



Weekly Market Update

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Key Domestic News

S&P projects resilient growth for India in FY25, fueled by urban consumption

- S&P Global Ratings projected that the Indian economy is poised for resilient growth in FY25, supported by strong urban consumption, steady service sector expansion, and ongoing infrastructure investment.
- S&P maintained its growth forecast for FY25 at 6.8%, with a modest increase to 6.9% projected for FY26, while highlighting challenges such as post-pandemic weaknesses, a competitive global manufacturing environment, and slow agricultural sector growth, and emphasizing that addressing these issues, along with improving job creation, infrastructure, and technology, is crucial for sustaining long-term economic growth.

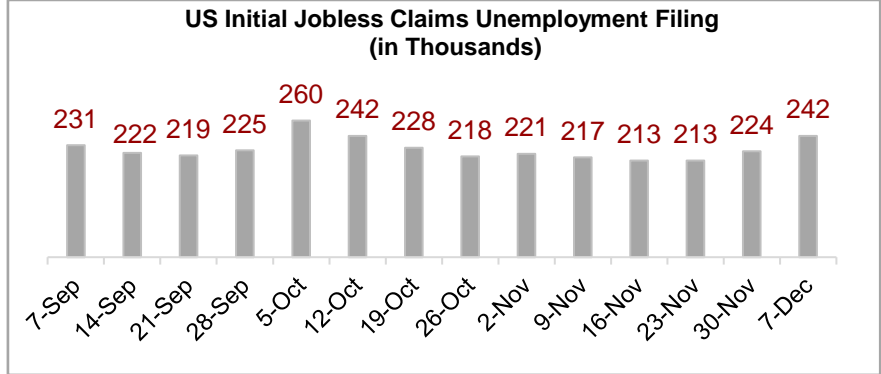
Fitch Ratings lowered India's GDP growth forecast for FY25 to 6.4% from 7%, echoing the RBI's reduced projection

- Fitch Ratings lowered India's GDP growth forecast for FY25 to 6.4% from 7%, aligning with the RBI's recent revision to 6.6% from 7.2%, citing the slowest economic growth in seven quarters during Q2 FY25, driven by weakened urban middle-class consumption, and noted that slower GDP growth poses challenges for job creation, while weak economic performance affects both urban and rural areas, undermining consumer confidence and spending.
- Despite recent mixed indicators, Fitch retains a positive outlook, citing strong domestic demand and continued policy support in infrastructure and digitalization as key growth drivers.

Confederation of Indian Industry (CII) recommends maintaining a 4.9% fiscal deficit target for FY25 and 4.5% for FY26

- CII stated that policymakers should maintain the fiscal deficit target at 4.9% of GDP for FY25 and 4.5% for FY26, advising caution against more aggressive targets due to potential risks to economic growth.
- CII also emphasized the significance of managing the budget deficit to facilitate a reduction in the debt-to-GDP ratio and noted that establishing clear fiscal targets may improve India's sovereign credit rating, reduce interest rates, and boost investor confidence.

Key International News



United States

- US PPI rose 0.4% MoM in Nov'24 from 0.3% in Oct'24, the largest increase in five months, driven by a 0.7% rise in goods prices, including sharp increases in chicken egg prices, fresh vegetables and fruits, processed poultry, non-electronic cigarettes, and residential electric power.
- Core PPI fell 0.2% MoM in Nov'24 from 0.3% MoM in Oct'24, marking the smallest monthly increase in four months.
- Americans filing for unemployment benefits increased to 242,000 in the week ended Dec 07, 2024.

Euro Area

- The European Central Bank (ECB) reduced its key deposit rate by 25 bps to 3.00% from 3.25% in its final policy meeting of FY24, marking the fourth rate cut of the year driven by a more optimistic inflation outlook and stronger monetary policy transmission. The ECB also reduced its key marginal lending rate to 3.40% from 3.65%, while reaffirming its commitment to the 2.00% inflation target and emphasizing a flexible, data-driven approach to future policy adjustments based on evolving economic conditions.

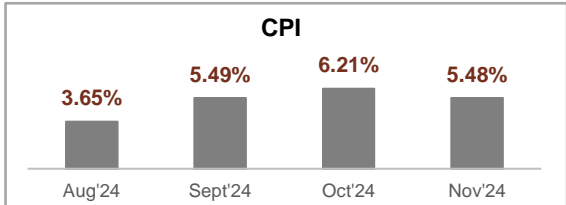
UK

- UK's GDP contracted by 0.1% MoM in Oct'24, following a similar decline in Sept'24, driven by a 0.6% drop in production, largely due to a significant downturn in manufacturing, notably in sectors such as pharmaceuticals, medical equipment, and chemicals. The contraction was further attributed to declines in mining, waste management, and construction, while the services sector recorded no growth, as gains in telecommunications were offset by reductions in support services, employment activities, and other sectors.

