




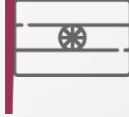



ATLAS

Monthly Market Review
December 2024



KGV	Div.	Umsatz 29.10.2010	Stück	Tsd. Euro	Stück (€)
2010	2011 Rend.s	936060	43869	935077	
17	17	936060	157881	1739312	
		936060	170077	3213370	

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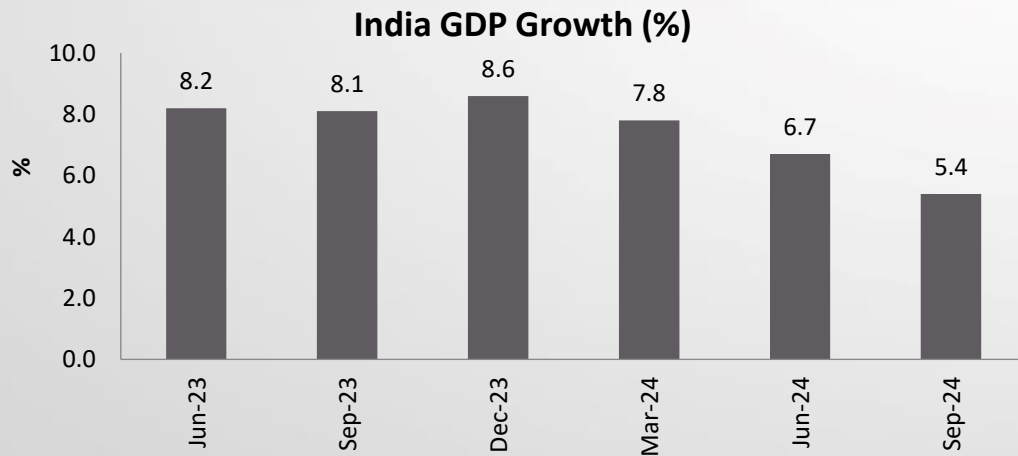
MACRO ECONOMIC INDICATORS

GDP and Current Account Deficit Trend



MACRO

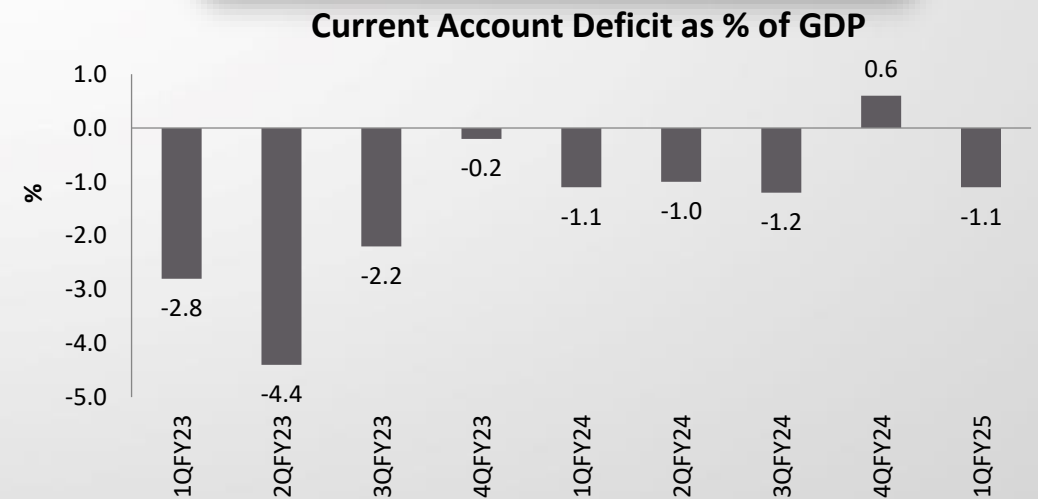
GDP growth slowed YoY in 2QFY25



Source: Refinitiv

GDP of the Indian economy at constant (2011-12) prices witnessed a growth of 5.4% YoY in the second quarter of FY25. In the Jul-Sep quarter of last year, the GDP growth rate was 8.1%.

Current a/c deficit widened in 1QFY25



Source: Refinitiv

Current account deficit widened marginally to US\$ 9.7 billion (1.1% of GDP) in 1QFY25 from US\$ 8.9 billion (1.0% of GDP) in 1QFY24 and against a surplus of US\$ 4.6 billion (0.5% of GDP) in 4QFY24.

MACRO ECONOMIC INDICATORS

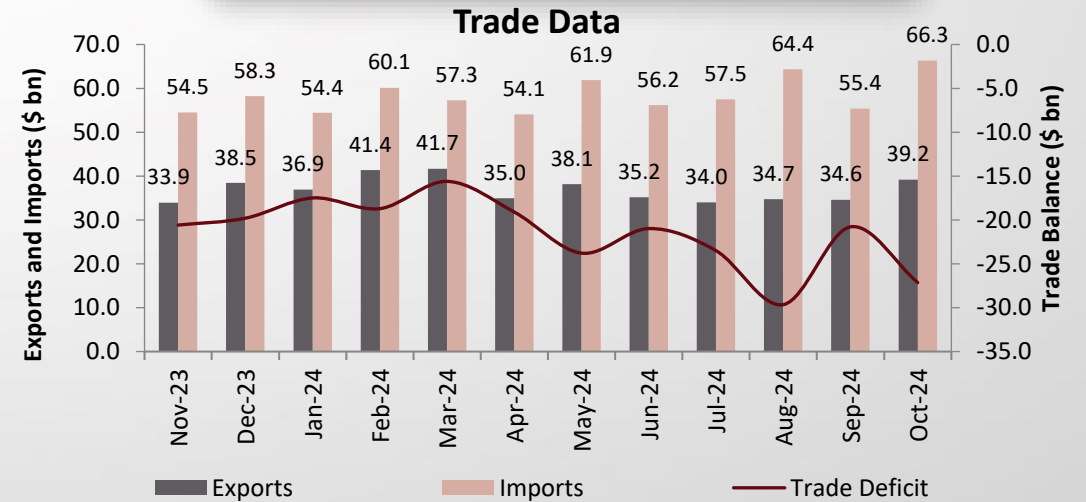
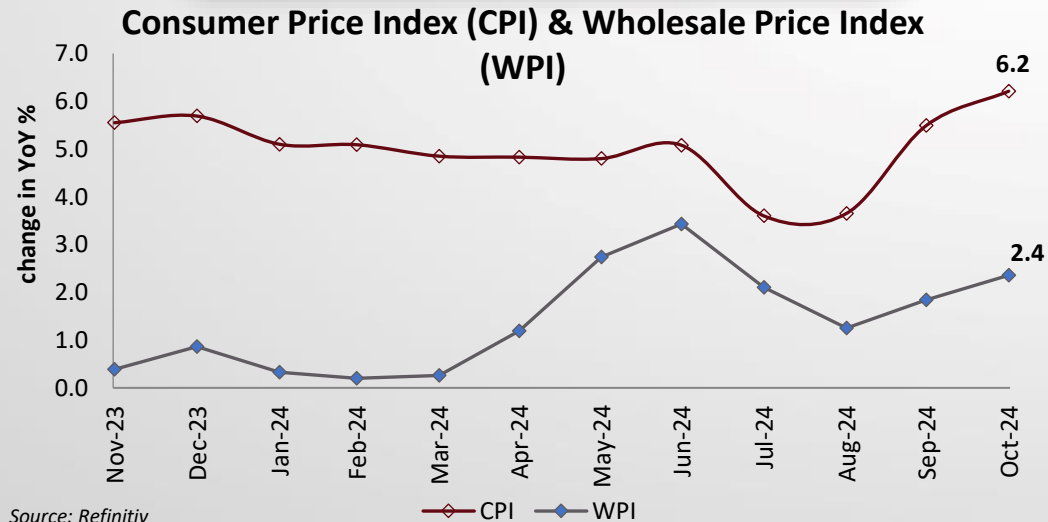
Inflation and Trade Data Trend



MACRO

CPI inflation accelerated in Oct 2024

Trade deficit narrowed YoY in Oct 2024



CPI-based inflation accelerated to 6.2% YoY in Oct 2024 compared to 5.5% in Sep 2024, mainly due to rise in food prices. WPI-based inflation hit 4-month high to 2.4% YoY in Oct 2024.

