



# ATLAS


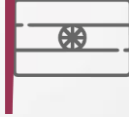



Monthly Market Review  
November 2024



2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
10.3	8.8	11.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1
24.5	20.5	21.2	23.6	26.3	26.3	26.3	26.3	26.3	26.3	26.3	26.3	26.3	26.3	26.3
26.0	24.0	14.0	13.0	8.0	7.3	11.4	12.3	12.3	12.3	12.3	12.3	12.3	12.3	12.3
641.3	29.8	59.5	36.7	7.0	7.4	K.A.	K.A.	18.8	16.3	4.0	53488	2528	2164	6388
18.1	17.0	23.0	K.A.	392035	198756	1563320	61046	18.1	17.0	23.0	K.A.	392035	198756	1563320
18.1	10.9	1.5	1563320	25004	2451	2528	2164	6388	25004	2451	2528	2164	6388	25004
18.1	13.8	1.3	61046	2451	2528	2164	6388	25004	2451	2528	2164	6388	25004	2451

Umsatz	29.10.2010	Stück (€)
43869	935077	935077
157881	1739312	1739312
20072	3213370	3213370

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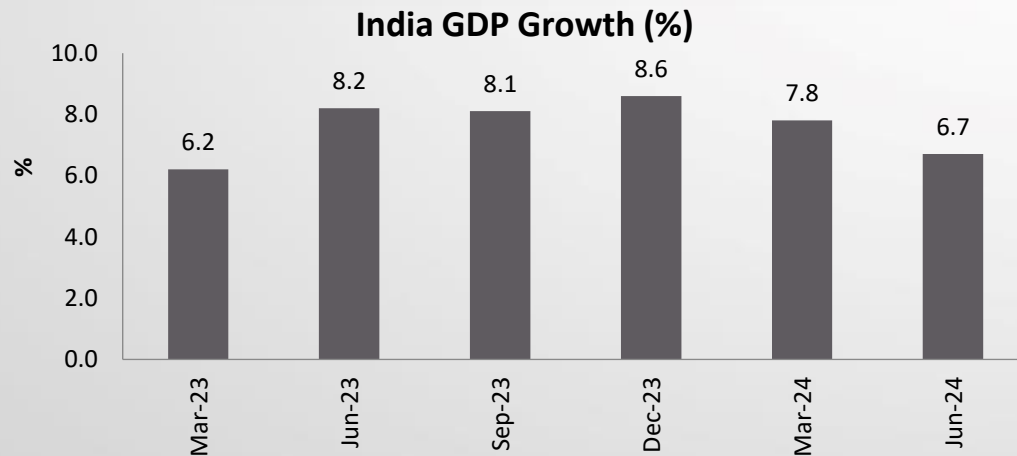
# MACRO ECONOMIC INDICATORS

## GDP and Current Account Deficit Trend



### MACRO

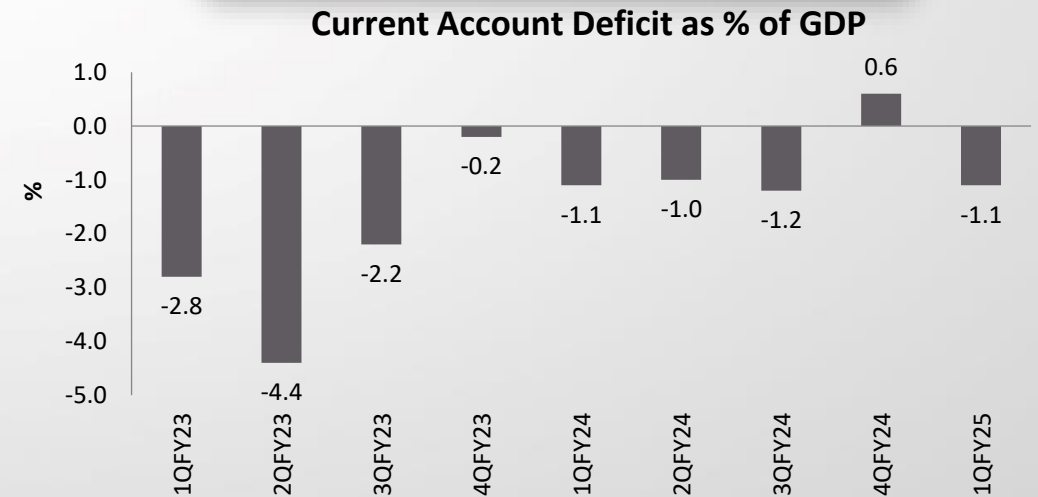
GDP growth eased YoY in 1QFY25



Source: Refinitiv

GDP of the Indian economy at constant (2011-12) prices witnessed a growth of 6.7% YoY in the first quarter of FY25. In the Apr-Jun quarter of last year, the GDP growth rate was 8.2%.

Current a/c deficit widened in 1QFY25



Source: Refinitiv

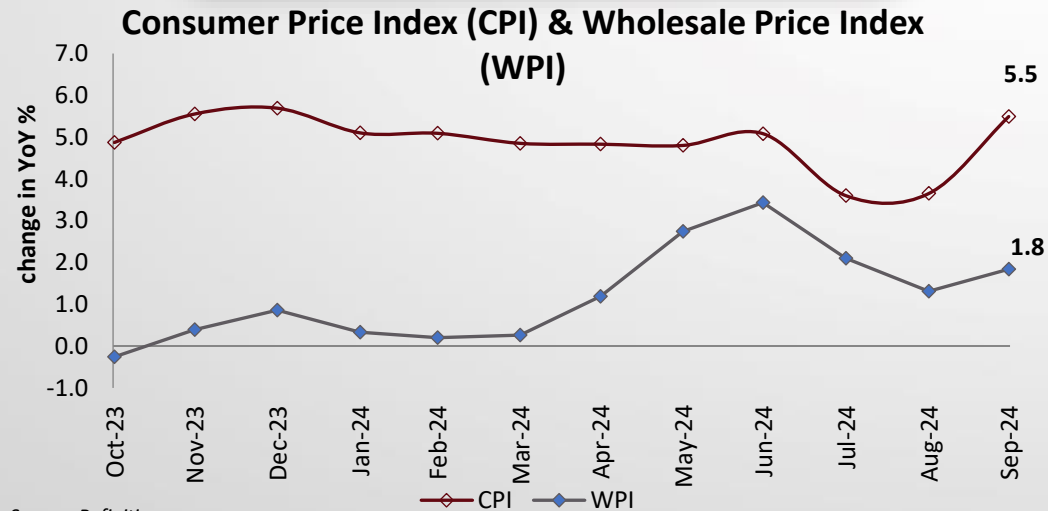
Current account deficit widened marginally to US\$ 9.7 billion (1.1% of GDP) in 1Q FY25 from US\$ 8.9 billion (1.0% of GDP) in 1Q FY24 and against a surplus of US\$ 4.6 billion (0.5% of GDP) in 4Q FY24.

