



# ATLAS

Monthly Market Review  
October 2024


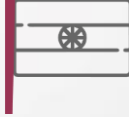





2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
10.3	8.8	11.1	14.1	18.1	17.0	4.0	53488	2528	2164	6388	25004	2451	6600	6601.37
10.3	8.8	11.1	14.1	18.1	17.0	4.0	53488	2528	2164	6388	25004	2451	6600	6601.37
10.3	8.8	11.1	14.1	18.1	17.0	4.0	53488	2528	2164	6388	25004	2451	6600	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
Adani	46.50
Coal India	46.50
Oil India	46.50
ONGC	46.50
Power Grid	46.50
Power Finance	46.50
Power Corp	46.50
Power Grid	46.50
Power Finance	46.50
Power Corp	46.50

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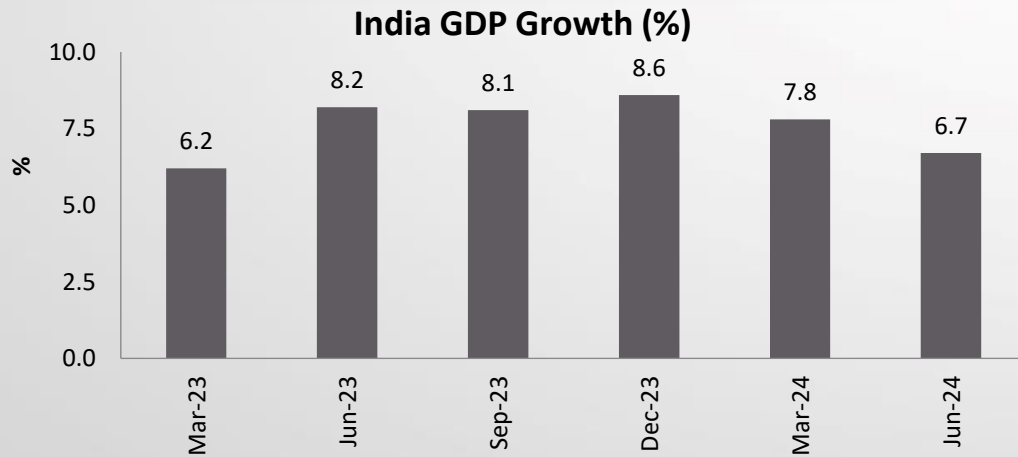
# MACRO ECONOMIC INDICATORS

## GDP and Current Account Deficit Trend



### MACRO

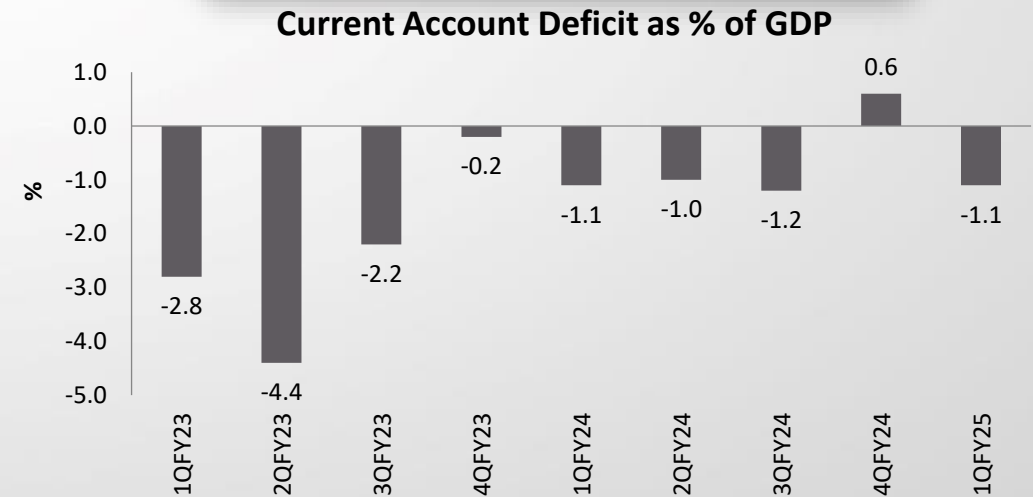
GDP growth eased YoY in 1QFY25



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

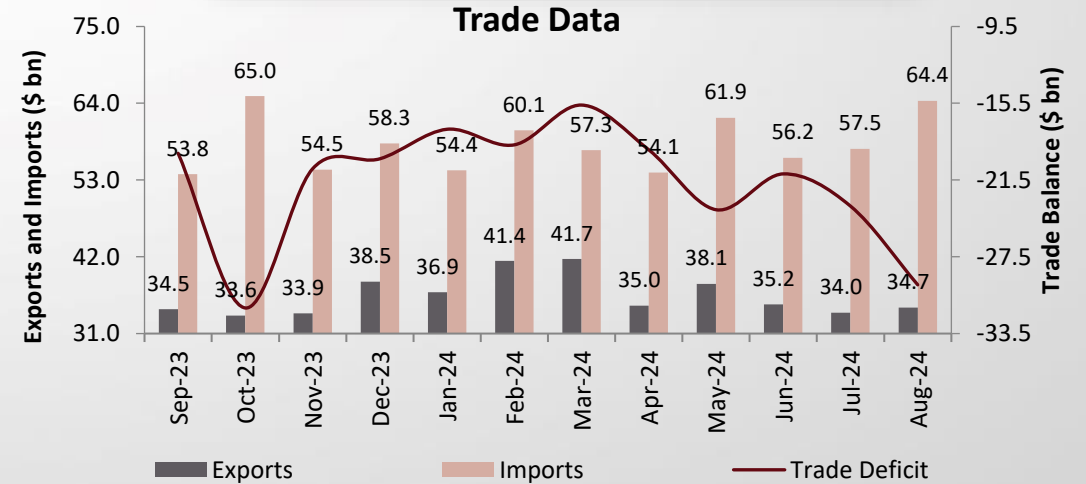
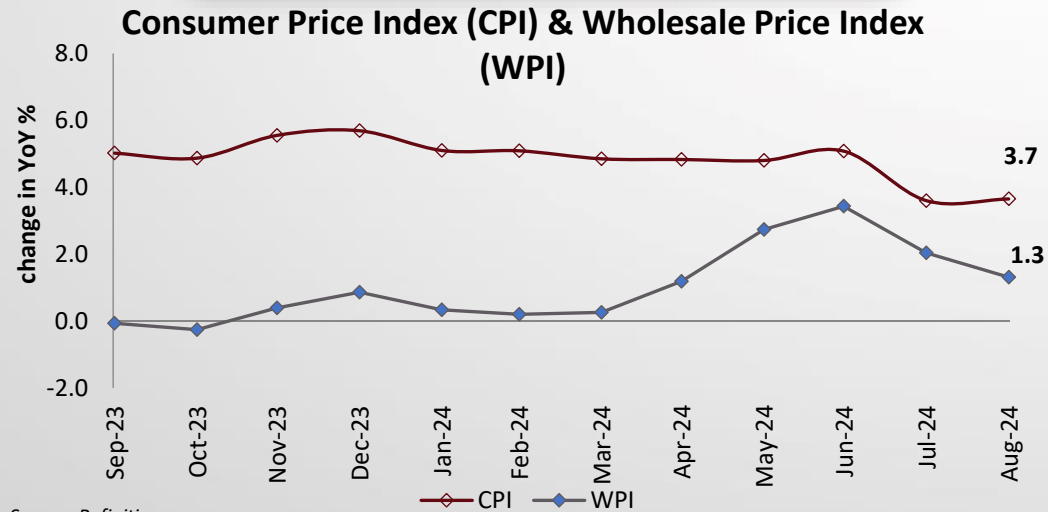
## Inflation and Trade Data Trend



### MACRO

CPI inflation rose marginally in Aug 2024

Trade deficit widened YoY in Aug 2024



CPI-based inflation increased marginally to 3.65% YoY in Aug 2024 compared to 3.60% in Jul 2024. WPI-based inflation eased to 4-month low of 1.31% YoY in Aug 2024.