Merchandise trade deficit widened sequentially to \$27.1 billion in Oct 2024 compared to \$20.8 billion in Sep 2024, however, the deficit narrowed YoY compared to \$30.4 billion in Oct 2023.

MACRO ECONOMIC INDICATORS

Manufacturing and Services PMI Trend

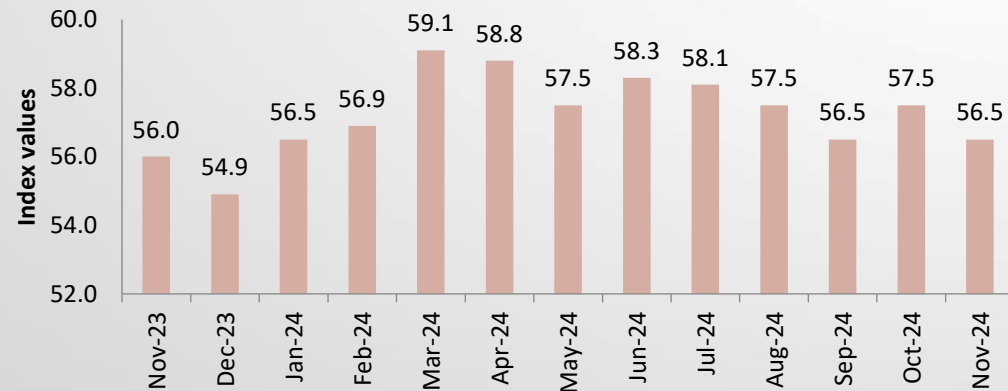


MACRO

Manufacturing PMI fell in Nov 2024

Services PMI eased slightly in Nov 2024

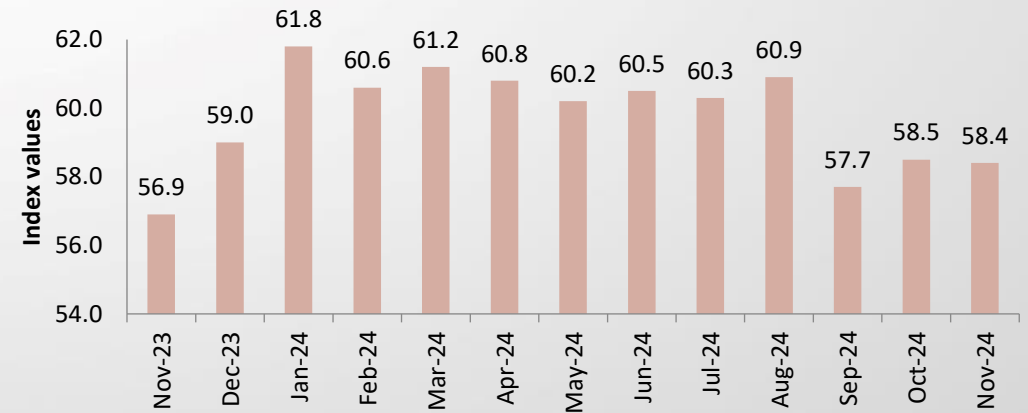
India Manufacturing PMI



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

Manufacturing PMI fell to 56.5 in Nov 2024 compared to 57.5 in Oct 2024. The reading indicated a notable enhancement in the sector, characterized by steady yet decelerated growth in new business.

India Service PMI



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

Services PMI eased slightly in Nov 2024 to 58.4 as compared to 58.5 in Oct 2024. Despite this, strong demand led to increased business sentiment and record hiring.

MACRO ECONOMIC INDICATORS

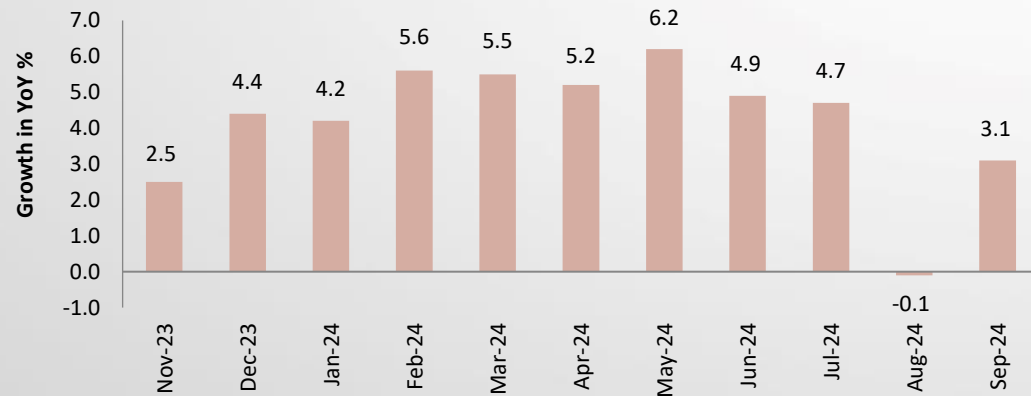
IIP and GST Trend



MACRO

Industrial output rose YoY in Sep 2024

Index of Industrial production (IIP)

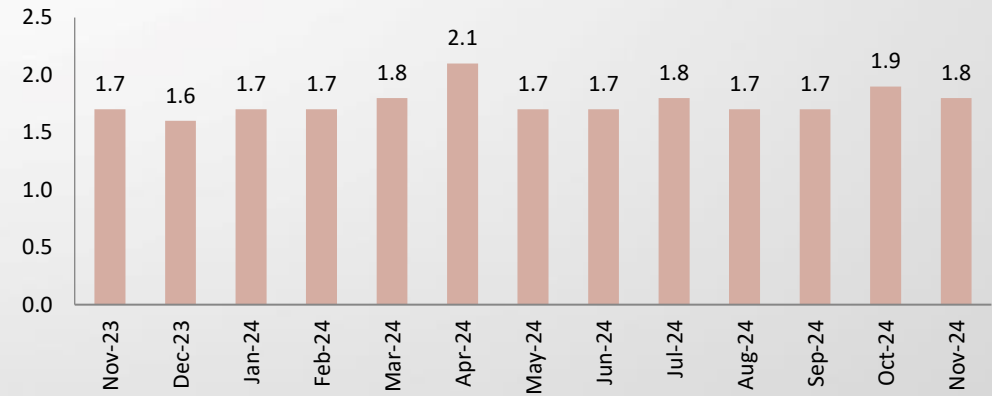


Source: Refinitiv

Index of Industrial production rose 3.1% YoY in Sep 2024. Production in mining, manufacturing and electricity witnessed a growth of 0.2%, 3.9% and 0.5%, respectively, in Sep 2024.

GST collections fell MoM in Nov 2024

GST Collections (Rs. Lakh Crore)



Source: PIB

The total gross goods and services tax (GST) revenue grew 8.5% YoY to over Rs. 1.8 lakh crore in Nov 2024 as compared to Rs. 1.7 lakh crore in Nov 2023.

MACRO ECONOMIC INDICATORS

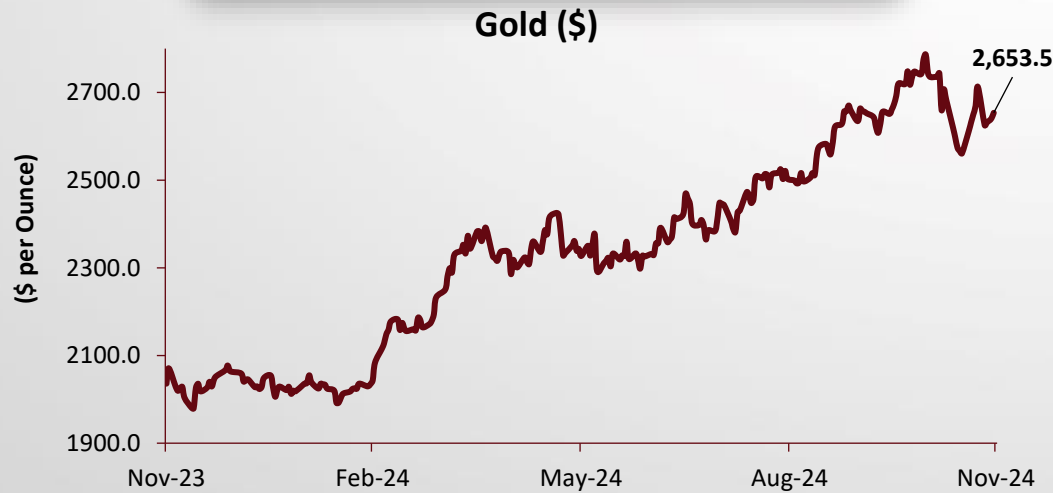
International Gold and U.S. 10 Year Treasury Trend



MACRO

Gold prices declined MoM in Nov 2024

U.S. Treasury yields fell MoM in Nov 2024



Source: Refinitiv



Source: Refinitiv

Gold prices fell as markets began to understand the ramifications of the new President's election victory and its possible effects on U.S. interest rate forecasts.