# MACRO ECONOMIC INDICATORS

## Inflation and Trade Data Trend

### MACRO

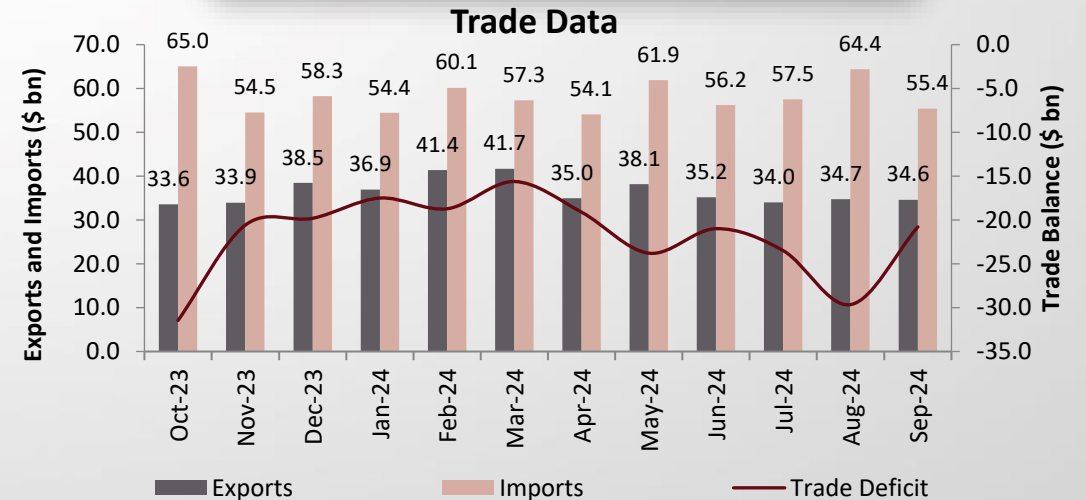
CPI inflation rose in Sep 2024



Source: Refinitiv

CPI-based inflation increased to 5.49% YoY in Sep 2024 compared to 3.65% in Aug 2024. WPI-based inflation increased by 1.84% YoY in Sep 2024.

Trade deficit narrowed MoM in Sep 2024



Source: Refinitiv

Merchandise trade deficit narrowed MoM to \$20.78 billion in Sep 2024 compared to \$29.65 billion in Aug 2024, however, the deficit widened on an annual basis compared to \$20.08 billion in Sep 2023.

# MACRO ECONOMIC INDICATORS

## Manufacturing and Services PMI Trend

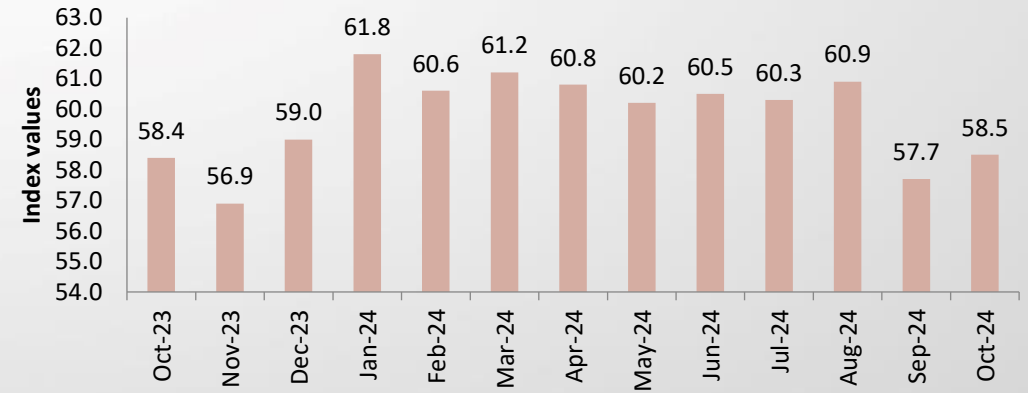
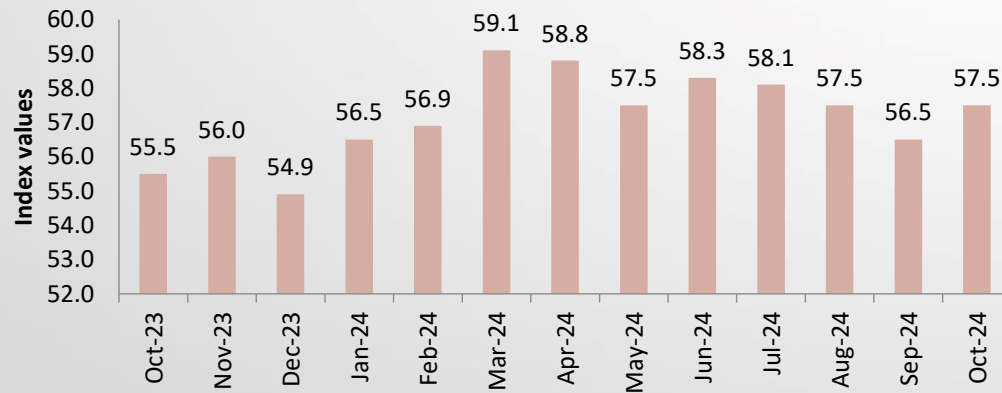


Manufacturing PMI rose in Oct 2024

Services PMI increased in Oct 2024

**India Manufacturing PMI**

**India Service PMI**



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

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

The Manufacturing PMI stood at 57.5 in Oct 2024 compared to 56.5 in Sep 2024. Enhanced demand has led to an increase in job creation and a favorable business environment.

Services PMI increased to 58.5 in Oct 2024 as compared to 57.7 in Sep 2024, driven by strong demand and job creation. Composite PMI rose to 59.1 from 58.3 in the same period.

# MACRO ECONOMIC INDICATORS

## IIP and GST Trend



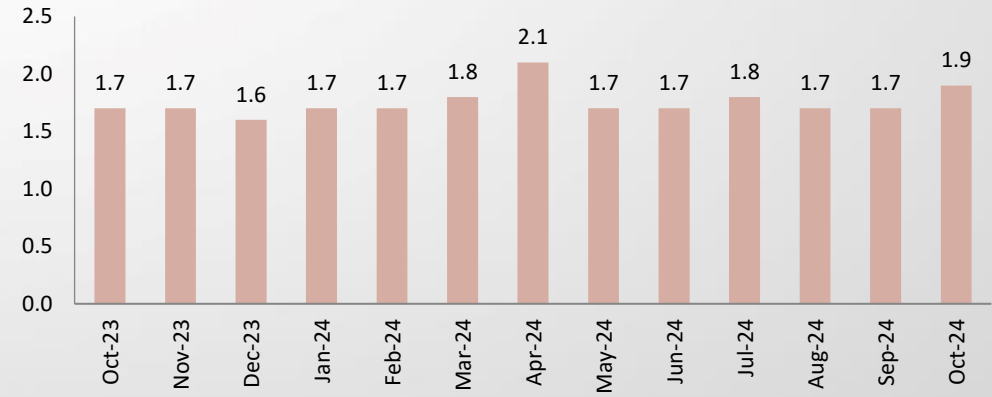
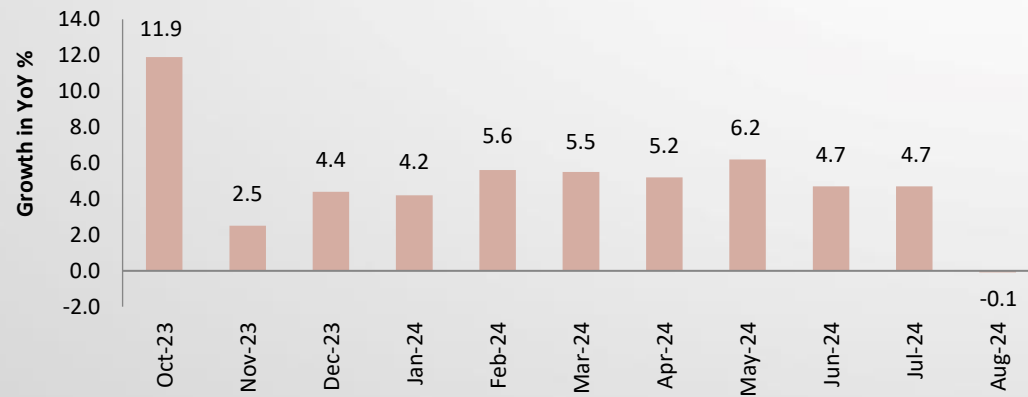
### MACRO

Industrial output contracted YoY in Aug 2024

GST collections grew 8.9% YoY to Rs. 1.87 lakh crore in Oct 2024

Index of Industrial production (IIP)

GST Collections (Rs. Lakh Crore)



Source: Refinitiv

Source: PIB

Index of Industrial production contracted 0.1% YoY in Aug 2024, as compared to a 4.7% rise in Jul 2024. Production in mining and electricity decreased by 4.3% and 3.7%, respectively.