Merchandise trade deficit widened to \$29.65 billion in Aug 2024 from \$24.02 billion in Aug 2023. Exports fell by 9.33% YoY to \$34.71 billion in Aug 2024, while imports rose by 3.31% to \$64.36 billion.

# MACRO ECONOMIC INDICATORS

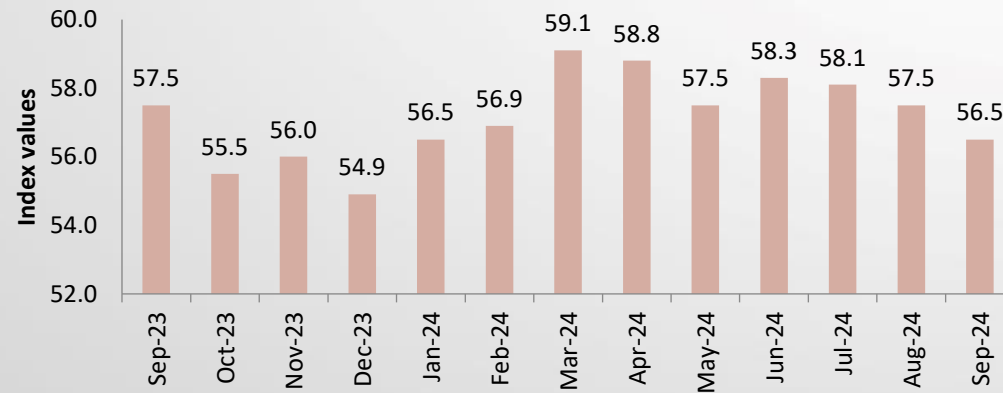
## Manufacturing and Services PMI Trend



Manufacturing PMI eased to 8-month low in Sep 2024

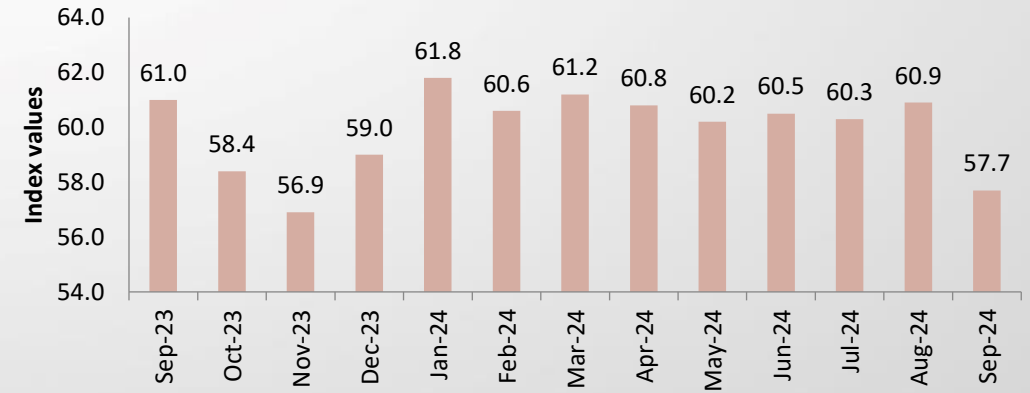
Services PMI fell to 10-month low in Sep 2024

**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 56.5 in Sep 2024 compared to 57.5 in Aug 2024. The latest reading indicated growth decreased to 8 months low in Sep 2024.

Services PMI fell to 10-month low to 57.7 in Sep 2024 as compared to 60.9 in Aug 2024. Despite the slowdown, the sector remains in expansion territory.

# MACRO ECONOMIC INDICATORS

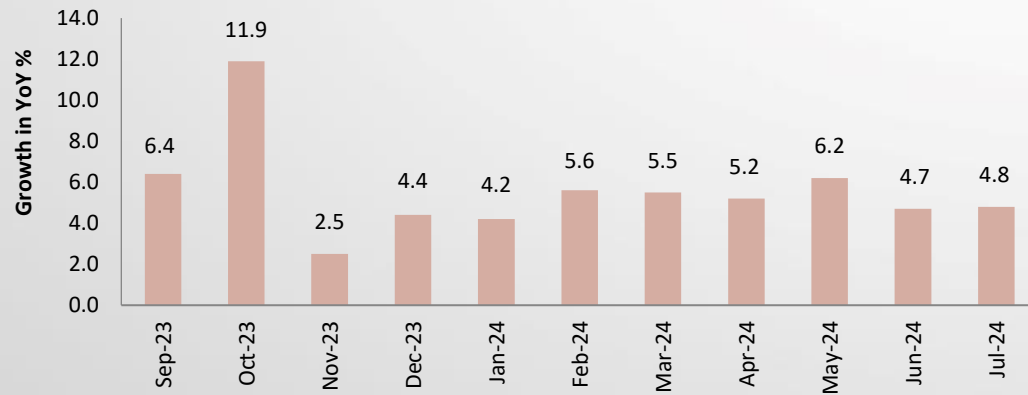
## IIP and GST Trend



### MACRO

Industrial output increased YoY in Jul 2024

Index of Industrial production (IIP)

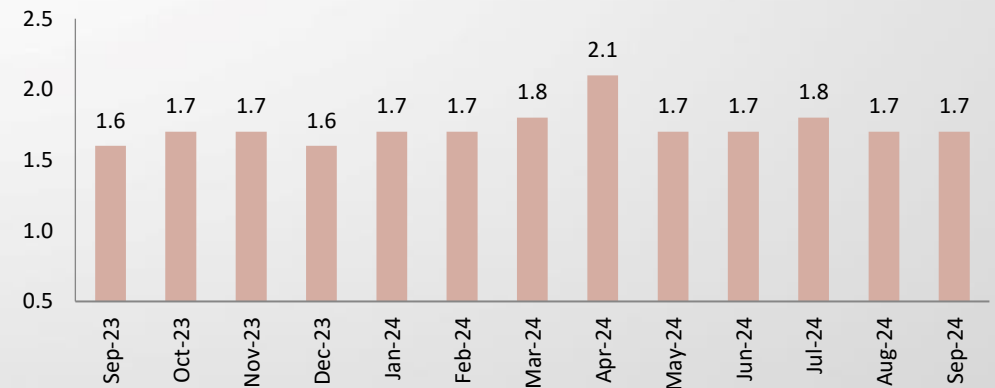


Source: Refinitiv

Industrial production growth increased to 4.8% YoY in Jul 2024, as compared to 4.7% in Jun 2024. Production in the manufacturing industry increased by 4.6%, mining by 3.7% and electricity by 7.9%.