U.S. Treasury prices rose after the U.S. Fed cut interest rates by 25 bps on Nov 07, 2024, as widely expected, amid a cooling labor market, while noting that economic growth remained solid.

Gold data as on 29th Nov 2024; U.S. 10 Year Treasury Yield data as on 29th Nov 2024

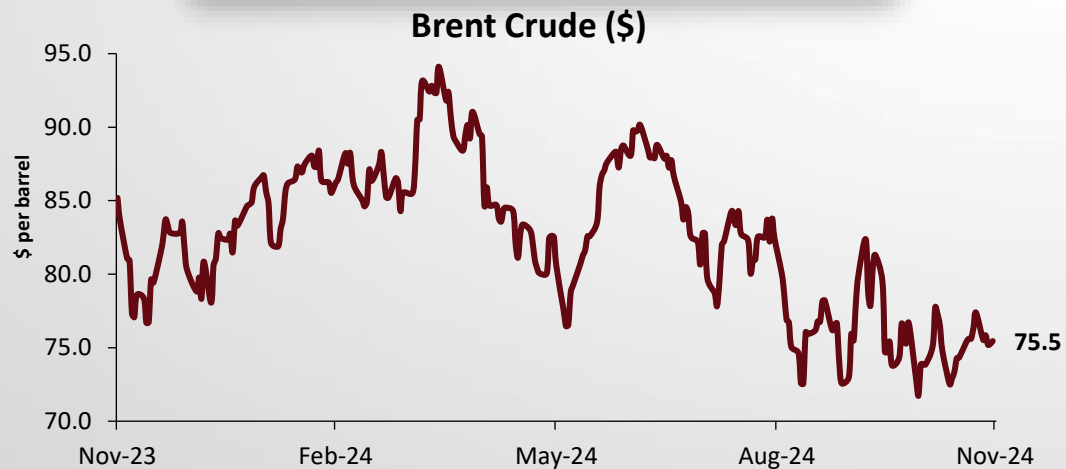
MACRO ECONOMIC INDICATORS

Crude and USD/INR Currency Trend



MACRO

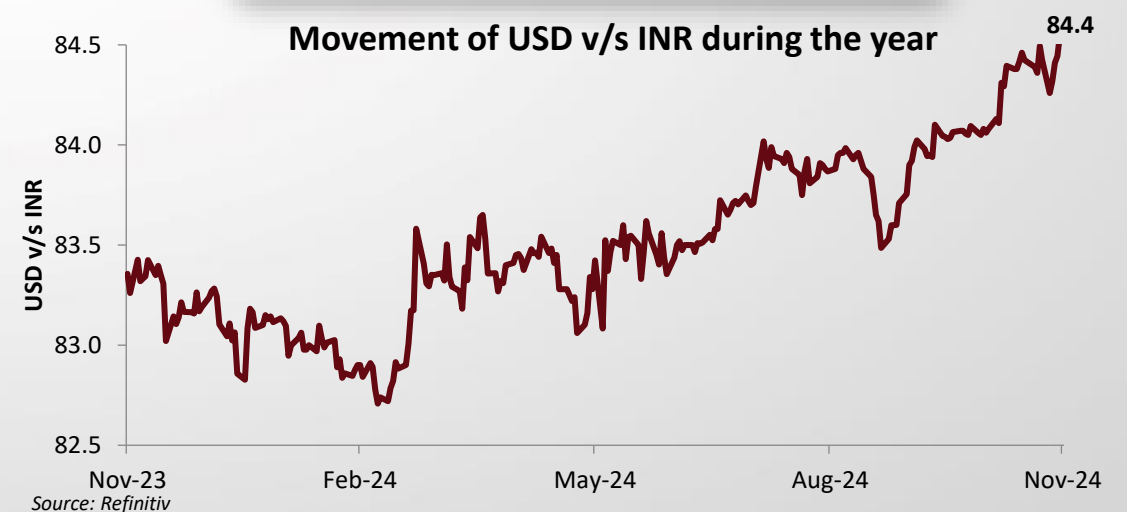
Crude oil prices rose MoM in Nov 2024



Source: Refinitiv

Brent crude oil prices rose amid rising concerns about the Russia - Ukraine conflict. Further, prices rose amid the rising possibility of supply disruptions following an escalation in geopolitical tensions.

Rupee fell against USD MoM in Nov 2024



Source: Refinitiv

Rupee fell against the U.S. dollar as the U.S. presidential election outcome boosted the greenback demand. Losses were extended due to foreign fund outflows.

EVENT UPDATE

RBI MPC kept repo rate unchanged but slashed CRR by 50 bps



MACRO

Key Highlights

- MPC kept repo rate unchanged at 6.50%
- Cash reserve ratio (CRR) was decided to reduce to 4.00% in a phased manner
- The MPC decided to continue with the neutral monetary policy stance
- For FY25, retail inflation is projected at 4.8%
- For FY25, real GDP growth is projected at 6.6%

Policy Rates / Reserve Ratio	09-Oct-24	06-Dec-24	Status
CRR	4.50%	4.00%	↓
SLR	18.00%	18.00%	↔
SDF	6.25%	6.25%	↔
Repo Rate	6.50%	6.50%	↔
MSF	6.75%	6.75%	↔
Bank rate	6.75%	6.75%	↔
Fixed Reverse Repo Rate	3.35%	3.35%	↔

Growth Outlook

- Looking ahead, strong rabi prospects and kharif foodgrain production, along with a predicted increase in industrial activity and ongoing service buoyancy, bode well for private consumption. Strong global trade prospects ought to boost exports and external demand.
- Risks to the outlook still come from geopolitical uncertainties, global commodity price volatility, and geoeconomic fragmentation.

Inflation Outlook

- Going forward, seasonal declines in vegetable prices and the arrival of the kharif harvest are expected to reduce food inflation in Q4. Adverse weather events and rise in international agricultural commodity prices, however, pose upside risks to food inflation.
- Energy prices have recently decreased, but their sustainability still requires attention. Companies anticipate that starting from Q4, selling price growth will pick up speed and input cost pressures will continue to be high.