China

- China's inflation rate fell to 0.2% YoY in Nov'24 from 0.3% YoY in Oct'24 and the lowest since Jun'24, attributed to the smallest rise in food prices in four months, stagnant non-food prices, and continued declines in transportation and housing costs. The slowdown highlighted mounting deflation risks in the country despite recent stimulus measures from Beijing and the central bank's supportive monetary policy stance.

Domestic Macroeconomic Indicators



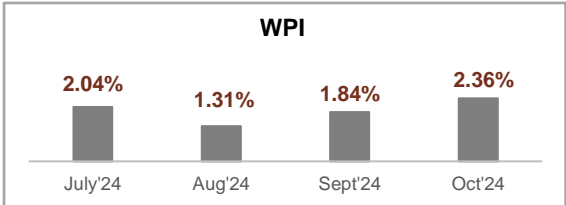
***CPI decreased by 0.73% MoM**

India's inflation rate fell to 5.48% YoY in Nov'24 from 6.21% in Oct'24, attributed to moderating vegetable prices as fresh production arrived, easing supply restrictions and stabilizing edible oil costs. Furthermore, food inflation fell to 9.04% in Nov'24 from 10.87% in Oct'24.



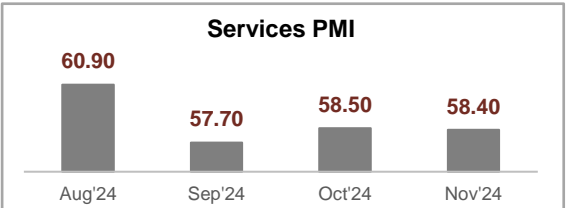
Manufacturing PMI decreased by 1.00% MoM

India's Manufacturing PMI declined to 56.5 in Nov'24, down from 57.5 in Oct'24 indicating slower but robust sectoral growth. Furthermore, robust demand supported increase in new business, production, and factory employment, although input purchases grew at their weakest pace in nearly a year.



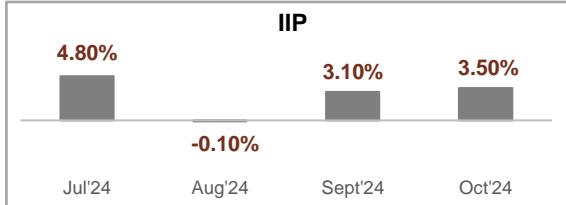
WPI increased by 0.52% MoM

India's wholesale prices were increased by 2.36% YoY in Oct'24. The increase was driven by higher food prices, which surged by 11.59%, and manufacturing prices, which rose by 1.50%. While, fuel and power prices were reduced by 5.79%.



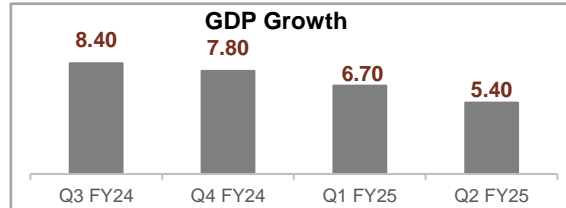
Services PMI decreased by 0.10% MoM

The India Services PMI fell to 58.4 in Nov'24 compared to 58.5 in the previous month and marked the 40th consecutive month of expansion driven by robust demand. Furthermore, total sales grew at a slower pace but remained above the long-term average, while new export orders posted the sharpest rise in three months.



***IIP increased by 0.40% MoM**

India's IIP rose 4% for the Apr'24-Oct'24 period, driven by stronger performance across manufacturing, electricity generation, and mining sectors. Additionally, within manufacturing, growth was led by basic metals, electrical equipment, and coke and refined petroleum products.

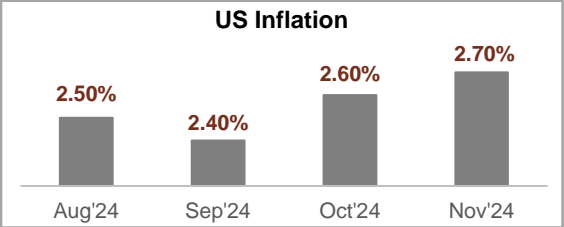


GDP growth decreased to 5.40% YoY

India's economic growth eased to 5.4% in Q2FY25, down from 6.7% in Q1FY25, due to weaker consumption, subdued government spending, and adverse weather conditions. Additionally slowdown, was impacted by muted urban demand, rising food inflation in Oct'24, and higher borrowing costs.