Gross Goods and Services Tax (GST) collections rose 8.9% YoY to Rs. 1.87 lakh crore in Oct 2024, the second highest level of monthly collections seen since the Jul 2017 rollout of the indirect tax regime.

# MACRO ECONOMIC INDICATORS

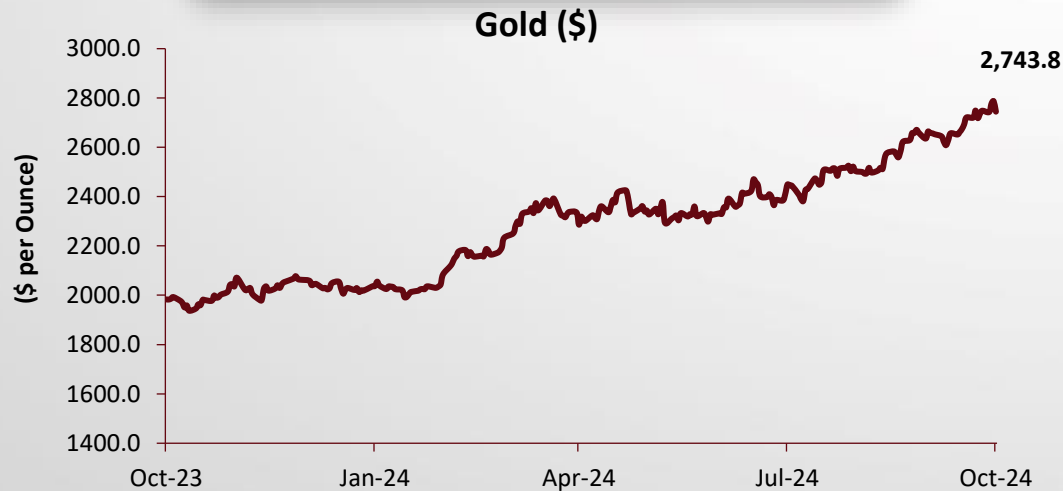
## International Gold and U.S. 10 Year Treasury Trend



### MACRO

Gold prices rose MoM in Oct 2024

U.S. Treasury yields rose MoM in Oct 2024



Gold prices rose amid persisting worries about geopolitical tensions and continued uncertainty about the global economic outlook, and the upcoming U.S. elections.

U.S. Treasury prices fell after an unexpectedly robust employment report for Sep 2024 diminished the likelihood of significant interest rate reductions during the U.S. Fed's last two meetings of the year.

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

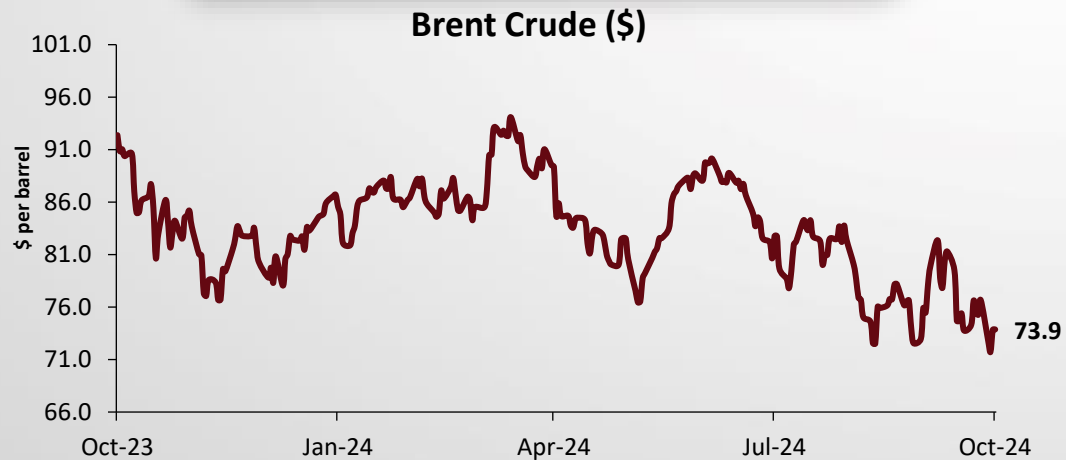
# MACRO ECONOMIC INDICATORS

## Crude and USD/INR Currency Trend



### MACRO

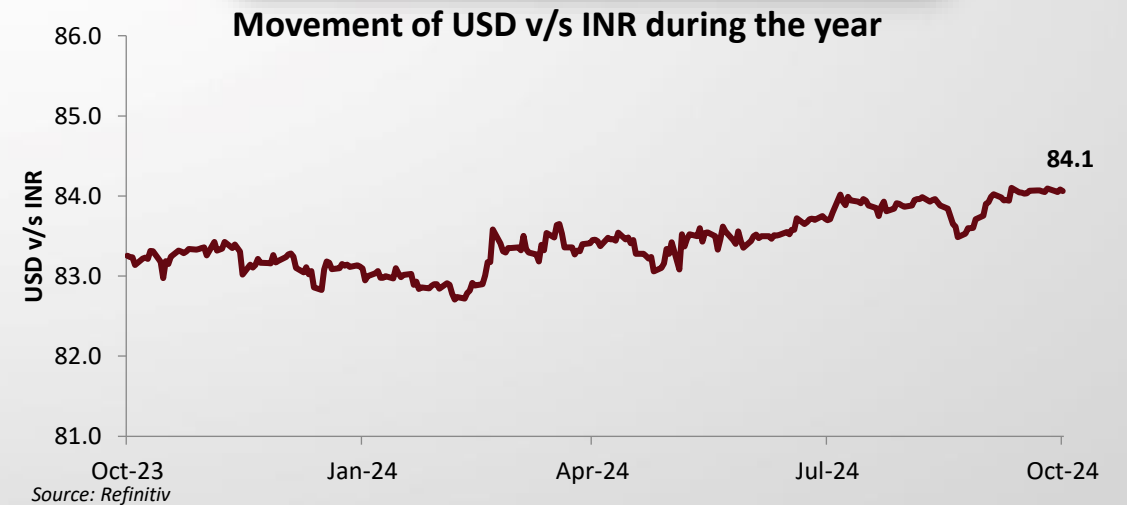
Crude oil prices rose MoM in Oct 2024



Source: Refinitiv

Brent crude oil prices rose on concerns that a wider Middle East conflict could disrupt global energy shipments.

Rupee fell against U.S. dollar on MoM in Oct 2024



Source: Refinitiv

Rupee fell against the U.S. dollar due to weakness in its regional peers and likely outflows from domestic equities ahead of the U.S. presidential election.



# EVENT UPDATE

## RBI MPC maintains status quo, keeps repo rate unchanged at 6.5%



### MACRO

#### Key Highlights

- MPC kept repo rate unchanged at 6.50%
- Cash reserve ratio (CRR) kept unchanged at 4.50%
- The MPC changed the stance from withdrawal of accommodation to neutral
- For FY25, retail inflation projection remained unchanged at 4.5%
- For FY25, real GDP growth projection remained unchanged at 7.2%

Policy Rates / Reserve Ratio	08-Aug-24	09-Oct-24	Status
CRR	4.50%	4.50%	↔
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 reservoir levels and above-average rainfall are expected to support the agriculture sector's performance**, while manufacturing and service sector activity are predicted to stay stable.
- **Positive demand factors** for private consumption include strong kharif sowing and **ongoing momentum in consumer spending during the festival season.**

#### Inflation Outlook

- Moving ahead, **Food inflation, is expected to ease by Q4 of 2024-25 on better kharif arrivals and rising prospects of a good rabi season.**
- Adequate reservoir levels, the likelihood of a good winter and **favourable soil moisture conditions augur well for the ensuing rabi season**, though adverse weather events remain a risk.
- However, the very **recent upturn in key commodity prices, especially metals and crude oil needs to be closely monitored.**