GST collections grew 6.5% YoY to Rs. 1.7 lakh crore in Sep 2024

GST Collections (Rs. Lakh Crore)



Source: PIB

Gross GST collections in Sep 2024 stood at Rs. 1.7 lakh crore, representing a 6.5% YoY rise. This growth was observed across all categories: Central GST, State GST, Integrated GST (IGST), and cess.

# MACRO ECONOMIC INDICATORS

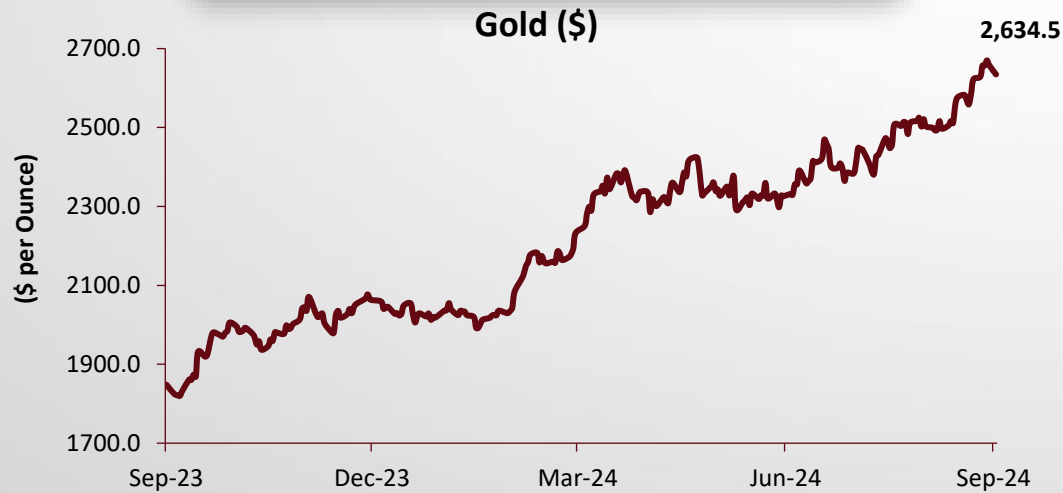
## International Gold and U.S. 10 Year Treasury Trend



### MACRO

Gold prices rose MoM in Sep 2024

U.S. Treasury yields fell MoM in Sep 2024



Gold prices rose following the U.S. Federal Reserve's 50-bps rate cut on 18th Sep, 2024. Further, prices rose amid expectations of more interest rate cuts from the U.S. Federal Reserve in coming months.

U.S. Treasury prices increased following the significant rate cut of 50-bps in Sep 2024 policy. Gains were extended on expectations of a significant rate cut by the U.S. Fed in Nov 2024.

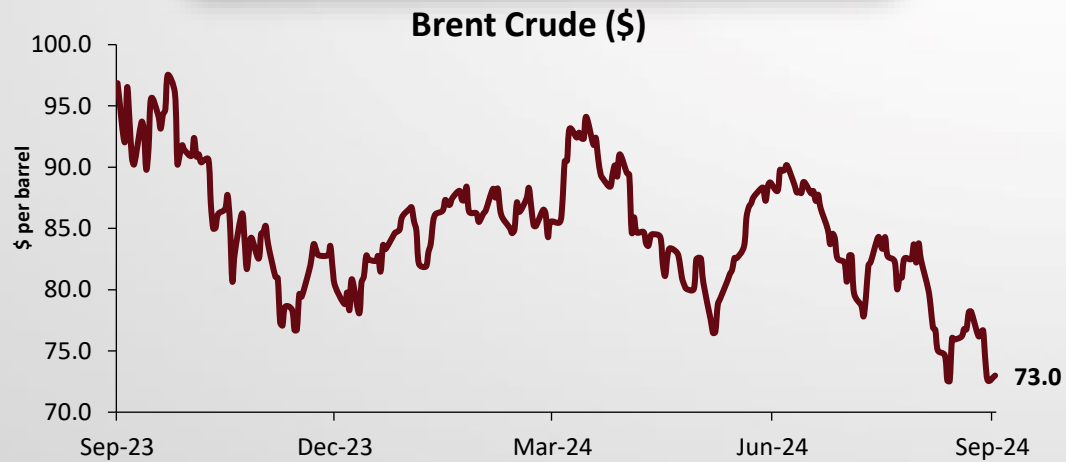
# MACRO ECONOMIC INDICATORS

## Crude and USD/INR Currency Trend



### MACRO

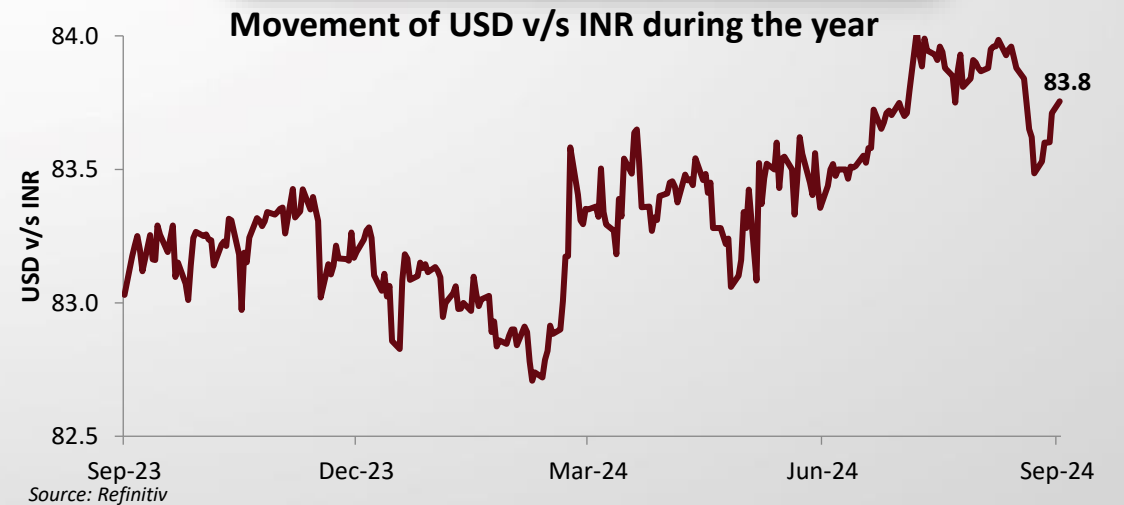
Crude oil prices fell MoM in Sep 2024



Source: Refinitiv

Brent crude oil prices fell due to concerns over slowing U.S. and Chinese demand and the possibility of increased oil supply from Libya.

Rupee rose against U.S. dollar on MoM in Sep 2024



Source: Refinitiv

Rupee rose against the U.S. dollar supported by anticipated portfolio inflows and following the U.S. Federal Reserve's decision to implement a 50-basis point reduction in interest rates.



