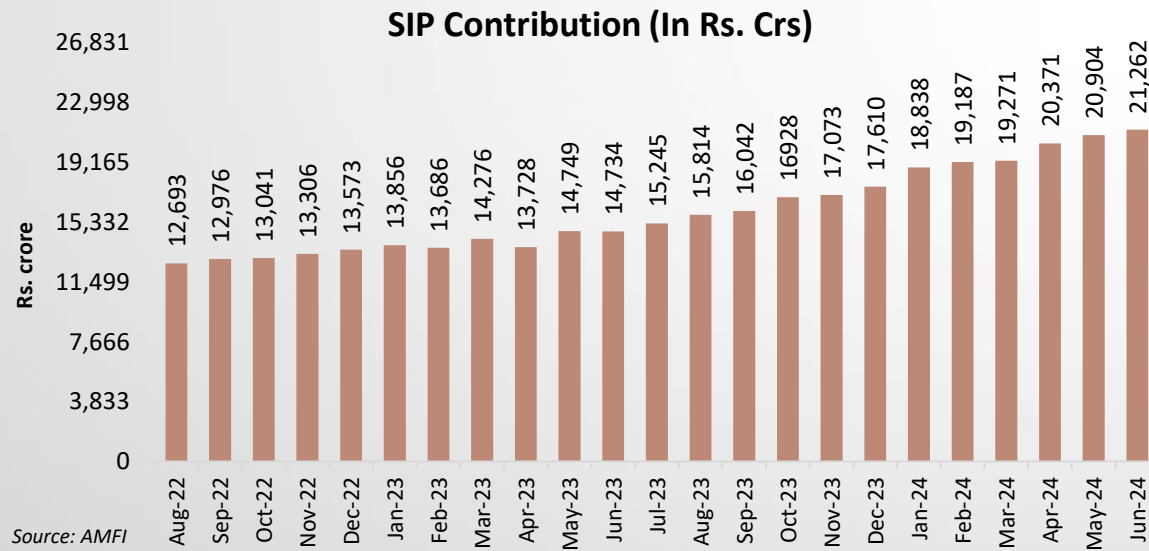
- On CYTD basis, domestic equity market continues to remain at the top followed by international equity market and gold.
- Till 2023, Indian equities has been among the top three gainers for the past four calendar years while Gold has been one of the top performers in five out of six years.

MUTUAL FUNDS

SIP Flows and SIP Returns Data



DOMESTIC



- SIP contribution in Jun 2024 touched a new high and stood at Rs. 21,262 crore.
- SIP AUM increased to Rs. 12.44 lakh crore with 898.67 lakh outstanding SIP accounts.

Equity Broad MF category	Category average SIP returns (%)		
	3-year	5-year	10-year
Large cap	24.5	22.4	15.8
Large & Mid cap	30.2	27.7	18.9
Flexi cap	27.6	24.9	17.8
Multi cap	31.6	30.1	20.1
Mid cap	35.4	32.7	21.3
Small cap	35.3	36.4	23.0
Focused	26.2	23.9	16.9
Value	32.8	30.1	19.9

- Small cap category remained top performer in 5- & 10-year period, while Mid cap category was the top performer in 3-year period. Large cap category has been the bottom performer across periods.

Performance is of regular plan growth option for SIP returns.
SIP performance as on 31st Jul 2024. Source: AMFI India, MFI 360 Explorer
<http://www.icraanalytics.com/legal/standard-disclaimer.html>