# EVENT UPDATE

## U.S. Federal Reserve reduced interest rate by 25 bps in Nov 2024



### MACRO

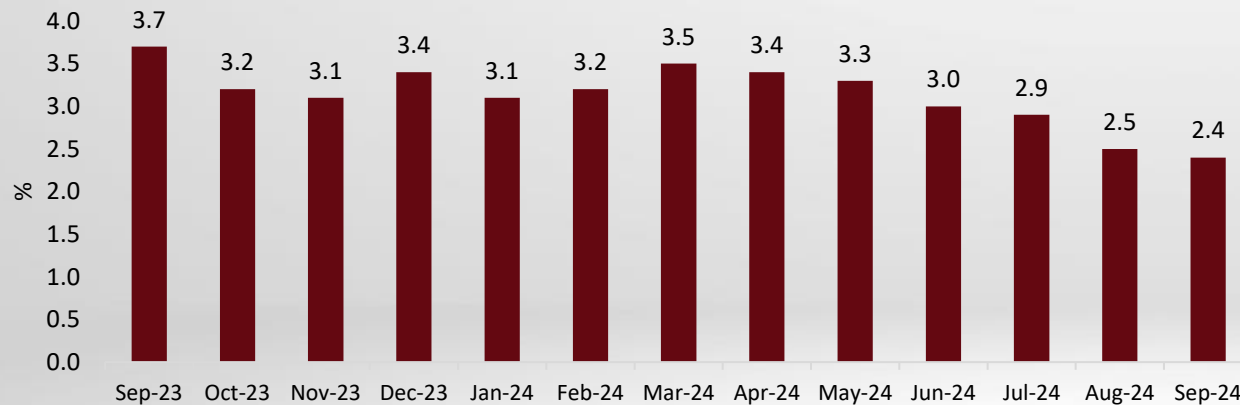
#### Key Highlights

- The Fed **lowered** the **federal funds target range by 25 bps to 4.50% to 4.75%**.
- The central bank announced that its **choice to persist in reducing interest rates is influenced by the overall easing of labor market conditions**, alongside the **ongoing advancement of inflation towards its target of 2%**.

#### U.S inflation Peaking

- According to the Labor Department, **U.S. consumer price index rose by 0.2% in Sep 2024**, matching the increases seen in Aug 2024 and Jul 2024. Meanwhile, the Labor Department said the **annual rate of consumer price growth slowed to 2.4% in Sep 2024 from 2.5% in Aug 2024**. Further, the report said **core consumer prices**, which exclude food and energy prices, **climbed by 0.3% for the second consecutive month**.

#### U.S. Inflation(%)



Source: Refinitiv

#### To Conclude

- Recent data indicates that **economic activity has persisted in its robust expansion**. Since the beginning of the year, **labor market conditions have generally improved**, resulting in a slight increase in the unemployment rate, which, however, remains at a low level. **Progress has been made in reducing inflation towards the Committee's target of 2%**, although it still remains relatively high. The **Committee aims to attain the highest possible level of employment while maintaining an inflation rate of 2% over the long term**.

# DOMESTIC & GLOBAL

## Equity Market Update

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# INDIAN EQUITY MARKET DASHBOARD

## October 2024



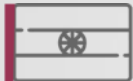
### DOMESTIC

Index Name (Broader Market Indices)	Absolute (%)				CAGR(%)		
	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
BSE Sensex	-5.70	-2.57	7.68	25.86	11.59	15.99	12.43
Nifty 50	-6.12	-2.67	8.10	28.39	12.35	16.61	12.62
Nifty 100	-6.72	-3.43	7.81	33.07	13.13	17.04	13.08
Nifty 500	-6.35	-3.33	8.82	36.33	15.71	19.75	14.24
Nifty Midcap 150	-6.42	-4.38	10.86	44.15	23.21	28.45	19.39
Nifty Smallcap 250	-3.58	-0.89	12.58	48.57	24.61	31.04	16.94
Nifty Microcap 250	-3.33	0.31	18.91	54.36	35.99	42.62	23.19
<b>Sectoral Indices</b>							
Nifty PSU Bank	-0.46	-9.08	-10.94	37.28	35.10	22.80	6.81
Nifty Healthcare	-2.20	5.10	20.94	56.80	19.55	25.70	10.49
Nifty Pharma	-2.34	4.59	20.36	55.88	18.74	24.50	8.34
Nifty Bank	-2.84	0.07	5.14	21.21	10.48	11.99	12.37
Nifty IT	-3.12	-0.51	23.73	34.87	7.59	23.35	15.77
Nifty Infrastructure	-7.81	-6.83	3.42	45.98	21.71	23.09	11.97
Nifty Metal	-8.55	-2.38	2.07	45.31	20.46	32.05	14.62
Nifty Realty	-9.05	-8.55	2.95	66.22	26.40	30.43	17.96
Nifty FMCG	-9.65	-4.54	10.30	17.72	17.67	14.78	13.53
Nifty Energy	-10.63	-10.34	-2.05	48.91	21.12	21.42	17.29
Nifty Oil & Gas	-12.95	-14.10	-3.69	50.24	15.32	17.97	15.38
Nifty Auto	-12.99	-11.65	5.31	48.82	28.71	23.97	12.14

Domestic equity markets fell amid a broad-based sell-off across the sectors as fears of a full-fledged war between Iran and Israel dented investors' appetite for riskier assets on expectations of a significant retaliatory attack by Israel following Iran's missile strikes. Losses were extended as sentiment was dented following muted earnings reported by major domestic companies for the second quarter of FY25 so far.

# 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 27.1
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 22.8
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 17.8
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 12.6
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 11.2

- On CYTD basis, Nifty Smallcap 250 and Nifty Midcap 150 continue to deliver better returns than Nifty 50.

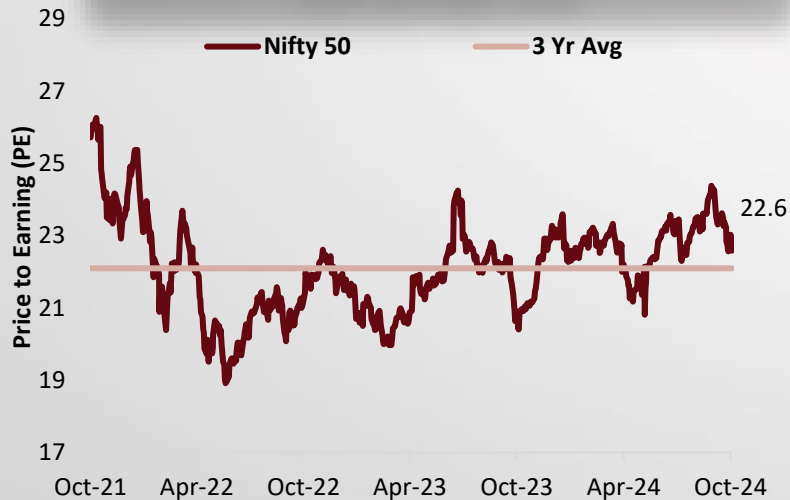
# RELATIVE TRAILING VALUATIONS (P/E)