# EVENT UPDATE

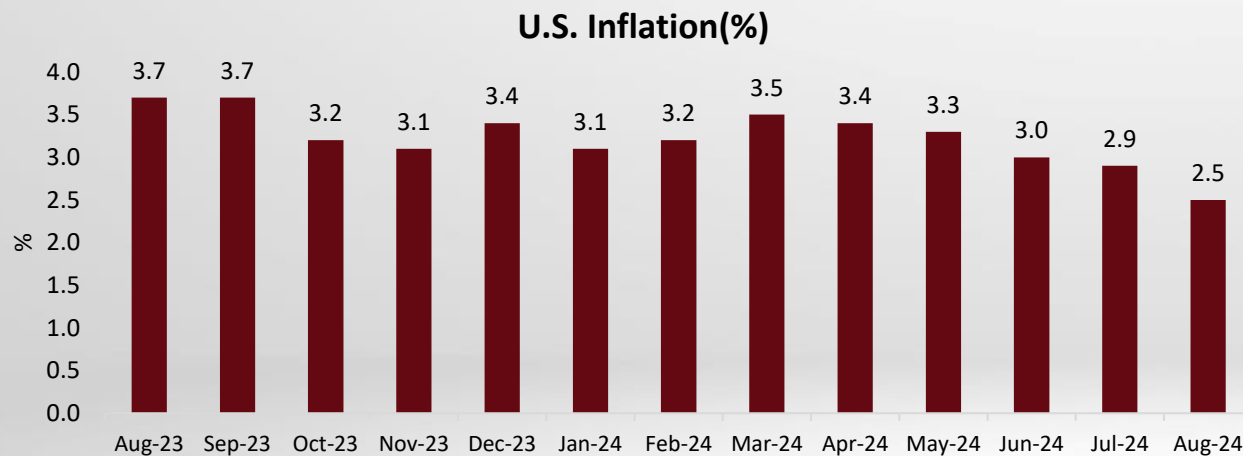
## U.S. Federal Reserve reduced interest rate by 50 bps in Sep 2024



### MACRO

#### Key Highlights

- The U.S. Federal Reserve **reduced interest rates on Sep 18, 2024**, for the first time since Mar 2020, implementing a significant cut of half a percentage point.
- Further, the U.S. Federal Reserve has indicated that its officials are increasingly confident that **inflation is progressing steadily towards the 2% target**.
- Consequently, the central bank has **reduced the target range for the federal funds rate by 50 basis points, setting it at 4.75% to 5.00%**.



Source: Refinitiv

#### U.S inflation Peaking

- According to the Labor Department, **U.S. consumer price index rose by 0.2% in Aug 2024**, matching the uptick seen in Jul 2024 as well as economist estimates. Meanwhile, the report said the **annual rate of consumer price growth slowed to 2.5% in Aug 2024 from 2.9% in Jul 2024**. Economists had expected the YoY growth to decelerate to 2.6%. The Labor Department also said **core consumer prices, which exclude food and energy prices, climbed by 0.3% in Aug 2024 after rising by 0.2% in Jul 2024**. Economists had expected core prices to rise by another 0.2%.

#### To Conclude

- **Inflation has advanced further towards the Committee's target of 2%**, yet it continues to be somewhat elevated.
- The **Federal Open Market Committee (FOMC) aims to attain the highest level of employment and maintain inflation at a target rate of 2% over the long term**.

# DOMESTIC & GLOBAL

## Equity Market Update

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# INDIAN EQUITY MARKET DASHBOARD

## September 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	2.35	6.97	15.49	29.66	13.98	18.26	13.62
Nifty 50	2.28	7.81	16.58	33.00	14.92	18.95	13.83
Nifty 100	2.35	7.82	18.18	38.84	15.93	19.57	14.37
Nifty 500	2.17	7.76	20.46	41.54	18.42	22.25	15.47
Nifty Midcap 150	1.80	7.33	25.99	48.21	26.12	31.42	20.56
Nifty Smallcap 250	1.40	7.94	29.00	51.49	26.25	32.63	17.68
Nifty Microcap 250	2.47	11.90	36.03	59.44	37.34	43.64	23.95
<b>Sectoral Indices</b>							
Nifty Metal	8.54	4.33	24.03	49.91	23.79	35.09	16.05
Nifty Realty	4.34	-0.30	22.32	91.44	29.23	33.96	18.96
Nifty FMCG	3.93	15.66	22.75	29.45	19.58	18.04	14.42
Nifty Auto	3.26	7.77	27.03	68.22	37.78	30.56	14.20
Nifty Bank	3.17	1.47	13.42	19.89	13.22	13.37	13.85
Nifty Healthcare	1.70	17.72	22.78	52.68	18.82	27.68	10.73
Nifty Infrastructure	1.58	5.18	15.40	54.61	25.26	25.99	13.81
Nifty Energy	0.59	5.87	13.38	63.35	26.47	25.71	19.22
Nifty Pharma	0.28	18.46	23.08	51.97	18.08	26.16	8.63
Nifty IT	-1.97	16.19	21.51	34.69	8.24	24.39	16.21
Nifty Oil & Gas	-3.08	7.05	14.37	66.19	20.44	23.16	17.40
Nifty PSU Bank	-3.29	-8.28	-2.89	29.41	41.33	25.10	7.94

Domestic equity markets rose as investors reacted positively to the U.S. Fed's decision to cut interest rate by 50 bps, signaling further easing in coming months to keep the labor market from slowing too much. Gains were further extended following a sharp drop in global crude oil prices after reports emerged that the OPEC member Saudi Arabia was prepared to pump more oil to regain market share.

# 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 31.8
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 31.3
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 25.8
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 23.8
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 20.0
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 17.9

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

# RELATIVE TRAILING VALUATIONS (P/E)

## Large Cap vs Mid Cap vs Small Cap



### DOMESTIC

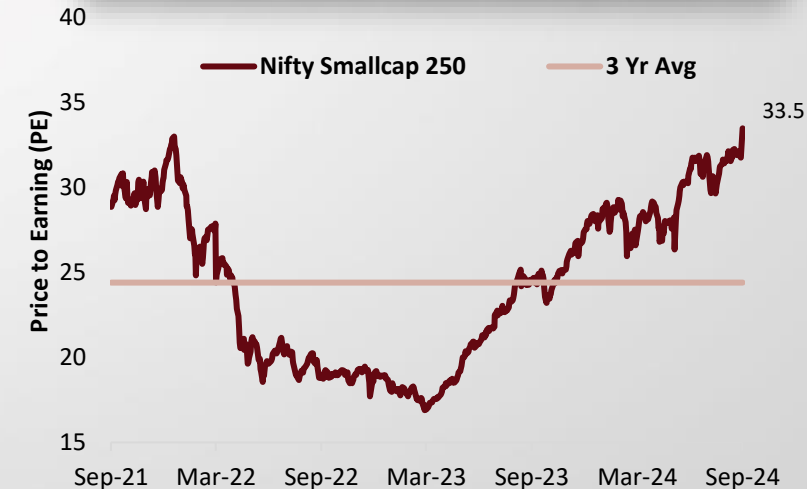
Nifty 50 trailing PE remained above of 3-year average mark



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



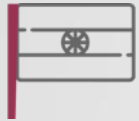
Nifty Smallcap 250 trailing PE continued to remain above 3-year average level