CATEGORY PERFORMANCE

Equity Mutual Funds



CATEGORY PERFORMANCE

Category	Absolute Returns (%)			CAGR (%)			
	1 month	3 months	6 months	1 year	3 years	5 years	10 years
Large Cap	4.16	11.43	18.89	35.00	18.13	18.83	13.86
Large & Mid Cap	4.10	13.69	22.51	43.97	21.83	23.65	16.84
Flexi Cap	4.02	12.69	20.46	40.03	19.71	21.43	15.62
Multi Cap	4.47	13.74	21.53	45.86	22.84	25.39	17.45
Mid Cap	4.65	16.80	26.11	52.80	24.90	28.88	19.28
Small Cap	4.71	14.80	20.62	48.47	25.39	33.01	20.60
Focused	4.06	12.11	20.31	38.01	19.26	20.72	15.25
Value	5.12	13.71	21.24	47.56	23.90	24.66	17.23
Index:							
Nifty 100	4.15	11.65	18.82	33.59	18.76	19.62	14.37
Nifty 500	4.39	12.57	19.52	39.15	21.05	22.32	15.53
Nifty Midcap 150	5.04	15.94	22.65	55.35	28.60	31.54	20.97
Nifty Smallcap 250	5.01	13.59	19.52	58.91	26.26	32.55	17.94

- In the last one-month, Value category delivered the highest returns followed by Small cap & Mid Cap categories.
- It is to be worth noted that all the equity categories witnessed positive returns in all the mentioned periods.

EQUITY MARKET ROUNDUP

Key Takeaways & Outlook



DOMESTIC

Domestic & Global factors that played out for the Indian markets:

- Domestic equity markets rose during the month amid **reinstated expectations that the U.S. Federal Reserve would start interest rate cuts in Sep 2024 following the dovish commentary from the U.S. Federal Reserve Chairperson.**
- Gains were restricted as **investors reacted to the Union Budget announcements, particularly the changes in capital gains tax.**
- However, after witnessing some fall from peak levels, **markets rallied to fresh high buoyed by the government's commitment to improving consumption and bridging the gap for energy transition in the Budget.**

Outlook:

- Domestic equity markets will be dictated by the next set of corporate earning numbers for Q1FY25. **Incoming domestic macroeconomic data will also remain in sharp focus.** On the global front, **monetary policy action by key central banks** across the globe is also expected to impact the domestic equity markets. A rate cut by the U.S. Federal Reserve is expected to result in foreign fund inflow into domestic equity markets. Global crude oil prices will also be closely tracked.
- While **India's structural story remains intact, geopolitical tensions pose some risks to the growth prospects of the domestic economy. Macros remain strong with an easing inflation cycle, progress of monsoons and robust economic growth.**
- However, **looking at the volatility, investors may look at Large cap oriented funds along with Multi Asset, Balanced Advantage and Balanced Hybrid categories as these categories shall assist to manage the near term risks.**

DOMESTIC & GLOBAL

Debt Market Update

DEBT MARKET

Indian Government Bond and Policy Rate Trend



INDIAN DEBT

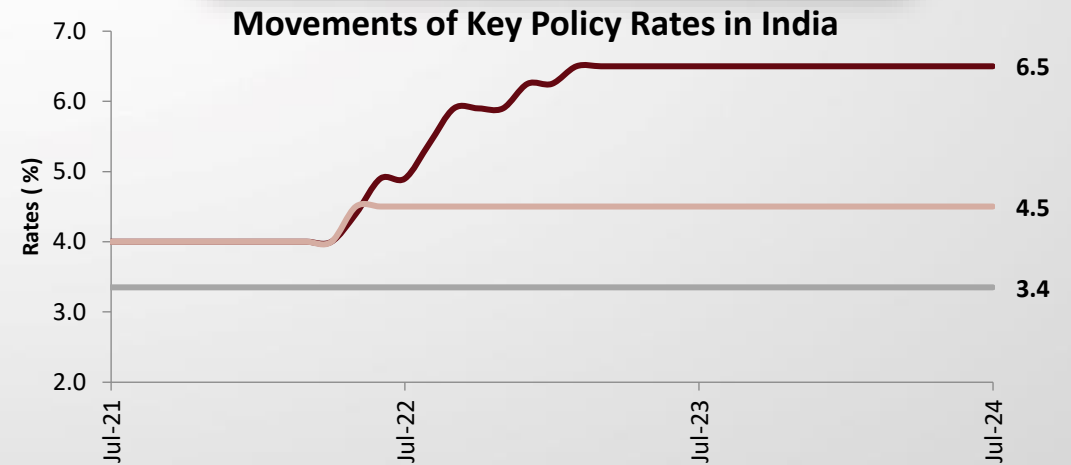
10-year benchmark G-sec yield fell by 8 bps MoM in Jul 2024



Source: Refinitiv

Bond yields slipped during the month in tandem with a drop in U.S. Treasury yields on expectations of rate cut in Sep 2024 by the U.S. Federal Reserve.