EVENT UPDATE

India's GDP grew 5.4% in 2QFY25



MACRO

Key Highlights

- **GDP of the Indian economy** at constant (2011-12) prices witnessed a **growth of 5.4% YoY in the second quarter of FY25.**
- On the sectoral front, the growth of **Manufacturing sector decreased to 2.2% in Q2 of FY25 from 14.3% in same quarter of previous fiscal year.** However, **growth of Agriculture, Livestock, Forestry & Fishing increased to 3.5% in Q2 of FY25 compared to 1.7% growth in Q2 of FY24.**

Gross Value Added (GVA)

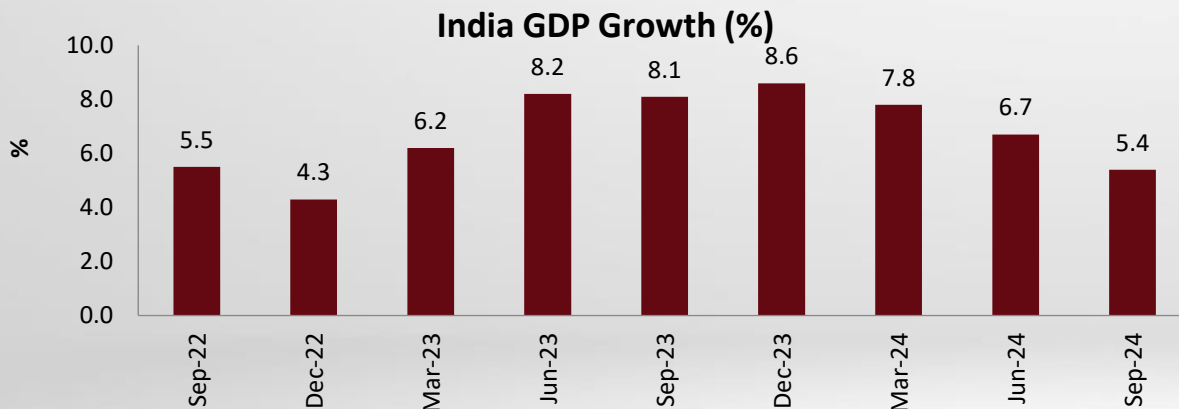
- **Gross Value Added (GVA) in 2QFY25 was 5.6% compared to 7.7% growth in the same quarter of the preceding year** with manufacturing rose to 2.2% in Sep 2024 quarter, against of 14.3% a year ago.

Gross Fixed Capital Formation (GFCF) & Private Final Consumption Expenditure (PFCE)

- **GFCF** indicates how much of the new value added is invested rather than consumed, **decreased its share to 30.8% YoY from 31.4%.** **PFCE**, a marker to gauge how households have spent on buying goods and services, **rose to 62.0% from 61.1%.**

Year- on- Year % Change

- **Growth of Agriculture, Livestock, Forestry & Fishing increased to 3.5% in Q2 of FY25 compared to 1.7% growth in Q2 of FY24.**



Source: Refinitiv

DOMESTIC & GLOBAL

Equity Market Update

INDIAN EQUITY MARKET DASHBOARD

November 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	0.56	-2.94	8.64	20.59	13.28	15.74	12.16
Nifty 50	-0.26	-4.23	7.79	21.27	13.76	16.21	12.23
Nifty 100	0.03	-4.50	7.15	25.34	14.47	16.76	12.70
Nifty 500	0.05	-4.28	8.08	27.29	16.89	19.44	13.85
Nifty Midcap 150	0.21	-4.54	8.67	31.68	23.91	28.00	18.81
Nifty Smallcap 250	-0.13	-2.35	13.89	34.52	24.77	30.76	16.71
Nifty Microcap 250	1.09	0.13	22.01	40.98	37.49	43.69	22.89
Sectoral Indices							
Nifty IT	6.78	1.41	34.27	35.02	9.28	25.89	15.97
Nifty Realty	2.07	-3.13	0.32	43.34	28.31	29.73	17.18
Nifty PSU Bank	1.32	-2.46	-7.62	36.14	40.34	21.57	5.50
Nifty Bank	1.13	1.37	6.63	18.07	14.36	10.89	11.57
Nifty Auto	-0.60	-10.69	0.48	34.15	31.28	24.91	11.68
Nifty Infrastructure	-0.93	-7.22	1.36	33.67	21.98	22.85	11.96
Nifty FMCG	-1.86	-7.84	8.38	11.36	17.81	15.31	12.95
Nifty Healthcare	-2.08	-2.61	20.22	38.08	17.95	24.31	9.77
Nifty Oil & Gas	-2.09	-17.39	-4.07	31.98	15.76	17.83	15.35
Nifty Pharma	-2.16	-4.18	18.83	37.88	18.54	22.99	7.74
Nifty Metal	-3.09	-3.80	-6.65	29.46	21.90	29.95	14.73
Nifty Energy	-4.47	-14.11	-6.17	29.60	19.82	20.69	17.11

- Domestic equity markets remained volatile in Nov 2024 as markets rose initially after the former U.S. President and Republican candidate took a decisive lead in the 2024 U.S. election.
- However, rise in domestic retail inflation rate in Oct 2024 above the RBI's upper tolerance level along with the weakening of rupee against U.S. dollar kept the market under pressure.

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 Smallcap 250 27.0
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 Midcap 150 23.1
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 17.9
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 15.5
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 12.4
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 11.8

- On CYTD basis, Nifty Smallcap 250 and Nifty Midcap 150 continue to deliver better returns than Nifty 50.
- Over the past nine full calendar years, the Nifty Smallcap 250 has ranked as a top performer in five of them.

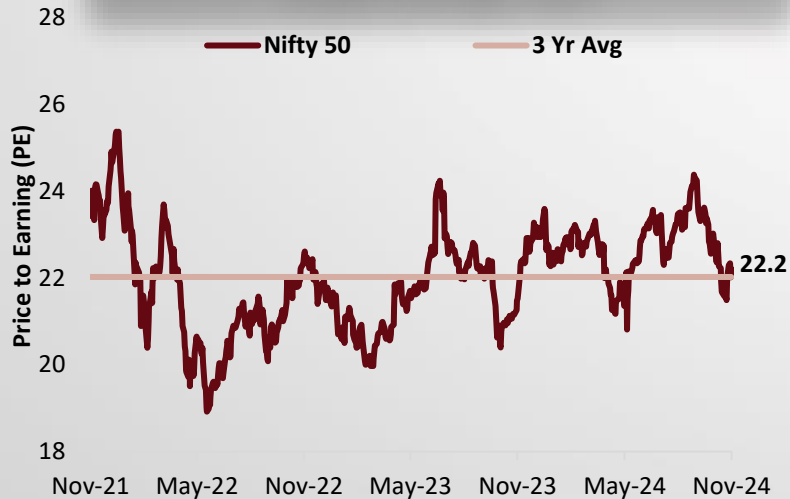
RELATIVE TRAILING VALUATIONS (P/E)

Large Cap vs Mid Cap vs Small Cap



DOMESTIC

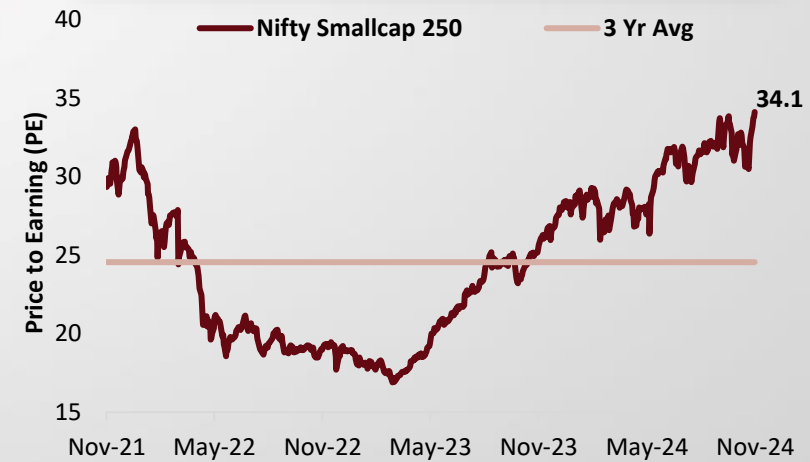
Nifty 50 trailing PE remained just above of 3-year average mark



Nifty Midcap 150 trailing PE continued to remain 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 nine months.
- Large cap valuations are hovering near their 3-year avg level while midcap and small cap are well above their avg level.