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

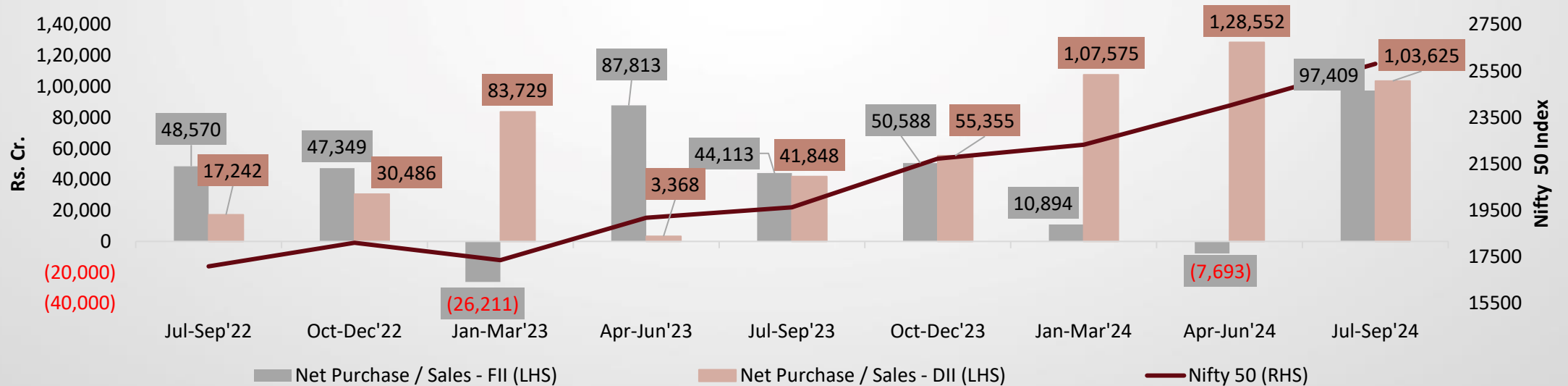
# EQUITY FLOWS

## Quarterly FII & DII Flows



### DOMESTIC

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



- FII were net buyers in Sep 2024 for the fourth consecutive month. Nonetheless, cumulative inflows stood at Rs. 3,67,637 Cr since Jul 2022 till date. Since Apr 2021 till date, cumulative FII outflows stood at Rs. 1,20,287 Cr.
- Mutual funds have been net buyers in equity segment in the last 43 months till Sep 2024, except Apr 2023 and Aug 2022. Cumulative inflows stand at Rs. 7,41,552 Cr from Mar 2021 till date.

# GLOBAL EQUITY MARKET DASHBOARD

## September 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	17.39	12.44	12.15	9.71	7.21	5.03	-2.21	2.80
<b>India</b>	<b>Nifty 50</b>	<b>2.28</b>	<b>7.50</b>	<b>18.77</b>	<b>15.60</b>	<b>31.24</b>	<b>22.84</b>	<b>13.56</b>	<b>17.58</b>
Taiwan	Taiwan TAIEX	-0.20	-3.51	23.95	9.51	35.56	28.62	9.48	15.44
Indonesia	Jakarta Composite	-1.86	6.57	3.51	3.28	8.43	3.40	6.18	4.06
South Korea	Kospi	-3.03	-7.31	-2.34	-5.58	5.14	9.67	-5.45	4.68
Brazil	Brazil Ibovespa	-3.08	6.38	-1.77	2.90	13.01	9.44	5.90	4.70
<b>Developed Markets</b>									
US	Russell 3000	2.70	3.26	23.35	11.10	40.19	32.67	10.37	18.04
Germany	DAX	2.21	5.97	15.36	4.50	25.44	26.26	8.18	9.22
Europe	Euro Stoxx 50 Pr	0.86	2.17	10.59	-1.63	19.66	22.72	7.29	6.97
France	CAC 40	0.06	2.09	1.23	-6.95	6.98	15.09	5.40	6.10
UK	FTSE 100	-1.67	0.89	6.51	3.58	8.22	9.30	5.14	2.14
Japan	Nikkei 225	-1.88	-4.20	13.31	-6.07	16.94	20.88	8.78	11.74

- U.S. equity markets rose amid optimism about the outlook for the economy following the U.S. Fed's interest rate cut on 18th Sep 2024.
- China markets were the top performer on back of China's recent announcement of various measures to boost its slowing economy.
- Japanese market fell after Japan's newly established ruling party voiced its endorsement of the Bank of Japan's decision to increase interest rates from their historically low levels.

# 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	Hong Kong 24.0
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	U.S 23.4
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 18.8
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 15.4
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	Japan 13.3
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 12.2
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. 6.5

- In Sep 2024, the Chinese and Hong Kong markets surged following China's central bank announcement of its most significant stimulus package since the pandemic to support the economy and address the ongoing challenges in the property sector.



# 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 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 23.4
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	Gold 19.2
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 7.9
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 5.7
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

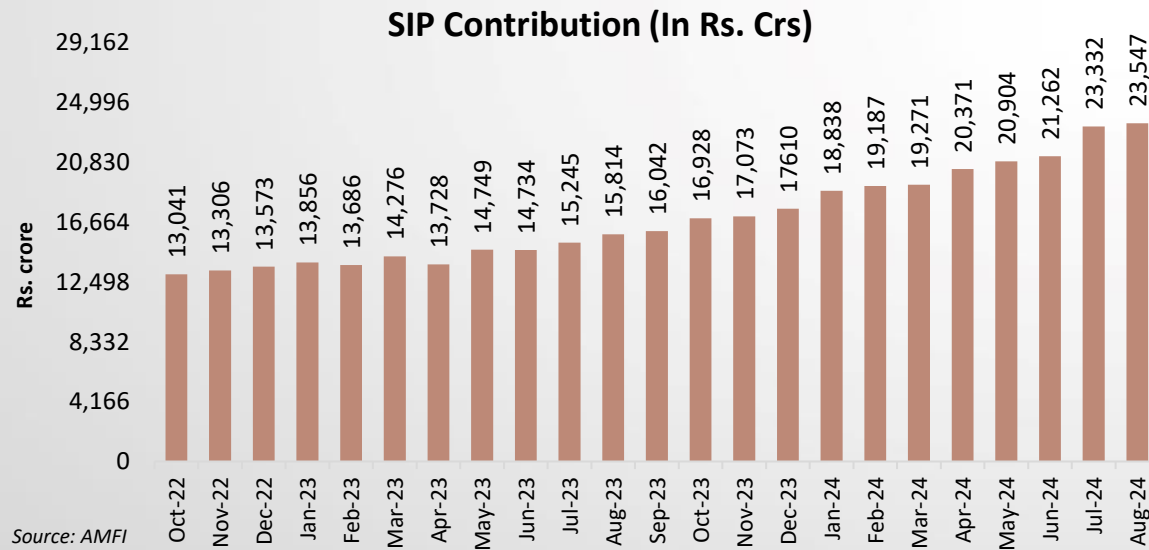
- On CYTD basis, domestic equity market continues to remain at the top followed by international equity market and gold.
- Till 2023, Indian equities has been among the top three gainers for the past four calendar years while Gold has been one of the top performers in five out of six years.

# MUTUAL FUNDS

## SIP Flows and SIP Returns Data



### DOMESTIC



- According to AMFI, SIP contribution continues to touch new peak for the 14th consecutive month in Aug 2024, which currently stands at Rs. 23,547 crore. SIP AUM increased to Rs. 13.4 lakh crore with 961.4 lakh outstanding SIP accounts.