RBI maintained key policy repo rate at 6.50% for the eighth consecutive time



Source: RBI

The Monetary Policy Committee in its second bi-monthly monetary policy review of FY25 kept key policy repo rate unchanged at 6.50% with immediate effect for the eighth consecutive time.

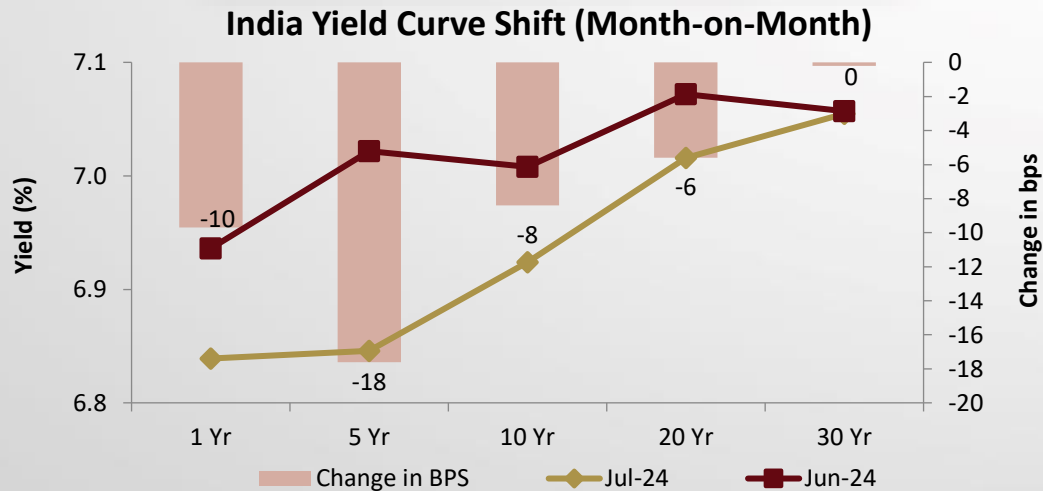
DEBT MARKET

Government Bond & Corporate Bond Yield Trend



INDIAN DEBT

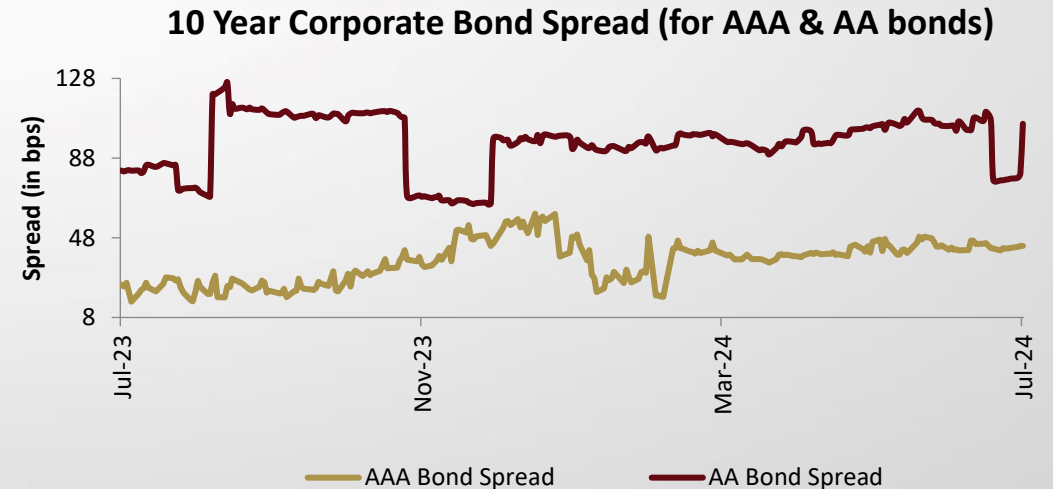
G-sec yields mostly fell during the month



Source: Refinitiv

Yield on gilt securities fell between 4 to 18 bps across the maturities, barring 30-year paper that was unchanged.