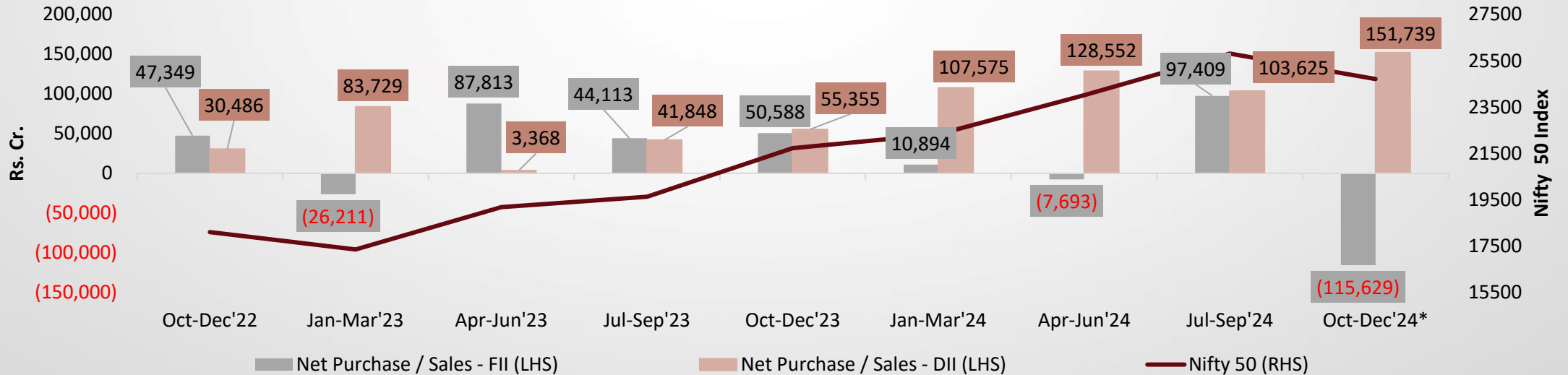
EQUITY FLOWS

Quarterly FII & DII Flows



DOMESTIC

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



- FIIs were net sellers in Nov 2024 for second consecutive month. Nonetheless, cumulative inflows stood at Rs. 2,52,008 Cr since July 2022 till date. Since April 2021 till date, cumulative FII inflows stood at Rs. 4,658 Cr.
- Mutual funds have been net buyers in equity segment in the last 45 months till Nov 2024, except April 2023 and Aug 2022. Cumulative inflows stand at Rs. 8,65,140 Cr from March 2021 till date.

GLOBAL EQUITY MARKET DASHBOARD

November 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	1.42	17.04	11.82	7.76	9.80	2.74	-2.27	2.98
India	Nifty 50	-0.31	-4.38	11.04	7.10	19.86	13.42	12.42	14.87
Taiwan	Taiwan TAIEX	-2.44	-0.03	24.16	5.14	27.70	22.32	8.50	14.13
Brazil	Brazil Ibovespa	-3.12	-7.60	-6.35	2.92	-1.31	5.70	7.23	3.03
South Korea	Kospi	-3.92	-8.17	-7.51	-6.85	-3.13	-0.34	-4.72	3.30
Indonesia	Jakarta Composite	-6.07	-7.25	-2.18	2.06	0.47	0.23	2.88	3.42
Developed Markets									
US	Russell 3000	6.68	9.12	31.06	16.69	37.25	30.15	9.58	17.82
Germany	DAX	2.88	3.81	17.16	6.10	21.04	16.76	9.13	8.19
UK	FTSE 100	2.18	-1.07	7.16	0.14	11.18	4.61	5.49	2.44
Europe	Euro Stoxx 50 Pr	-0.48	-3.10	6.26	-3.60	9.63	10.08	5.75	5.34
France	CAC 40	-1.57	-5.19	-4.08	-9.48	-1.03	3.62	2.49	4.14
Japan	Nikkei 225	-2.23	-1.14	14.18	-0.73	14.62	16.88	11.15	10.39

- The Chinese market rose as positive Chinese trade data in Oct 2024 alleviated worries regarding the effects of the new U.S. President's policies on international trade, immigration, and other significant matters.
- U.S. equity markets rose as fresh hope for global economic growth during the second term of U.S. President. Gains were extended after the U.S. Fed made its anticipated announcement regarding a reduction in interest rates, decreasing them by a quarter point on Nov 07, 2024.

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 31.1
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	Germany 17.2
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	Japan 14.2
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	Hong Kong 13.9
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	China 11.8
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	India 11.0
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	U.K. 7.2

- Japanese markets are experiencing pressure due to expectations of a Bank of Japan interest rate increase, which has resulted in a stronger Japanese yen.
- On CYTD basis, US markets have been top performer.

ASSET CLASS PERFORMANCE

Calendar Year wise



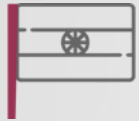
ASSET CLASS

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	Intl 31.1
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	Gold 21.4
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	Indian Equity 17.9
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 9.4
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 8.9
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 7.0
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 2.7

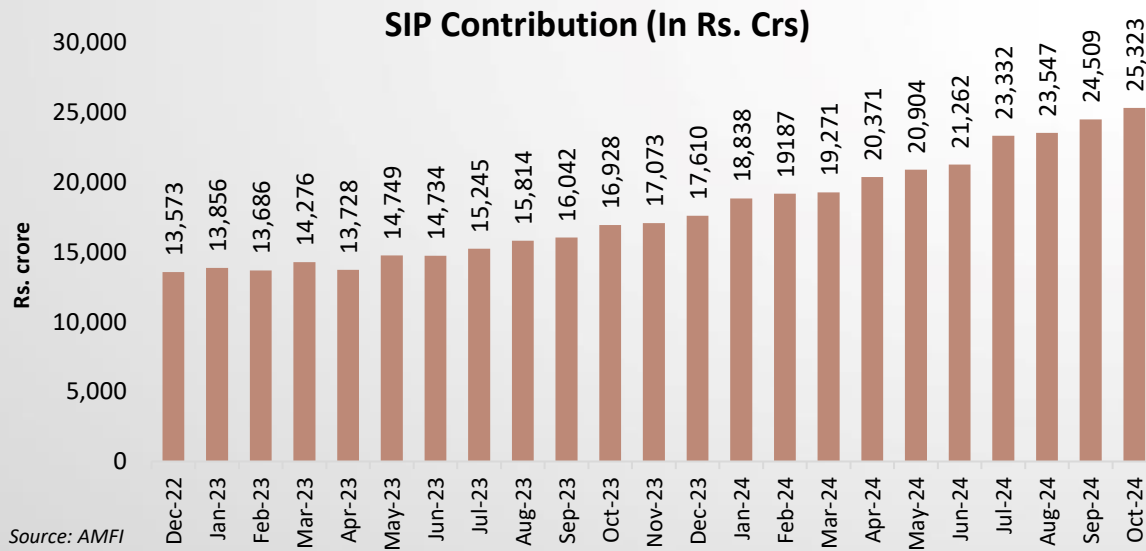
- On CYTD basis, international equity market (US) remained at the top followed by gold and Indian equity market.
- Till 2023, Indian equities has been among the top three gainers for the past four calendar years while Gold has been one of the top performers in five out of six years.

MUTUAL FUNDS

SIP Flows and SIP Returns Data



DOMESTIC



- According to AMFI, monthly SIP contribution in Oct 2024 touched a new high and stood at Rs. 25,323 crore.
- SIP AUM decreased to Rs. 13.30 lakh crore with 1,012.34 lakh outstanding SIP accounts.

Equity Broad MF category	Category average SIP returns (%)		
	3-year	5-year	10-year
Large cap	19.2	19.1	14.7
Large & Mid cap	25.1	24.5	17.7
Flexi cap	22.7	21.8	16.7
Multi cap	26.5	26.2	19.0
Mid cap	29.4	28.7	20.1
Small cap	30.5	32.8	21.9
Focused	21.9	20.7	16.1
Value	26.9	26.3	18.5

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

Performance is of regular plan growth option for SIP returns.
SIP performance as on 29th Nov 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	0.06	-3.81	8.24	25.97	14.60	16.30	12.03
Large & Mid Cap	0.63	-3.10	10.78	31.76	18.77	21.14	14.74
Flexi Cap	0.57	-2.80	10.29	29.28	16.83	19.07	13.77
Multi Cap	0.96	-2.46	11.40	31.61	20.35	22.68	15.38
Mid Cap	0.65	-2.80	12.16	35.04	22.27	26.07	16.98
Small Cap	1.75	-0.80	16.16	31.97	23.27	31.27	18.51
Focused	0.23	-3.21	10.71	28.49	16.03	18.13	13.52
Value	-0.01	-4.26	9.41	31.64	21.20	22.41	15.05
Index:							
Nifty 100	0.03	-4.50	7.15	25.34	14.47	16.76	12.70
Nifty 500	0.05	-4.28	8.08	27.29	16.89	19.44	13.85
Nifty Midcap 150	0.21	-4.54	8.67	31.68	23.91	28.00	18.81
Nifty Smallcap 250	-0.13	-2.35	13.89	34.52	24.77	30.76	16.71

- In the last one-month, Small Cap category followed by Multi Cap & Mid Cap categories delivered the highest returns.
- It is to be worth noted that all the equity categories witnessed positive returns for 6 months and above periods.