Equity Broad MF category	Category average SIP returns (%)		
	3-year	5-year	10-year
Large cap	24.9	22.6	16.1
Large & Mid cap	30.8	27.7	19.1
Flexi cap	28.2	25.1	18.0
Multi cap	31.9	29.9	20.3
Mid cap	35.5	32.4	21.4
<b>Small cap</b>	<b>35.0</b>	<b>35.9</b>	<b>23.0</b>
Focused	27.5	24.2	17.4
Value	32.7	29.9	20.0

- 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 30th Sep 2024. Source: AMFI India, MFI 360 Explorer  
<http://www.icraanalytics.com/legal/standard-disclaimer.html>

# CATEGORY PERFORMANCE

## Equity Mutual Funds



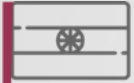
### CATEGORY PERFORMANCE

Category	Absolute Returns (%)			CAGR (%)			
	1 month	3 months	6 months	1 year	3 years	5 years	10 years
Large Cap	2.00	7.51	17.96	38.01	15.84	18.71	13.65
Large & Mid Cap	2.08	8.11	23.59	45.32	20.37	23.41	16.45
Flexi Cap	2.14	7.83	21.50	42.01	18.21	21.22	15.41
Multi Cap	2.02	8.62	24.18	45.12	21.45	25.29	16.99
Mid Cap	2.24	8.14	28.35	50.25	23.97	28.41	18.59
Small Cap	2.09	8.87	28.85	46.15	24.81	32.63	19.83
Focused	2.15	8.54	21.37	41.41	17.81	20.54	15.04
Value	1.30	7.96	22.01	47.16	22.52	24.77	16.83
<b>Index:</b>							
Nifty 100	2.35	7.82	18.18	38.59	15.93	19.57	14.37
Nifty 500	2.17	7.76	20.46	41.27	18.42	22.25	15.47
Nifty Midcap 150	1.80	7.33	25.99	47.90	26.12	31.42	20.56
Nifty Smallcap 250	1.40	7.94	29.00	51.15	26.25	32.63	17.68

- In the last one-month, Mid Cap category delivered the highest returns followed by Focused & Flexi 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 as investors reacted positively to the U.S. Federal Reserve's decision to cut interest rate by 50 bps, signaling further easing in coming months to keep the labor market from slowing too much.
- Gains were extended following the news that China is expected to cut rates by 50 bps on \$5 trillion mortgages to boost demand in real estate and commodity markets. Gains were further extended due to sharp drop in global crude oil prices after reports emerged that the OPEC member Saudi Arabia was prepared to pump more oil to regain market share.
- However, gains were limited as investors expected the Bank of Japan to raise interest rates from their near-zero levels, which would in turn lead to a stronger Yen under the government of Japan's newly appointed Prime Minister.

#### Outlook:

- Going forward, Q2FY25 corporate earnings, commentary from the management and festive demand will be the key factors for the domestic market performance in the medium term. Moreover, DII flows are expected to remain a significant driver of market performance in the near term.
- From a global perspective, The ongoing geopolitical tensions, trade disputes, and central bank policies could lead to increased volatility in global financial markets. Moreover, the outcome of U.S. Presidential elections as well as the incoming macro data in the U.S will be keenly watched.
- However, **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

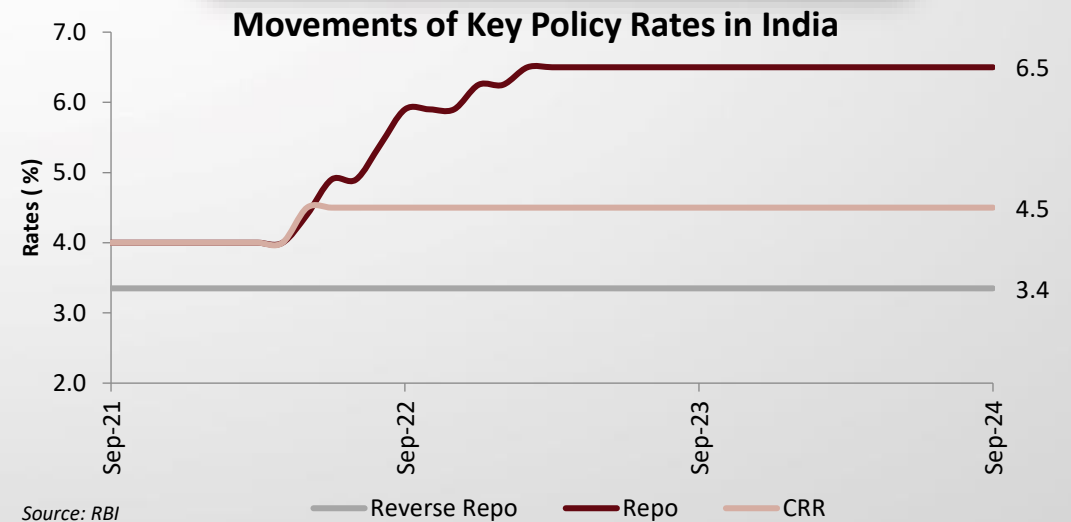
10-year benchmark G-sec yield fell by 11 bps MoM in Sep 2024



Source: Refinitiv

Bond yields fell after the U.S. Federal Reserve kicked off its interest rate cut cycle, with a significant reduction of 50 basis points.