Corporate bond yields declined during the month



Source: Refinitiv; Spread= 10 year Corporate bond yield minus 10-year Gsec yield

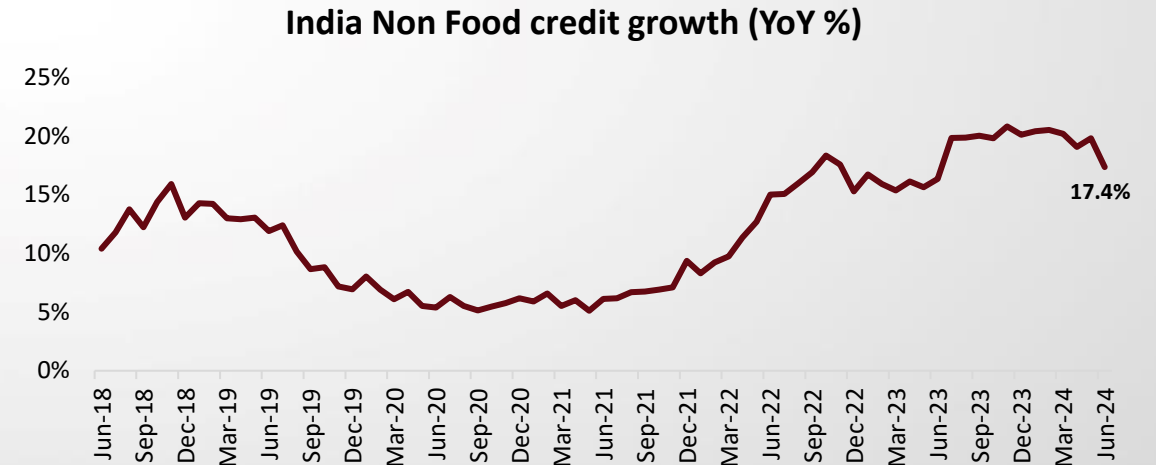
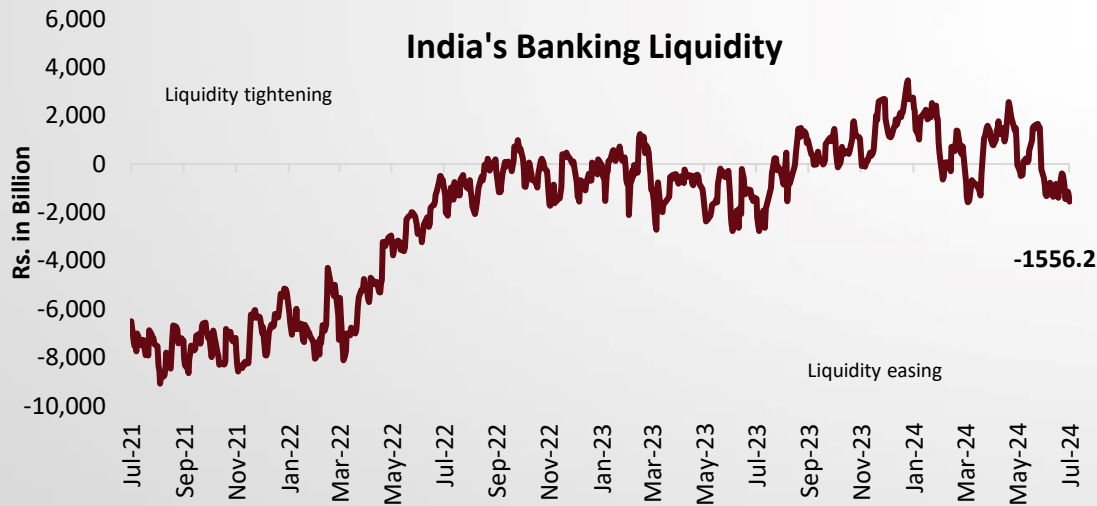
Yield on corporate bonds decreased between 8 to 17 bps across the curve.