EQUITY MARKET ROUNDUP

Key Takeaways & Outlook



DOMESTIC

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

- Domestic equity markets continued to remain under pressure, before staging a recovery in the later part of the month. A variety of factors such as earnings moderation, foreign investor outflows, ongoing geopolitical tensions in the Middle East and moderation in high-frequency indicators impacted market sentiments.
- However, markets rose after the Maharashtra state's current coalition government, led by the ruling party at the Centre, achieved a notable triumph in the state assembly election which raised expectations for an increased government spending and policy continuity with emphasis on infrastructure and capex.

Outlook:

- Going forward, from the domestic perspective, the primary factors to monitor will be the inflation trajectory and the outlook for corporate earnings in the second half of the fiscal year. The focus will also be on the pace of revival of consumer demand, especially post the festive season. Government capex is expected to be picking up in the second half of the fiscal, which can boost the markets.
- From the global perspective, the appointment of the newly elected President in the U.S. has dampened expectations on the U.S. rate cut cycle given the view that his policies are likely to be more protectionist and inflationary leading to a strengthening dollar and consequently a weaker Rupee. A near-term volatility is expected amid growing uncertainties about global policies, geo-political issues, and lastly the current cyclical slowdown prevalent in India.
- **Looking at the current 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 in the near term risks.**

DOMESTIC & GLOBAL

Debt Market Update

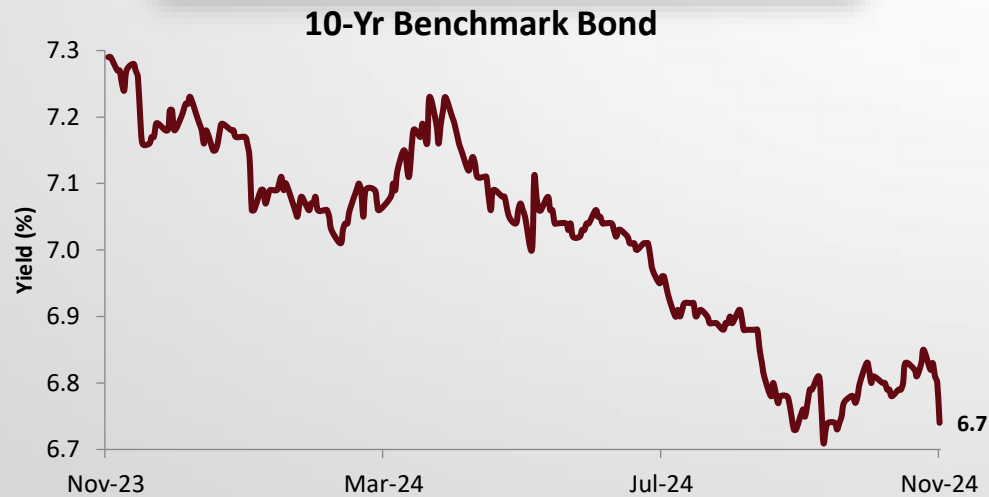
DEBT MARKET

Indian Government Bond and Policy Rate Trend



INDIAN DEBT

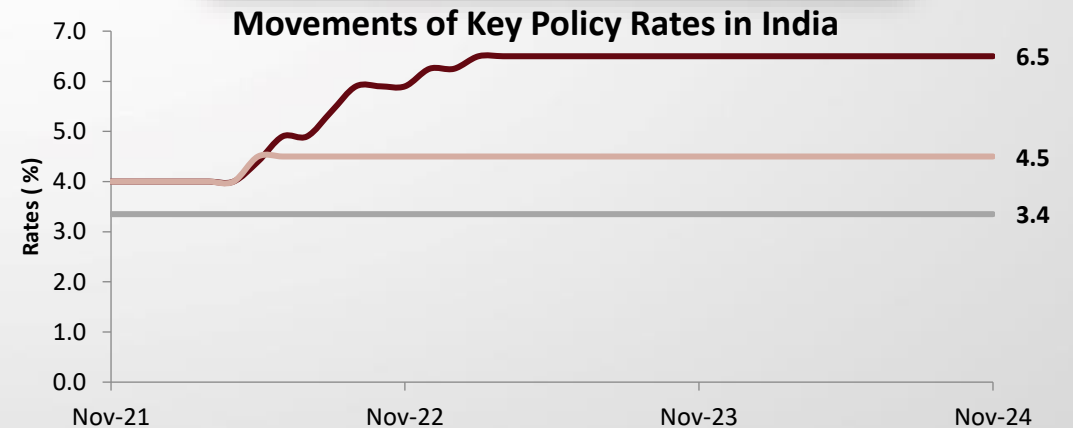
10-year benchmark G-sec yield fell by 7 bps MoM in Nov 2024



Source: Refinitiv

Bond yields fell following the weaker-than-expected domestic GDP growth data for the second quarter of FY25, as market participants expecting that could pave the way for an earlier rate cut by the RBI.

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



Source: RBI

The Monetary Policy Committee (MPC) in its fifth bi-monthly monetary policy review of FY25 kept key policy repo rate unchanged at 6.50% for the eleventh consecutive time.

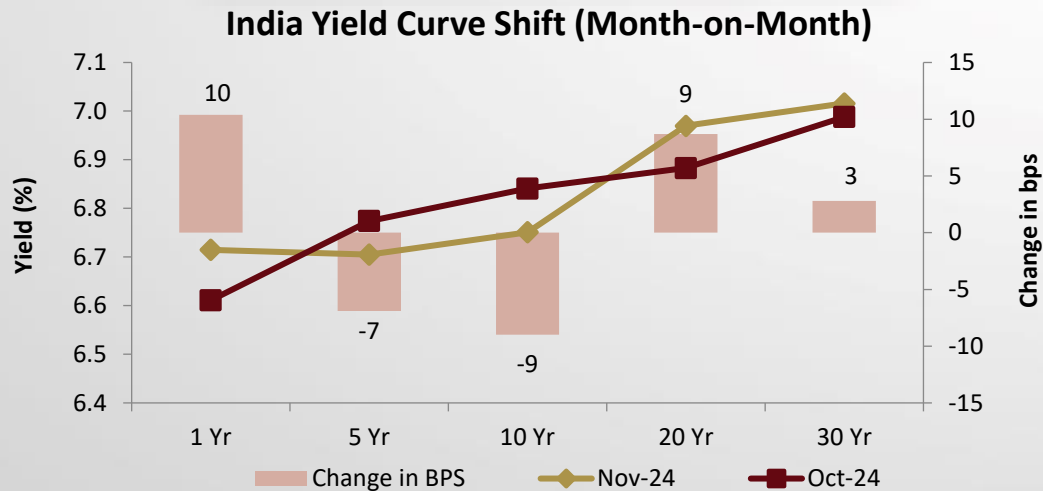
DEBT MARKET

Government Bond & Corporate Bond Yield Trend



INDIAN DEBT

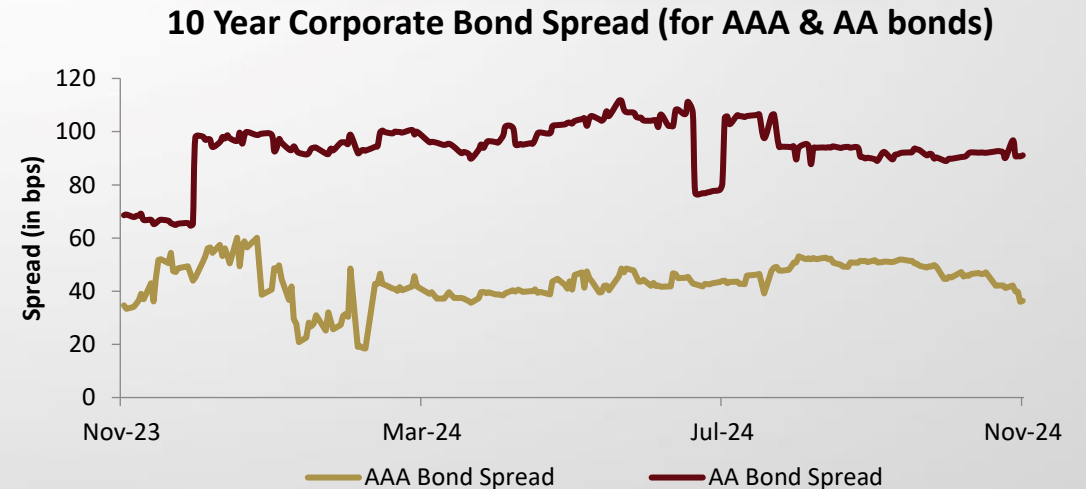
G-sec yields mostly fell during the month



Source: Refinitiv

Yield on gilt securities fell up to 9 bps across the maturities, barring 1, 15, 19 & 30 year papers that rose between 3 to 11 bps, while 12 & 14 year papers were unchanged.