## Large Cap vs Mid Cap vs Small Cap

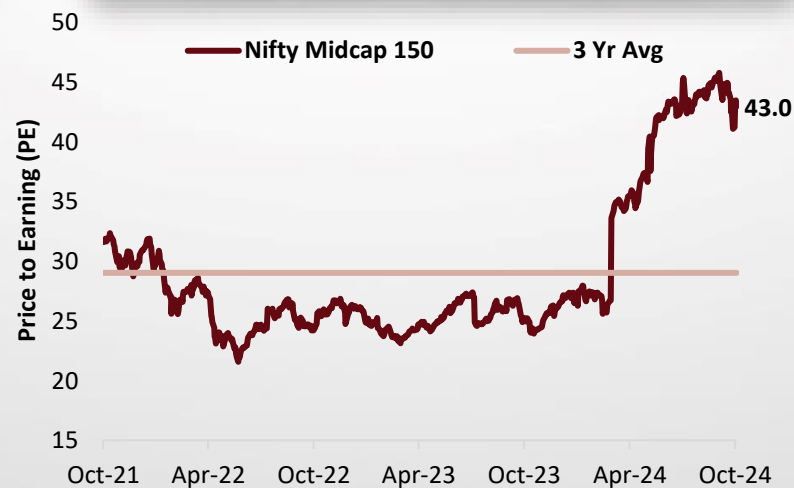


### DOMESTIC

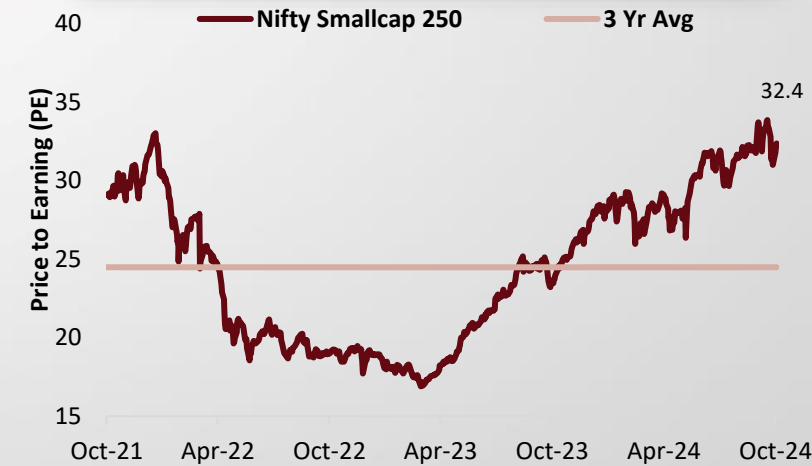
Nifty 50 trailing PE remained above of 3-year average mark



Nifty Midcap 150 trailing PE continued to remain above 3-year average level



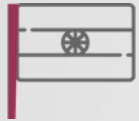
Nifty Smallcap 250 trailing PE continued to remain above 3-year average level



- Currently, Midcap valuations are expensive compared with Large cap and small cap due to sudden surge in the last eight 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.

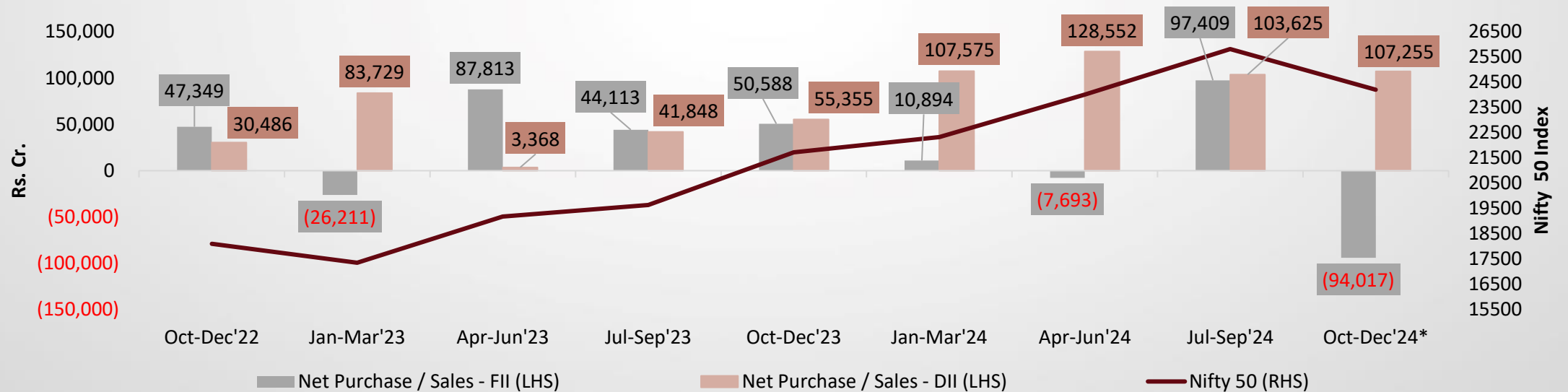
# EQUITY FLOWS

## Quarterly FII & DII Flows



### DOMESTIC

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



- FII's were net sellers in October 2024 after remaining net buyers for four consecutive months. Nonetheless, cumulative inflows stood at Rs. 2,73,620 Cr since July 2022 till date. Since April 2021 till date, cumulative FII outflows stood at Rs. 26,270 Cr.
- Mutual funds have been net buyers in equity segment in the last 44 months till October 2024, except April 2023 and August 2022. Cumulative inflows stand at Rs. 8,32,985 Cr from March 2021 till date.

# GLOBAL EQUITY MARKET DASHBOARD

## October 2024



### GLOBAL

Emerging Markets	Index	Absolute (%)					CAGR(%)		
		1 Month	3 Months	YTD	6 Months	1 Year	2 Years	3 Years	5 Years
Taiwan	Taiwan TAIEX	2.68	2.80	27.27	11.88	42.62	32.75	10.32	14.97
Indonesia	Jakarta Composite	0.61	4.39	4.14	4.70	12.14	3.29	4.73	3.99
South Korea	Kospi	-1.43	-7.74	-3.73	-5.05	12.18	5.56	-4.87	4.17
Brazil	Brazil Ibovespa	-1.60	1.61	-3.33	3.01	14.60	5.72	7.79	3.88
China	Shanghai Composite	-1.70	11.61	10.25	5.64	8.62	6.46	-2.57	2.29
<b>India</b>	<b>Nifty 50</b>	<b>-6.22</b>	<b>-2.99</b>	<b>11.38</b>	<b>7.08</b>	<b>26.78</b>	<b>15.90</b>	<b>11.02</b>	<b>15.28</b>
Developed Markets									
Japan	Nikkei 225	3.06	-0.05	16.79	3.02	27.15	18.99	10.56	11.24
US	Russell 3000	-0.40	4.19	22.86	15.80	42.29	28.61	7.30	17.30
Germany	DAX	-1.28	3.07	13.88	6.39	28.72	19.95	6.72	8.19
UK	FTSE 100	-1.54	-3.08	4.87	-0.42	10.74	6.91	3.86	2.27
Europe	Euro Stoxx 50 Pr	-3.46	-0.93	6.77	-1.90	18.82	15.50	4.32	6.01
France	CAC 40	-3.74	-2.40	-2.56	-7.95	6.73	8.29	2.47	5.10

- The Japanese markets experienced an uptick, fueled by optimism regarding robust earnings, following the announcement from a Fast-Retailing company, which issued a net profit forecast for the current business year that exceeded expectations.
- U.S. equity markets fell due to persistent concerns that the U.S. Federal Reserve might lower interest rates at a more gradual rate than rapidly. The market fell further amid a negative reaction to earnings news from major tech giants.



# 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. 22.9
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	Hong Kong 19.2
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 16.8
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 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	India 11.4
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	China 10.3
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. 4.9

- The Chinese market fell after the European Union (EU) declared the implementation of new tariffs on electric vehicles (EVs) imported from China, which elicited a strong reaction from Beijing.