DEBT MARKET

System Liquidity



INDIAN DEBT



- Banking system's liquidity turned into surplus during the month after remaining in deficit mode mostly in the previous month on the back of government spending and maturity of government securities of around Rs. 60,000 crore on Jul 28, 2024.
- The significant increase in government spending following the elections, bringing down overnight borrowing rates, Treasury Bill yields and, in turn, short-term financing costs for Indian companies, even though the RBI doesn't appear to be in a rush to lower policy rates.
- The central bank has released draft guidelines that proposed for banks' liquidity coverage ratios to be tightened, w.e.f. from Apr 01, 2025, to control the risks that come with more people engaging in digital banking.

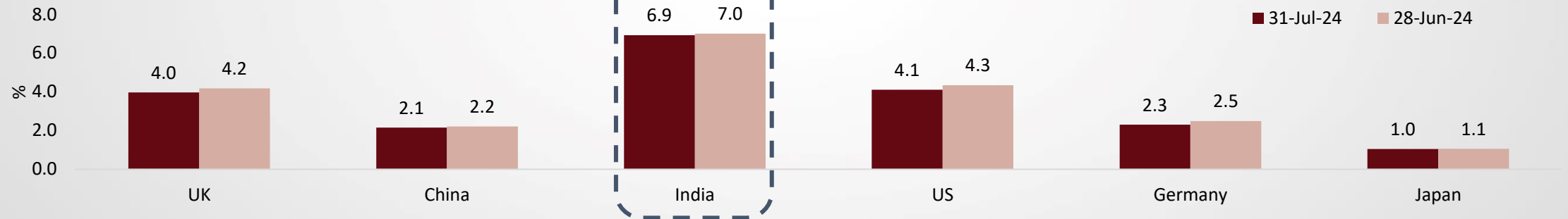
DEBT MARKET

Global



GLOBAL DEBT

Yield of 10 Year Government Bonds across countries (%)



Current Yield (%)	4.0	2.1	6.9	4.1	2.3	1.0
Inflation (%)	2.0	0.2	5.1	3.0	2.2	2.2
Real Yields (%):						
31-Jul-24	2.0	1.9	1.8	1.1	0.1	-1.2

- Globally, 10-year Sovereign yields fell during the month. All above economies witnessed positive inflation adjusted returns/yields except Japan with U.K. being the highest followed by China and India.
- U.S. Treasury yields fell after the U.S. central bank held rates steady, while indicating the possibility of lowering borrowing costs at its upcoming meeting in Sep 2024 as inflation approaches the 2% target rate.

CATEGORY PERFORMANCE

Debt Mutual Funds



CATEGORY PERFORMANCE

Category	Absolute Returns (%)			CAGR (%)		
	1 month	3 months	6 months	1 year	3 years	5 years
Overnight Fund	0.53	1.62	3.24	6.69	5.46	4.70
Liquid Fund	0.60	1.76	3.62	7.21	5.78	5.10
Ultra Short Term Fund	0.62	1.72	3.58	6.87	5.51	5.33
Low Duration Fund	0.69	1.84	3.73	7.05	5.62	5.93
Money Market Fund	0.65	1.79	3.73	7.18	5.80	5.62
Arbitrage Fund	0.57	1.76	3.61	7.53	5.52	5.02
ICRA Liquid Index	0.62	1.86	3.82	7.61	6.19	5.49
Short Term Bond Fund	0.86	2.21	3.82	7.09	5.63	6.06
Medium Duration Fund	0.87	2.38	3.99	7.26	5.76	5.73
Banking and PSU Fund	0.86	2.23	3.94	7.16	5.37	6.31
Corporate Bond Fund	0.88	2.28	4.01	7.25	5.35	6.40
Credit Risk Fund	0.73	2.13	3.90	8.01	9.23	6.25
Nifty Short Duration Debt Index	0.74	2.10	3.81	7.34	5.61	6.58
Dynamic Bond Fund	0.85	2.99	4.42	7.77	5.66	5.93
Medium to Long Duration Fund	0.89	2.91	4.29	7.43	5.44	5.60
ICRA Composite Bond Fund Index	0.97	2.93	4.83	8.27	6.06	7.19
Gilt Fund	0.83	3.25	4.64	8.27	5.55	5.84
ICRA Composite Gilt Index	1.04	3.48	4.97	8.92	6.25	6.83