Corporate bond yields mostly decreased during the month



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

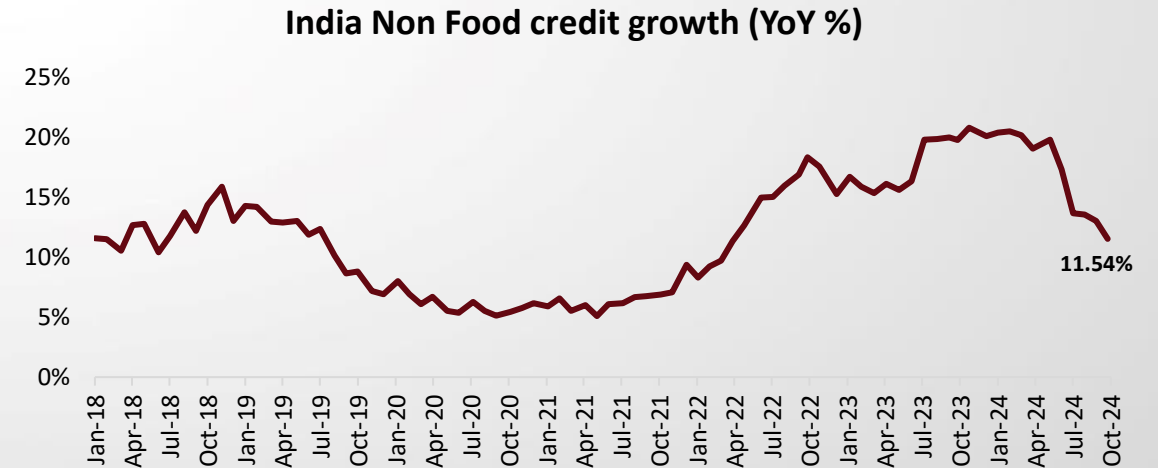
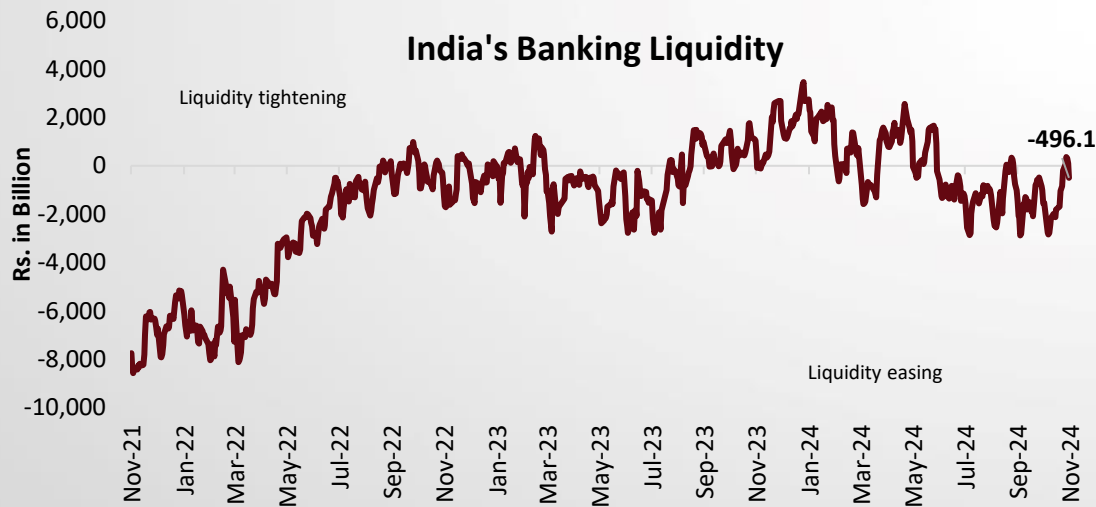
Yield on corporate bonds fell in the range of 2 to 22 bps across the curve, barring 1 & 2 year papers that increased by 5 bps each.

DEBT MARKET

System Liquidity



INDIAN DEBT



- Liquidity in the banking system remained in surplus mode during the most part of the month. The RBI has been actively managing surplus liquidity in the banking system by conducting variable rate reverse repo auctions to absorb the excess liquidity, so that the weighted average call rate aligns with the repo rate of 6.50%.
- However, liquidity turned to deficit towards end of the month primarily because of outflows due to goods and services tax payments. Additionally, the RBI's active intervention in the forex market to defend the falling rupee also weighed on liquidity conditions.

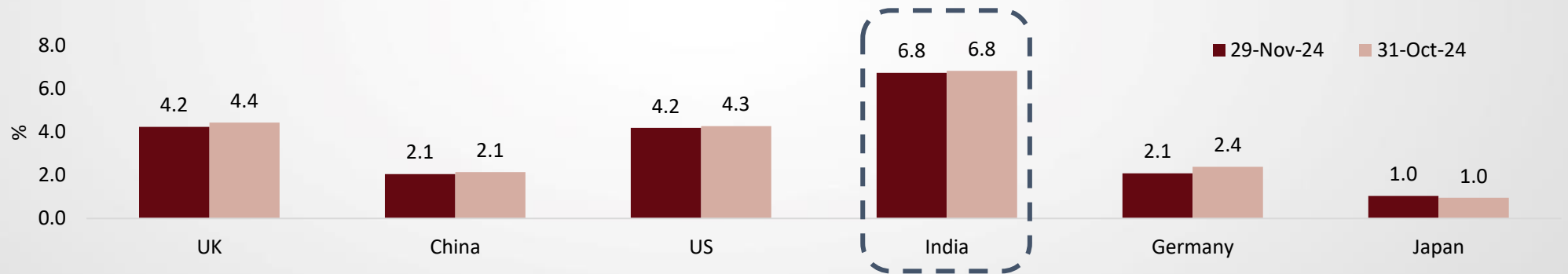
DEBT MARKET

Global



GLOBAL DEBT

Yield of 10 Year Government Bonds across countries (%)



Current Yield (%)	4.2	2.1	4.2	6.8	2.1	1.0
Inflation (%)	2.3	0.3	2.6	6.2	2.0	2.6
Real Yields (%): 29-Nov-24	1.9	1.8	1.6	0.5	0.1	-1.6

- Globally, 10-year sovereign yields mostly 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 U.S.