# 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	Gold 25.8
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 22.9
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	Indian Equity 17.8
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 8.8
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 8.3
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 6.4
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 2.8

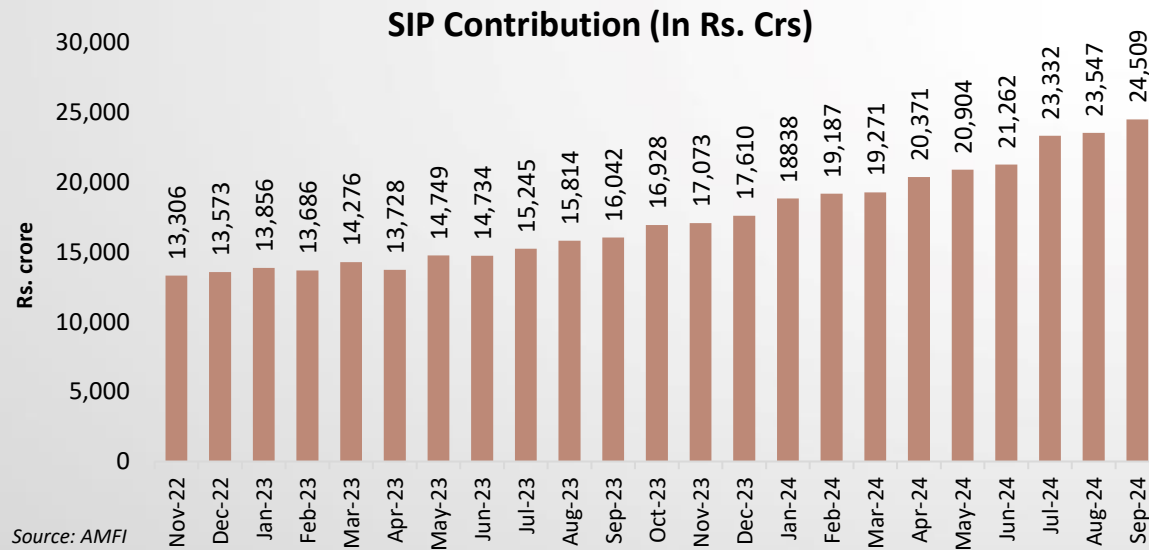
- On CYTD basis, gold remained at the top followed by international equity market and Indian equity market.
- Till 2023, Indian equities has been among the top three gainers for the past four calendar years while Gold has been one of the top performers in five out of six years.

# MUTUAL FUNDS

## SIP Flows and SIP Returns Data



### DOMESTIC



- According to AMFI, SIP contribution in Sep 2024 touched a new high and stood at Rs. 24,509 crore. SIP AUM increased to Rs. 13.82 lakh crore with 987.44 lakh outstanding SIP accounts.

Equity Broad MF category	Category average SIP returns (%)		
	3-year	5-year	10-year
Large cap	19.6	19.4	14.8
Large & Mid cap	25.4	24.8	17.8
Flexi cap	23.1	22.1	16.8
Multi cap	27.2	26.8	19.2
Mid cap	29.9	29.1	20.2
<b>Small cap</b>	<b>31.3</b>	<b>33.6</b>	<b>22.2</b>
Focused	22.3	21.1	16.3
Value	27.6	27.0	18.8

- 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 31st Oct 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	-6.04	-3.02	8.08	33.43	13.04	16.47	12.45
Large & Mid Cap	-5.59	-2.11	11.38	41.28	17.50	21.28	15.25
Flexi Cap	-5.37	-1.95	10.52	37.59	15.58	19.09	14.30
Multi Cap	-5.15	-1.38	11.73	41.38	19.21	22.85	15.91
Mid Cap	-5.61	-2.45	13.97	46.05	21.11	26.08	17.51
Small Cap	-3.22	0.63	15.45	43.63	23.15	31.16	19.04
Focused	-5.61	-1.58	10.34	37.29	14.81	18.26	14.07
Value	-5.29	-2.86	10.54	42.78	19.72	22.71	15.71
<b>Index:</b>							
Nifty 100	-6.72	-3.43	7.81	32.97	13.13	17.04	13.08
Nifty 500	-6.35	-3.33	8.82	36.22	15.71	19.75	14.24
Nifty Midcap 150	-6.42	-4.38	10.86	44.01	23.21	28.45	19.39
Nifty Smallcap 250	-3.58	-0.89	12.58	48.41	24.61	31.04	16.94

- In the last one-month, Small Cap category followed by Multi Cap & Value categories delivered the least negative 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 fell amid a broad-based sell-off across the sectors as fears of a full-fledged war between Iran and Israel dented investors' appetite for riskier assets. Losses were extended as sentiment were dented following muted earnings reported by major domestic companies for the second quarter of FY25 so far. Markets fell further due to persistent selling by foreign portfolio investors (FPIs) in domestic markets and subsequent transfer of funds to China following Beijing's announcement of various stimulus plans to accelerate economic expansion.
- Losses were restricted after the RBI, kept the repo rate unchanged at 6.50% and however, shifted its stance from 'withdrawal of accommodation' to 'neutral', paving the way for potential rate cuts in the future. A notable drop in global crude oil prices on international markets towards end of the month has positively influenced market sentiment.

#### Outlook:

- Going forward, domestic corporates may see growth plateau, a revival of demand is necessary for additional earnings growth given the indications of a slowdown in consumption.
- From a global perspective, investors will be keeping a close eye on the policy decisions by the new elect President of the United States after the Republican Party secured a victory. Additionally, the latest developments in the Middle East regarding geopolitical tensions between Israel and Iran will be closely monitored for further guidance. There is a possibility of some outflows by FPIs from domestic equity markets to emerging market like China, domestic flows are expected to counterbalance to FPI outflows.
- **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 the near-term risks.**

# DOMESTIC & GLOBAL

## Debt Market Update

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# DEBT MARKET

## Indian Government Bond and Policy Rate Trend



### INDIAN DEBT

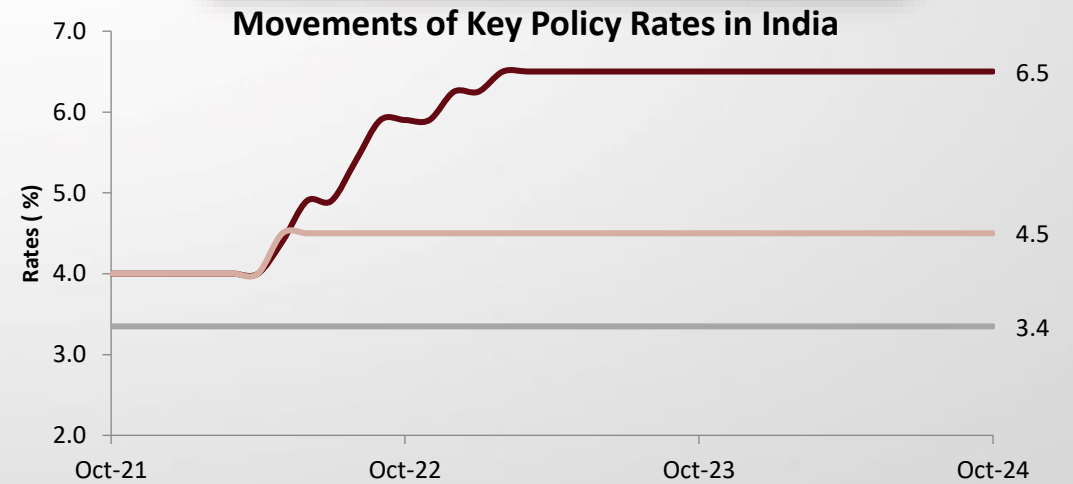
10-year benchmark G-sec yield rose by 10 bps MoM in Oct 2024



Source: Refinitiv

Bond yields rose tracking a rise in U.S. Treasury yields and global crude oil prices at the beginning of the month over an escalating conflict in the Middle East following Iran's missile strikes on Israel.