- Gilt Funds, Credit Risk Funds and Dynamic Bond Funds are the top performing categories over the past year, generating around 8% return.

DEBT MARKET

Sensitivity Analysis



INDIAN DEBT

Sensitivity Analysis				Interest Rate Scenario's					
Category	Avg YTM (%)	Avg Maturity (Years)	Avg Mod duration (Years)	Decreases			Increases		
				0.25%	0.50%	1.00%	0.25%	0.50%	1.00%
Overnight Fund	6.56	0.00 Years	0.00 Years	6.56%	6.56%	6.56%	6.56%	6.56%	6.56%
Liquid Funds	7.25	0.05 Years	0.15 Years	7.21%	7.18%	7.10%	7.29%	7.33%	7.40%
Ultra Short Term Fund	7.58	0.20 Years	0.45 Years	7.47%	7.35%	7.13%	7.69%	7.80%	8.03%
Money Market Fund	7.51	0.19 Years	0.55 Years	7.37%	7.23%	6.96%	7.65%	7.78%	8.06%
Low Duration Fund	7.76	0.70 Years	0.89 Years	7.54%	7.31%	6.87%	7.98%	8.20%	8.65%
Short Term Bond Fund	7.60	3.43 Years	2.70 Years	6.93%	6.25%	4.90%	8.28%	8.95%	10.30%
Corporate Bond Fund	7.63	4.61 Years	3.30 Years	6.81%	5.98%	4.33%	8.46%	9.28%	10.93%
Banking and PSU Fund	7.55	4.75 Years	3.23 Years	6.74%	5.93%	4.32%	8.35%	9.16%	10.78%
Credit Risk Funds	8.28	2.97 Years	2.11 Years	7.76%	7.23%	6.17%	8.81%	9.34%	10.39%
Medium Duration Fund	7.82	5.08 Years	3.56 Years	6.93%	6.04%	4.26%	8.71%	9.60%	11.38%
Dynamic Bond Fund	7.27	13.49 Years	6.71 Years	5.59%	3.91%	0.56%	8.94%	10.62%	13.98%
Medium to Long Duration Fund	7.34	11.14 Years	6.34 Years	5.75%	4.17%	1.00%	8.92%	10.51%	13.68%
Gilt Fund	7.17	16.47 Years	7.93 Years	5.18%	3.20%	-0.76%	9.15%	11.13%	15.10%

- Credit Risk funds, Medium Duration funds and Low Duration funds offer higher YTM's.

DEBT MARKET ROUNDUP

Key Takeaways & Outlook



INDIAN DEBT

Domestic & Global factors that played out for the Indian markets:

- **Bond yields slipped during the month in tandem with a drop in U.S. Treasury yields** on expectations of rate cut in Sep 2024 by the U.S. Federal Reserve. Gains were extended following an ease in global crude oil prices.
- Sentiments remained upbeat as the **Union Budget 2024 did not present any negative triggers, with an announcement of lower-than-expected gross borrowing for the current fiscal year.**
- However, gains were restricted as market participants booked profits ahead of the U.S. Federal Reserve's policy decision.