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	0.52	1.58	3.22	6.61	5.83	4.79
Liquid Fund	0.57	1.73	3.51	7.27	6.21	5.20
Ultra Short Term Fund	0.53	1.72	3.44	7.07	5.90	5.32
Low Duration Fund	0.52	1.79	3.64	7.39	5.98	5.94
Money Market Fund	0.56	1.78	3.57	7.37	6.20	5.62
Arbitrage Fund	0.51	1.60	3.37	7.33	5.91	5.07
ICRA Liquid Index	0.59	1.81	3.68	7.66	6.63	5.59
Short Term Bond Fund	0.61	1.92	4.04	7.97	6.01	6.09
Medium Duration Fund	0.55	2.01	4.30	8.49	6.10	6.01
Banking and PSU Fund	0.49	1.84	3.99	8.00	5.77	6.18
Corporate Bond Fund	0.54	1.94	4.16	8.22	5.80	6.28
Credit Risk Fund	0.51	2.01	4.18	8.18	9.01	6.55
Nifty Short Duration Debt Index	0.50	1.84	3.78	7.79	6.00	6.42
Dynamic Bond Fund	0.33	1.71	4.29	9.20	5.81	6.14
Medium to Long Duration Fund	0.44	1.69	4.18	8.97	5.49	5.88
ICRA Composite Bond Fund Index	0.54	2.04	4.82	10.06	6.21	7.25
Gilt Fund	0.29	1.62	4.32	9.71	5.77	6.20
ICRA Composite Gilt Index	0.62	1.99	5.01	10.95	6.30	7.11

- Gilt Funds, Dynamic Bond Funds and Medium to Long Duration Funds are the top performing categories over the past year, generating between 9% to 10% return.

DEBT MARKET

Sensitivity Analysis



INDIAN DEBT

Sensitivity Analysis				Interest Rate Scenario's					
Category	Avg YTM (%)	Avg Maturity (Years)	Avg Mod duration (Years)	Increases			Decreases		
				0.25%	0.50%	1.00%	0.25%	0.50%	1.00%
Overnight Fund	6.31	0.00 Years	0.01 Years	6.30%	6.30%	6.30%	6.31%	6.31%	6.32%
Liquid Fund	7.05	0.04 Years	0.10 Years	7.03%	7.00%	6.95%	7.08%	7.10%	7.15%
Ultra Short Term Fund	7.40	0.25 Years	0.42 Years	7.30%	7.19%	6.98%	7.51%	7.61%	7.82%
Money Market Fund	7.30	0.16 Years	0.40 Years	7.20%	7.10%	6.90%	7.40%	7.50%	7.70%
Low Duration Fund	7.57	0.73 Years	0.88 Years	7.35%	7.13%	6.69%	7.79%	8.01%	8.45%
Short Term Bond Fund	7.41	3.50 Years	2.63 Years	6.75%	6.10%	4.78%	8.07%	8.73%	10.04%
Corporate Bond Fund	7.39	4.89 Years	3.54 Years	6.51%	5.62%	3.85%	8.28%	9.16%	10.93%
Banking and PSU Fund	7.31	4.55 Years	3.25 Years	6.50%	5.69%	4.06%	8.13%	8.94%	10.56%
Credit Risk Fund	7.60	2.93 Years	2.12 Years	7.07%	6.54%	5.48%	8.13%	8.66%	9.72%
Medium Duration Fund	7.59	4.99 Years	3.60 Years	6.69%	5.79%	3.99%	8.49%	9.39%	11.19%
Dynamic Bond Fund	7.08	14.66 Years	6.98 Years	5.33%	3.59%	0.10%	8.82%	10.57%	14.06%
Medium to Long Duration Fund	7.15	10.67 Years	6.09 Years	5.63%	4.11%	1.06%	8.67%	10.20%	13.24%
Gilt Fund	6.99	18.89 Years	8.65 Years	4.83%	2.67%	-1.66%	9.15%	11.32%	15.64%

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

Note: Modified Duration indicates the sensitivity of a fund/bond with a change in interest rate scenario. It helps help investors predict how the bond's price will be affected by the fluctuations in interest rates.

For eg: If a fund with a modified duration of 8 years and YTM of 8% sees a 50-bps interest rate fall in a year, then the estimated return will be 12% [Average YTM - (Modified Duration x Change in Interest Rate)].

DEBT MARKET ROUNDUP

Key Takeaways & Outlook



INDIAN DEBT

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

- Bond yields fell during the month following the weaker-than-expected domestic GDP growth data for the second quarter of FY25, as market participants expecting that could pave the way for an earlier rate cut by the RBI. Yields fell further due to interest rate cut by the U.S. Federal Reserve by 25 bps in its Nov 2024 policy meeting.
- Gains were extended following an ease in U.S. Treasury yields after the newly elected U.S. President told that he will nominate a prominent fund manager as Treasury secretary, who is seen a fiscal conservative and will likely to want to keep a leash on U.S. deficits. However, spike in domestic consumer inflation data of Oct 2024, limited the gains.

Outlook:

- Moving ahead, domestic bond yields will be influenced by the upcoming macroeconomic data and the RBI's upcoming monetary policy decision in Feb 2025, where a rate cut is expected following the central bank's decision to lower the CRR from 4.0% to 4.5% at the Dec 2024 policy meeting. However, expectations of an increase in capital expenditures by the government in second half of FY25 may keep the sovereign bond yields elevated.
- Foreign inflows into domestic bonds may be waned following the victory of the former U.S. President in the recently conducted election, which stoked speculation of higher U.S. inflation and strengthening of U.S dollar after the new U.S. President plans to impose tariffs around the globe.
- **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 may generate capital gains when the RBI will start cutting interest rates in near future.**

ECONOMIC CALENDAR

Upcoming Key Events for the Month



DOMESTIC

Events for December 2024	
Event	Date
Industrial Production YoY Oct 2024	12-Dec-24
CPI Inflation Rate YoY Nov 2024	12-Dec-24
WPI Inflation YoY Nov 2024	16-Dec-24
Passenger Vehicles Sales YoY Nov 2024	16-Dec-24
Balance of Trade Nov 2024	16-Dec-24
Fiscal deficit (as a % of budget estimates) Nov 2024	31-Dec-24
Infrastructure Output YoY Nov 2024	31-Dec-24
Current Account Balance Q2 FY25	31-Dec-24

Source: Refinitiv



GLOBAL

Events for December 2024	
Event	Date
U.S. CPI YoY, NSA Nov 2024	11-Dec-24
Euro Zone ECB Refinancing Rate Dec 2024	12-Dec-24
U.K. CPI YoY Nov 2024	18-Dec-24
Euro Zone HICP Final YoY Nov 2024	18-Dec-24
U.S. Fed Funds Target Rate	18-Dec-24
Japan CPI, Core Nationwide YoY Nov 2024	19-Dec-24
U.S. GDP Final Q3 2024	19-Dec-24
China Loan Prime Rate 1Y Dec 2024	20-Dec-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	25.97	14.60	16.30	12.03
Large & Mid Cap	31.76	18.77	21.14	14.74
Multi Cap	31.61	20.35	22.68	15.38
Flexi Cap	29.28	16.83	19.07	13.77
Mid Cap	35.04	22.27	26.07	16.98
Small Cap	31.97	23.27	31.27	18.51
Focused	28.49	16.03	18.13	13.52
Value	31.64	21.20	22.41	15.05
Hybrid Category:				
Conservative Hybrid	12.48	8.59	8.89	7.82
Balanced Hybrid	20.14	--	--	--
Balanced Advantage	18.89	11.93	12.55	9.69
Multi Asset Allocation	20.75	14.50	17.59	12.15
Aggressive Hybrid	24.11	14.31	16.29	11.58

Debt Category	3 Mths	6 Mths	1 Yr	3 Yr
Money Market:				
Overnight	1.58	3.22	6.61	5.83
Liquid	1.73	3.51	7.27	6.21
Ultra Short Duration	1.72	3.44	7.07	5.90
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Short Duration	1.92	4.04	7.97	6.01
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Banking & PSU Debt	1.84	3.99	8.00	5.77
Corporate Bond	1.94	4.16	8.22	5.80
Floating Rate	1.90	4.20	8.28	6.35
Credit Risk	2.01	4.18	8.18	9.01
Duration:				
Medium to Long Duration	1.69	4.18	8.97	5.49
Long Duration	1.52	4.64	11.86	5.99
Dynamic Bond	1.71	4.29	9.20	5.81
Gilt	1.62	4.32	9.71	5.77
Gilt Fund with 10 year constant duration	2.04	4.82	10.10	5.49

Note: <1 year return are absolute and ≥ 1 year returns are CAGR
Performance is of regular plan growth option. MF Category average performance as on 29th Nov 2024.
Source: MFI 360 Explorer <http://www.icraanalytics.com/legal/standard-disclaimer.html>

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