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



Source: RBI

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

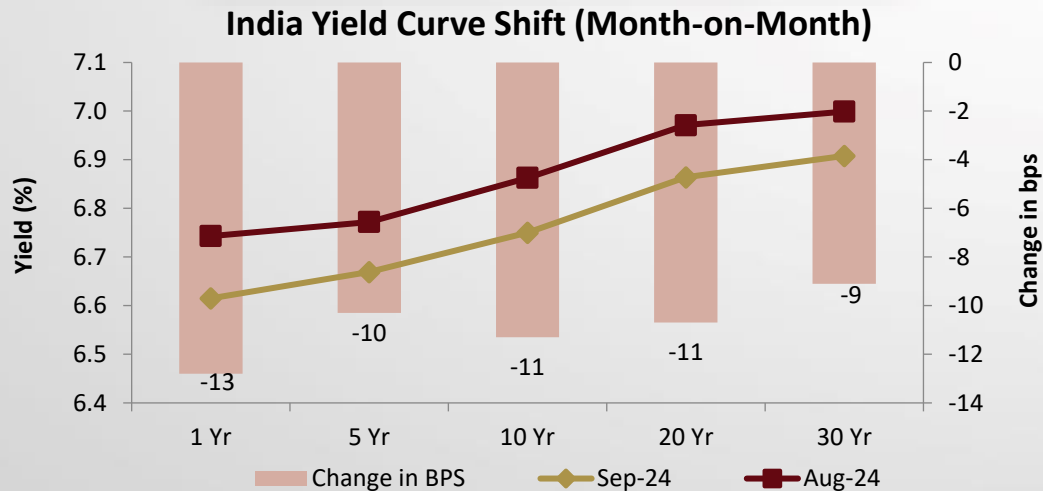
# DEBT MARKET

## Government Bond & Corporate Bond Yield Trend



### INDIAN DEBT

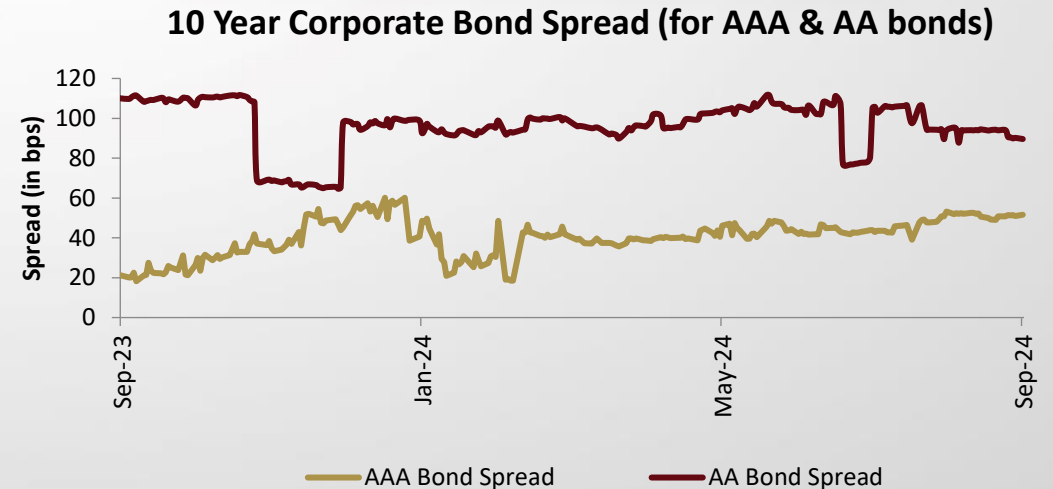
G-sec yields fell during the month



Source: Refinitiv

Yield on gilt securities fell between 9 to 14 bps across the maturities. Difference in spread between corporate bond & gilt securities expanded up to 11 bps across the segments.

Corporate bond yields declined during the month



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

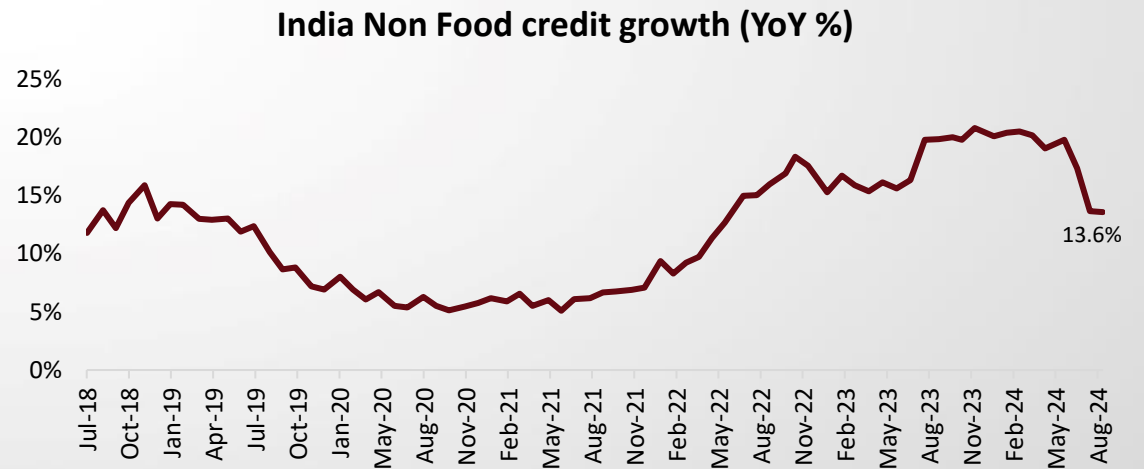
Yield on corporate bonds decreased in the range of 2 to 16 bps across the curve.

# DEBT MARKET

## System Liquidity



### INDIAN DEBT



- The liquidity of the banking system remained in surplus mode for the third consecutive month in Sep 2024. A deficit in liquidity was witnessed in few days of the month driven by outflows related to quarterly advance tax payments and monthly GST payments. However, the banking system returned to the surplus liquidity mode towards end of the month amid a strong pace of government spending.
- According to the FICCI-IBA survey report, conducted among 22 banks, including public sector, private sector and foreign banks, credit growth is outpacing deposit growth, which could lead to liquidity challenges for the banking system. More than two-third of respondent banks reported a decrease in the share of Current Account Savings Account (CASA) deposits in total deposits in the current round of the survey.



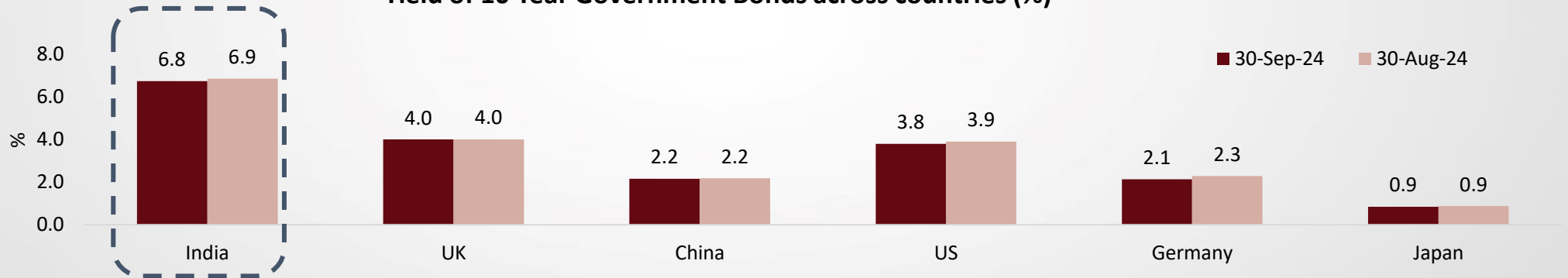
# DEBT MARKET

## Global



### GLOBAL DEBT

Yield of 10 Year Government Bonds across countries (%)



<b>Current Yield (%)</b>	6.8	4.0	2.2	3.8	2.1	0.9
<b>Inflation (%)</b>	3.7	2.2	0.6	2.5	1.9	2.2
<b>Real Yields (%):</b>						
<b>30-Sep-24</b>	3.1	1.8	1.6	1.3	0.2	-1.3

- Globally, 10-year Sovereign yields fell during the month. All above economies witnessed positive inflation adjusted returns/yields except Japan with India being the highest followed by the U.K. and China.
- U.S. Treasury prices increased following the decline in U.S. Personal Consumption Expenditures in Aug 2024. Gains were extended on expectations on further rate cut expectations by the U.S. Fed in Nov 2024.