Outlook:

- Interest rates trajectory from the global debt markets continue to indicate a dovish stance, which would support the optimistic outlook for the domestic debt markets. Although it is anticipated that the RBI will stick to its current course of action of maintaining interest rate, any change in its strategy may cause further declines in yields.
- **For Core portfolio (60-70% of the entire debt portfolio), investors may consider Short Duration funds, Banking & PSU, Corporate Bond and Target Maturity funds (matching with the average maturity of the funds and investment horizon).** Along with MFs, good quality Corporate FDs and Bonds can be looked at allocation in the debt portfolio.
- **For Satellite portfolio (30-40% of the entire debt portfolio), investors may consider mutual fund categories such Medium to Long duration, Gilt and Dynamic Bond Funds as they can generate capital gains when interest rates cuts by central banks happen in future.**

ECONOMIC CALENDAR

Upcoming Key Events for the Month



DOMESTIC

Events for August 2024	
Event	Date
RBI Interest Rate Decision	08-Aug-24
Industrial Production YoY Jun 2024	12-Aug-24
CPI Inflation YoY Jul 2024	12-Aug-24
WPI Inflation YoY Jul 2024	14-Aug-24
Balance of Trade Jul 2024	15-Aug-24
Fiscal deficit (as a % of budget estimates) Jul 2024	30-Aug-24
Infrastructure Output YoY Jul 2024	30-Aug-24
GDP Growth Rate YoY Q1FY25	30-Aug-24



GLOBAL

Events for August 2024	
Event	Date
China CPI YoY Jul 2024	09-Aug-24
U.K. ILO Unemployment Rate Jun 2024	13-Aug-24
U.S. CPI YoY, NSA Jul 2024	14-Aug-24
U.K. CPI YoY Jul 2024	14-Aug-24
U.K. GDP Estimate YoY Jun 2024	15-Aug-24
U.S. Industrial Production MoM Jul 2024	15-Aug-24
China Loan Prime Rate 1Y Aug 2024	20-Aug-24
Japan CPI, Overall Nationwide Jul 2024	22-Aug-24

MUTUAL FUND DASHBOARD

Category Performance

MUTUAL FUND DASHBOARD

Category Performance



CATEGORY PERFORMANCE

Equity Category:	1 Yr	3 Yr	5 Yr	10 Yr
Large Cap	35.00	18.13	18.83	13.86
Large & Mid Cap	43.97	21.83	23.65	16.84
Multi Cap	45.86	22.84	25.39	17.45
Flexi Cap	40.03	19.71	21.43	15.62
Mid Cap	52.80	24.90	28.88	19.28
Small Cap	48.47	25.39	33.01	20.60
Focused	38.01	19.26	20.72	15.25
Value	47.56	23.90	24.66	17.23
Hybrid Category:				
Conservative Hybrid	13.38	9.10	9.18	8.33
Balanced Hybrid	--	--	--	--
Balanced Advantage	25.08	13.31	13.88	10.95
Multi Asset Allocation	25.59	16.20	18.96	12.74
Aggressive Hybrid	31.00	16.41	18.08	13.16

Debt Category	3 Mths	6 Mths	1 Yr	3 Yr
Money Market:				
Overnight	1.62	3.24	6.69	5.46
Liquid	1.76	3.62	7.21	5.78
Ultra Short Duration	1.72	3.58	6.87	5.51
Low Duration	1.84	3.73	7.05	5.62
Money Market	1.79	3.73	7.18	5.80
Accrual:				
Short Duration	2.21	3.82	7.09	5.63
Medium Duration	2.38	3.99	7.26	5.76
Banking & PSU Debt	2.23	3.94	7.16	5.37
Corporate Bond	2.28	4.01	7.25	5.35
Floating Rate	2.25	4.28	7.84	5.89
Credit Risk	2.13	3.90	8.01	9.23
Duration:				
Medium to Long Duration	2.91	4.29	7.43	5.44
Long Duration	4.06	5.60	9.68	6.15
Dynamic Bond	2.99	4.42	7.77	5.66
Gilt	3.25	4.64	8.27	5.55
Gilt Fund with 10 year constant duration	3.29	4.68	8.21	5.18

Note:<1 year return are absolute and ≥ 1 year returns are CAGR. Performance is of regular plan growth option for MF category performance. MF Category average performance as on 31st Jul 2024. Source: MFI 360 Explorer <http://www.icraanalytics.com/legal/standard-disclaimer.html>

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