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



Source: RBI

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

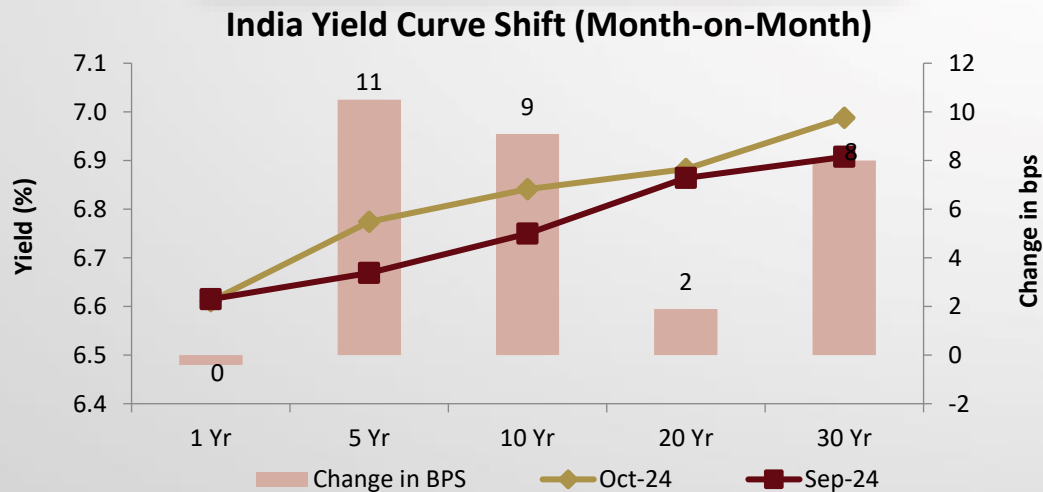
# DEBT MARKET

## Government Bond & Corporate Bond Yield Trend



### INDIAN DEBT

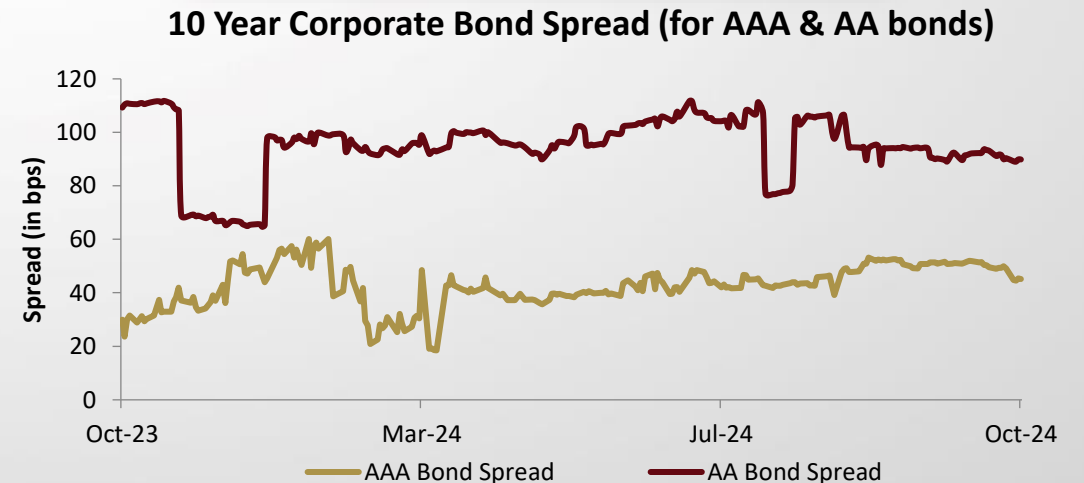
G-sec yields mostly rose during the month



Source: Refinitiv

Yield on gilt securities rose between 2 to 11 bps across the maturities, barring 1 year paper that was unchanged.

Corporate bond yields mostly increased during the month



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

Yield on corporate bonds increased in the range of 2 to 11 bps across the curve, barring 15 year paper that fell by 2 bps.

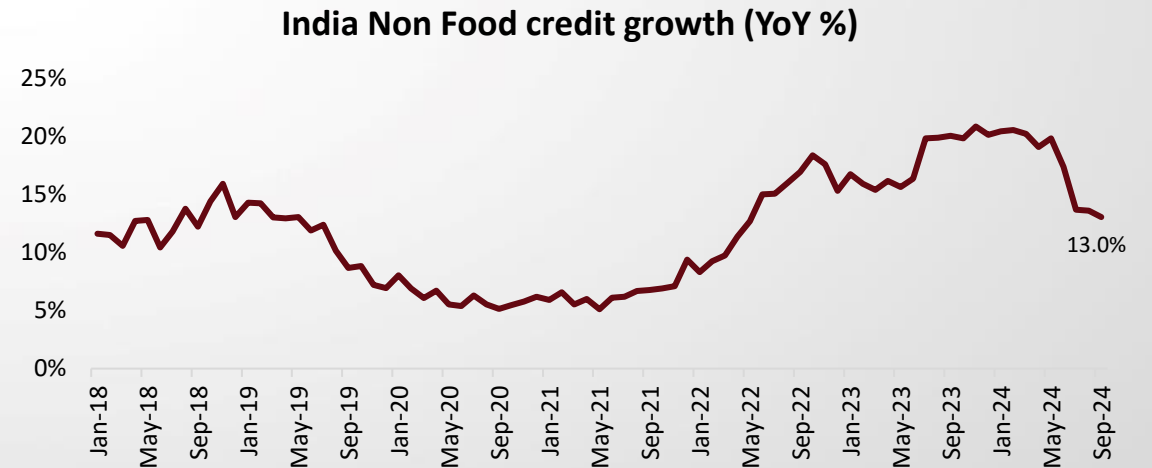


# DEBT MARKET

## System Liquidity



### INDIAN DEBT



- The liquidity in the banking system remained in surplus mode for the fourth consecutive month in Oct 2024. In the monetary policy meeting concluded on Oct 09, 2024, the RBI Governor stated that the RBI will continue to be agile and flexible in its liquidity management operations. The central bank will deploy an appropriate mix of instruments to modulate both frictional and durable liquidity to ensure that money market interest rates evolve in an orderly manner.

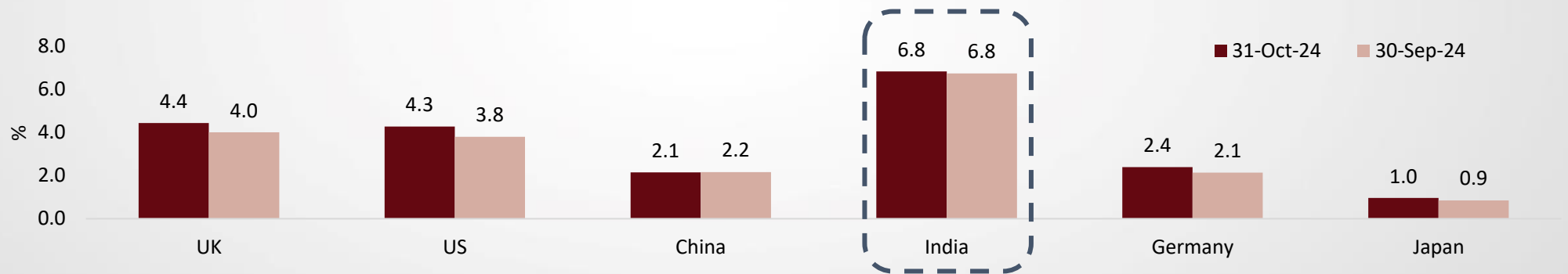
# DEBT MARKET

## Global



### GLOBAL DEBT

Yield of 10 Year Government Bonds across countries (%)



	UK	US	China	India	Germany	Japan
<b>Current Yield (%)</b>	4.4	4.3	2.1	6.8	2.4	1.0
<b>Inflation (%)</b>	1.7	2.4	0.4	5.5	1.6	1.8
<b>Real Yields (%):</b>						
<b>31-Oct-24</b>	2.7	1.9	1.7	1.4	0.8	-0.8

- Globally, 10-year Sovereign yields mostly rose during the month. All above economies witnessed positive inflation adjusted returns/yields except Japan with U.K. being the highest followed by U.S. and China.
- U.S. Treasury prices fell amid increasing uncertainty regarding the U.S. presidential election scheduled for 5th Nov, 2024, and as investors are adjusting their expectations to reflect the possibility of a less dovish U.S. Federal Reserve policy.