# 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	0.54	1.59	3.26	6.66	5.65	4.75
Liquid Fund	0.60	1.76	3.59	7.25	6.00	5.15
Ultra Short Term Fund	0.60	1.75	3.52	6.98	5.68	5.34
Low Duration Fund	0.64	1.89	3.69	7.19	5.74	5.96
Money Market Fund	0.63	1.84	3.64	7.29	5.98	5.63
Arbitrage Fund	0.49	1.61	3.50	7.15	5.75	5.04
<b>ICRA Liquid Index</b>	<b>0.60</b>	<b>1.84</b>	<b>3.74</b>	<b>7.65</b>	<b>6.42</b>	<b>5.54</b>
Short Term Bond Fund	0.84	2.37	4.06	7.74	5.79	6.24
Medium Duration Fund	0.98	2.61	4.33	8.25	5.91	5.98
Banking and PSU Fund	0.86	2.43	4.12	7.84	5.60	6.42
Corporate Bond Fund	0.92	2.53	4.27	8.00	5.60	6.50
Credit Risk Fund	0.74	2.23	4.01	8.56	8.79	6.54
<b>Nifty Short Duration Debt Index</b>	<b>0.71</b>	<b>2.07</b>	<b>3.90</b>	<b>7.66</b>	<b>5.81</b>	<b>6.56</b>
Dynamic Bond Fund	1.36	3.15	4.92	9.45	5.87	6.32
Medium to Long Duration Fund	1.20	2.99	4.70	8.98	5.48	6.03
<b>ICRA Composite Bond Fund Index</b>	<b>1.14</b>	<b>3.10</b>	<b>5.10</b>	<b>9.83</b>	<b>6.21</b>	<b>7.51</b>
Gilt Fund	1.46	3.31	5.21	10.15	5.88	6.44
<b>ICRA Composite Gilt Index</b>	<b>1.36</b>	<b>3.48</b>	<b>5.48</b>	<b>10.88</b>	<b>6.41</b>	<b>7.32</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)	Decreases			Increases		
				0.25%	0.50%	1.00%	0.25%	0.50%	1.00%
Overnight Fund	6.45	0.00 Years	0.00 Years	6.45%	6.45%	6.45%	6.45%	6.45%	6.45%
Liquid Fund	7.15	0.04 Years	0.11 Years	7.18%	7.20%	7.26%	7.12%	7.09%	7.04%
Ultra Short Term Fund	7.50	0.22 Years	0.40 Years	7.60%	7.70%	7.90%	7.40%	7.30%	7.10%
Money Market Fund	7.40	0.17 Years	0.44 Years	7.51%	7.62%	7.84%	7.29%	7.18%	6.96%
Low Duration Fund	7.69	0.78 Years	0.89 Years	7.91%	8.13%	8.58%	7.47%	7.24%	6.80%
Short Term Bond Fund	7.45	3.50 Years	2.73 Years	8.13%	8.81%	10.18%	6.77%	6.08%	4.72%
Corporate Bond Fund	7.45	4.58 Years	3.45 Years	8.32%	9.18%	10.90%	6.59%	5.73%	4.00%
Banking and PSU Fund	7.36	4.41 Years	3.27 Years	8.17%	8.99%	10.63%	6.54%	5.72%	4.09%
Credit Risk Fund	7.64	2.62 Years	2.03 Years	8.15%	8.65%	9.67%	7.13%	6.62%	5.61%
Medium Duration Fund	7.62	4.69 Years	3.59 Years	8.51%	9.41%	11.21%	6.72%	5.82%	4.03%
Dynamic Bond Fund	7.08	14.77 Years	7.27 Years	8.90%	10.71%	14.35%	5.26%	3.44%	-0.19%
Medium to Long Duration Fund	6.58	9.57 Years	5.89 Years	8.06%	9.53%	12.47%	5.11%	3.64%	0.69%
Gilt Fund	6.98	16.72 Years	8.36 Years	9.07%	11.16%	15.34%	4.89%	2.80%	-1.38%

- Low Duration funds, Credit Risk funds, Medium 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 after the U.S. Fed kicked off its interest rate cut cycle, with a reduction of 50 basis points. Yields fell further driven by global interest rate changes and increased demand due to government bond being added to a global index. Gains were extended after the report suggested a likely rate cut on mortgages by China to boost consumption.
- However, gains were limited after the central government upheld its borrowing plan as budgeted, defying the market participants' expectations of a reduction. The central government has retained its gross market borrowing target of Rs. 14.01 lakh crore budgeted for FY25 and planned to raise Rs. 6.61 lakh crore through auction of dated securities during Oct to Mar period of this fiscal.

#### Outlook:

- The debt markets continue to have a favorable outlook in the medium-term. The U.S. Federal Reserve along with most of the large systematically important central banks except the Bank of Japan have started the rate easing cycle in 2024 and the RBI is likely to join sooner or later. The monsoon has remained healthy, and inflation is trending downward, so the RBI may begin a rate-cutting cycle in early 2025. Foreign Portfolio Investors continue to pour money in Indian government securities post its inclusion in the JP Morgan Index and as the weightage rises, the demand of domestic sovereign bonds is expected to go up among investors worldwide.
- **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 October 2024	
Event	Date
RBI Interest Rate Decision	09-Oct-24
Industrial Production YoY Aug 2024	11-Oct-24
CPI Inflation Rate YoY Sep 2024	14-Oct-24
WPI Inflation Rate YoY Sep 2024	14-Oct-24
Balance of Trade Sep 2024	15-Oct-24
Passenger Vehicles Sales YoY Sep 2024	17-Oct-24
Infrastructure Output YoY Sep 2024	31-Oct-24
Fiscal deficit (as a % of budget estimates) Sep 2024	31-Oct-24



### GLOBAL

Events for October 2024	
Event	Date
U.S. CPI YoY, NSA Sep 2024	10-Oct-24
U.K. GDP Estimate YoY Aug 2024	11-Oct-24
China CPI YoY Sep 2024	13-Oct-24
U.K. ILO (International Labour Organization) Unemployment Rate Aug 2024	15-Oct-24
U.K. CPI YoY Sep 2024	16-Oct-24
Euro Zone ECB Refinancing Rate Oct 2024	17-Oct-24
Japan CPI, Overall Nationwide Sep 2024	17-Oct-24
China Loan Prime Rate 1Y Oct 2024	21-Oct-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	38.01	15.84	18.71	13.65
Large & Mid Cap	45.32	20.37	23.41	16.45
Multi Cap	45.12	21.45	25.29	16.99
Flexi Cap	42.01	18.21	21.22	15.41
Mid Cap	50.25	23.97	28.41	18.59
Small Cap	46.15	24.81	32.63	19.83
Focused	41.41	17.81	20.54	15.04
Value	47.16	22.52	24.77	16.83
Hybrid Category:				
Conservative Hybrid	14.53	8.67	9.32	8.25
Balanced Advantage	25.83	12.86	13.81	10.74
Multi Asset Allocation	29.39	16.15	19.10	12.86
Aggressive Hybrid	32.93	15.24	18.04	12.81

Debt Category	3 Mths	6 Mths	1 Yr	3 Yr
Money Market:				
Overnight	1.59	3.26	6.66	5.65
Liquid	1.76	3.59	7.25	6.00
Ultra Short Duration	1.75	3.52	6.98	5.68
Low Duration	1.89	3.69	7.19	5.74
Money Market	1.84	3.64	7.29	5.98
Accrual:				
Short Duration	2.37	4.06	7.74	5.79
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Banking & PSU Debt	2.43	4.12	7.84	5.60
Corporate Bond	2.53	4.27	8.00	5.60
Floating Rate	2.40	4.36	8.08	6.11
Credit Risk	2.23	4.01	8.56	8.79
Duration:				
Medium to Long Duration	2.99	4.70	8.98	5.48
Long Duration	3.59	5.86	12.10	6.12
Dynamic Bond	3.15	4.92	9.45	5.87
Gilt	3.31	5.21	10.15	5.88
Gilt Fund with 10 year constant duration	3.47	5.29	10.01	5.41

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 30th Sep 2024.

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

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