# 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	1.59	3.23	6.62	5.75	4.77
Liquid Fund	0.58	1.74	3.53	7.27	6.11	5.17
Ultra Short Term Fund	0.59	1.73	3.48	7.06	5.81	5.33
Low Duration Fund	0.65	1.84	3.72	7.40	5.89	5.95
Money Market Fund	0.60	1.78	3.61	7.36	6.11	5.60
Arbitrage Fund	0.60	1.65	3.44	7.22	5.84	5.03
<b>ICRA Liquid Index</b>	<b>0.61</b>	<b>1.83</b>	<b>3.72</b>	<b>7.66</b>	<b>6.53</b>	<b>5.56</b>
Short Term Bond Fund	0.45	1.96	4.21	7.94	5.91	6.10
Medium Duration Fund	0.46	2.19	4.64	8.58	6.06	5.93
Banking and PSU Fund	0.48	2.04	4.32	8.08	5.75	6.25
Corporate Bond Fund	0.48	2.12	4.45	8.24	5.74	6.33
Credit Risk Fund	0.74	2.24	4.41	8.23	8.96	6.53
<b>Nifty Short Duration Debt Index</b>	<b>0.62</b>	<b>1.95</b>	<b>4.08</b>	<b>7.87</b>	<b>5.98</b>	<b>6.48</b>
Dynamic Bond Fund	-0.05	2.23	5.29	9.52	5.86	6.15
Medium to Long Duration Fund	0.01	2.09	5.06	9.28	5.54	5.92
<b>ICRA Composite Bond Fund Index</b>	<b>0.35</b>	<b>2.47</b>	<b>5.47</b>	<b>10.32</b>	<b>6.39</b>	<b>7.33</b>
Gilt Fund	-0.21	2.24	5.56	10.18	5.85	6.22
<b>ICRA Composite Gilt Index</b>	<b>0.01</b>	<b>2.42</b>	<b>5.99</b>	<b>11.30</b>	<b>6.51</b>	<b>7.11</b>

- 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	6.26	0.00 Years	0.01 Years	6.26%	6.26%	6.25%	6.27%	6.27%	6.27%
Liquid Funds	6.88	0.05 Years	0.12 Years	6.85%	6.82%	6.76%	6.91%	6.94%	7.00%
Ultra Short-Term Fund	7.45	0.26 Years	0.43 Years	7.34%	7.23%	7.02%	7.56%	7.66%	7.88%
Money Market Fund	7.33	0.14 Years	0.42 Years	7.22%	7.12%	6.91%	7.43%	7.54%	7.75%
Low Duration Fund	7.57	0.77 Years	0.89 Years	7.35%	7.13%	6.68%	7.80%	8.02%	8.46%
Short Term Bond Fund	7.41	3.64 Years	2.72 Years	6.73%	6.05%	4.69%	8.09%	8.77%	10.13%
Corporate Bond Fund	7.38	4.94 Years	3.49 Years	6.51%	5.64%	3.89%	8.26%	9.13%	10.87%
Banking and PSU Fund	7.30	4.70 Years	3.25 Years	6.48%	5.67%	4.05%	8.11%	8.92%	10.55%
Credit Risk Funds	7.60	2.88 Years	2.08 Years	7.08%	6.56%	5.52%	8.12%	8.64%	9.68%
Medium Duration Fund	7.57	4.77 Years	3.59 Years	6.67%	5.78%	3.98%	8.47%	9.37%	11.16%
Dynamic Bond Fund	7.08	15.61 Years	7.27 Years	5.26%	3.44%	-0.19%	8.90%	10.71%	14.35%
Medium to Long Duration Fund	7.10	11.35 Years	6.15 Years	5.57%	4.03%	0.95%	8.64%	10.18%	13.25%
Gilt Fund	6.96	17.80 Years	8.41 Years	4.86%	2.76%	-1.45%	9.07%	11.17%	15.37%

- 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 rose tracking increase in the U.S. Treasury yields and global crude oil prices at the beginning of the month over an escalating conflict in the Middle East following Iran's missile strikes on Israel. Losses were extended after U.S. retail sales rose sequentially in Sep 2024, dampening expectations of an aggressive interest rate cut by the U.S. Federal Reserve.
- However, losses were limited following the RBI's decision to shift its stance from "Withdrawal of accommodation" to "Neutral", in its monetary policy meeting concluded on Oct 9, 2024, but the comments by the RBI governor that a rate cut at this point would be "very premature", weighed on sentiment. The announcement of inclusion of India's sovereign bonds in the FTSE Russell Emerging Market Government Bond Index in Sep 2025 by FTSE Russell, further restricted the losses.

#### Outlook:

- Moving ahead, market participants are expecting a rate cut of 25 bps by the RBI, though it remains to be seen whether it would be in the upcoming Dec 2024 Monetary Policy Committee meeting, or the central bank would remain cautious and wait for more data till Feb 2025 policy meeting. The domestic retail inflation print of Oct 2024 will be crucial in determining whether higher inflation might push RBI rate cuts into 2025.
- **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 November 2024	
Event	Date
Industrial Production YoY Sep 2024	12-Nov-24
CPI Inflation Rate YoY Oct 2024	12-Nov-24
Passenger Vehicles Sales YoY Oct 2024	13-Nov-24
WPI Inflation YoY Oct 2024	14-Nov-24
Balance of Trade Oct 2024	15-Nov-24
Fiscal deficit (as a % of budget estimates) Oct 2024	29-Nov-24
Infrastructure Output YoY Oct 2024	29-Nov-24
GDP Growth Rate YoY 2QFY25	29-Nov-24



### GLOBAL

Events for November 2024	
Event	Date
U.K. ILO Unemployment Rate Sep 2024	12-Nov-24
U.S. CPI YoY, NSA Oct 2024	13-Nov-24
U.K. GDP Estimate YoY Sep 2024	15-Nov-24
U.S. Industrial Production MoM Oct 2024	15-Nov-24
Euro Zone HICP Final YoY Oct 2024	19-Nov-24
U.K. CPI YoY Oct 2024	20-Nov-24
China Loan Prime Rate 1Y Nov 2024	20-Nov-24
U.S. PCE Price Index YoY Oct 2024	27-Nov-24

# MUTUAL FUND DASHBOARD

## Category Performance

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# MUTUAL FUND DASHBOARD

## Category Performance



### CATEGORY PERFORMANCE

Equity Category:	1 Yr	3 Yr	5 Yr	10 Yr
Large Cap	33.43	13.04	16.47	12.45
Large & Mid Cap	41.28	17.50	21.28	15.25
Multi Cap	41.38	19.21	22.85	15.91
Flexi Cap	37.59	15.58	19.09	14.30
Mid Cap	46.05	21.11	26.08	17.51
Small Cap	43.63	23.15	31.16	19.04
Focused	37.29	14.81	18.26	14.07
Value	42.78	19.72	22.71	15.71
Hybrid Category:				
Conservative Hybrid	14.02	8.20	8.79	7.89
Balanced Hybrid	23.70	--	--	--
Balanced Advantage	23.55	11.46	12.60	9.96
Multi Asset Allocation	27.02	14.47	17.76	12.38
Aggressive Hybrid	30.28	13.39	16.41	11.97

Debt Category	3 Mths	6 Mths	1 Yr	3 Yr
Money Market:				
Overnight	1.59	3.23	6.62	5.75
Liquid	1.74	3.53	7.27	6.11
Ultra Short Duration	1.73	3.48	7.06	5.81
Low Duration	1.84	3.72	7.40	5.89
Money Market	1.78	3.61	7.36	6.11
Accrual:				
Short Duration	1.96	4.21	7.94	5.91
Medium Duration	2.19	4.64	8.58	6.06
Banking & PSU Debt	2.04	4.32	8.08	5.75
Corporate Bond	2.12	4.45	8.24	5.74
Floating Rate	2.08	4.39	8.31	6.23
Credit Risk	2.24	4.41	8.23	8.96
Duration:				
Medium to Long Duration	2.09	5.06	9.28	5.54
Long Duration	2.52	6.68	12.47	6.40
Dynamic Bond	2.23	5.29	9.52	5.86
Gilt	2.24	5.56	10.18	5.85
Gilt Fund with 10 year constant duration	2.19	5.55	10.30	5.55

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 31st Oct 2024.  
Source: MFI 360 Explorer <http://www.icraanalytics.com/legal/standard-disclaimer.html>



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