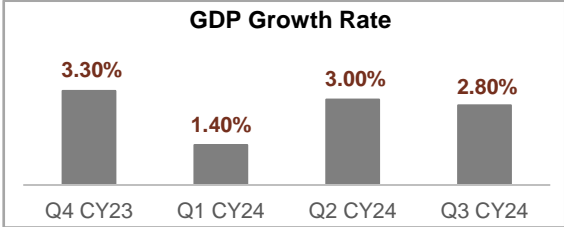
** There has been an update to the data in the last week.*

Global Macroeconomic Indicators



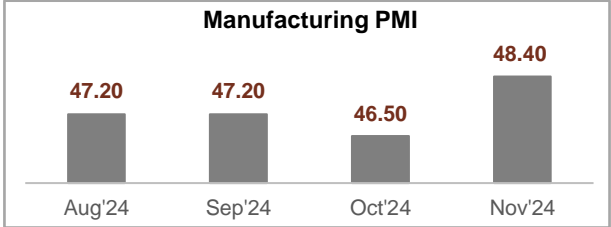
***US Inflation increased by 0.10% MoM**

U.S. inflation rate rose to 2.7% in Nov'24 from 2.6% in Oct'24, primarily due to low base effects from the previous year. Furthermore, slower declines in energy and new car prices, as well as an acceleration in food inflation to 2.4% from 2.1%, also contributed to the increase.



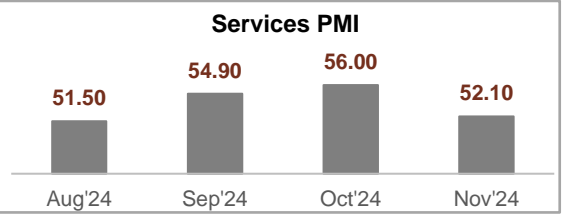
US GDP rate decreased by 0.20% QoQ

US economy grew by 2.80% in Q3CY24 driven primarily by stronger consumer spending. Additionally, personal consumption expenditures, the proxy for consumer activity, increased 3.7% for the quarter, while federal government spending increased by 9.7%.



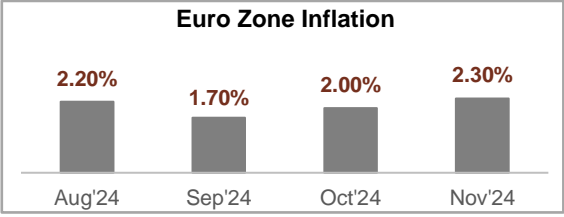
US Manufacturing PMI increased by 1.90% MoM

The US Manufacturing PMI rose to 48.4 in Nov'24 compared to 46.5 in Oct'24 signaling a softer contraction in the sector. Furthermore, new orders rebounded after seven months of contraction, while decline in production, employment, and inventories moderated.



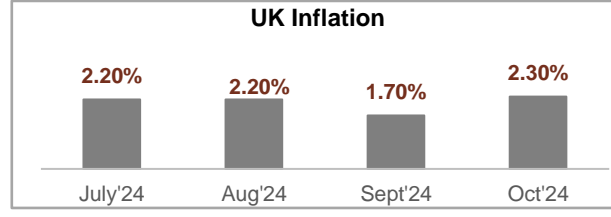
US Services PMI decreased by 3.90% MoM

The US Services PMI declined to 52.1 in Nov'24 from 56 in October, marking the slowest growth in the sector in three months. Furthermore, business activity, new orders, employment, and supplier deliveries eased, reflecting faster performance.



Eurozone Inflation increased by 0.30% MoM

Euro Area's Inflation increased to 2.3% in Nov'24, primarily due to base effect. Further, energy costs fell by 1.9% MoM and inflation to services fell to 3.9% while cost for non-energy industrial goods increased 0.7%.



UK Inflation decreased by 0.60% MoM

UK's inflation rate increased to 1.7% in Oct'24 largely driven by an increase in housing and household services cost, mainly electricity and gas. However food inflation remained unchanged at 1.9%.

** There has been an update to the data in the last week.*

RBI WSS Data (Data in INR Billion)

Scheduled Commercial Banks Business (SCBs)	Latest Data	% Change from	% Change from	% Change from
	15-Nov-24	01-Nov-24	18-Oct-24	17-Nov-23
Food Credit	451.57	50.25	142.08	12.16
Non-Food Credit	1,73,171.45	-0.53	0.57	11.15
Bank Credit	1,73,623.01	-0.44	0.72	11.15
Aggregate Deposits	2,18,540.18	-0.86	0.21	11.21
Investments (SLR)	64,899.39	-1.03	0.03	6.92
	15-Nov-24	01-Nov-24	18-Oct-24	17-Nov-23
Cash/ Deposit Ratio	5.06	2.43	-0.20	-3.70
Credit/ Deposit Ratio	77.60	0.43	0.13	0.31
Investment/ Deposit Ratio	29.56	-0.14	0.10	-3.08



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Government Securities

G-Sec Yields

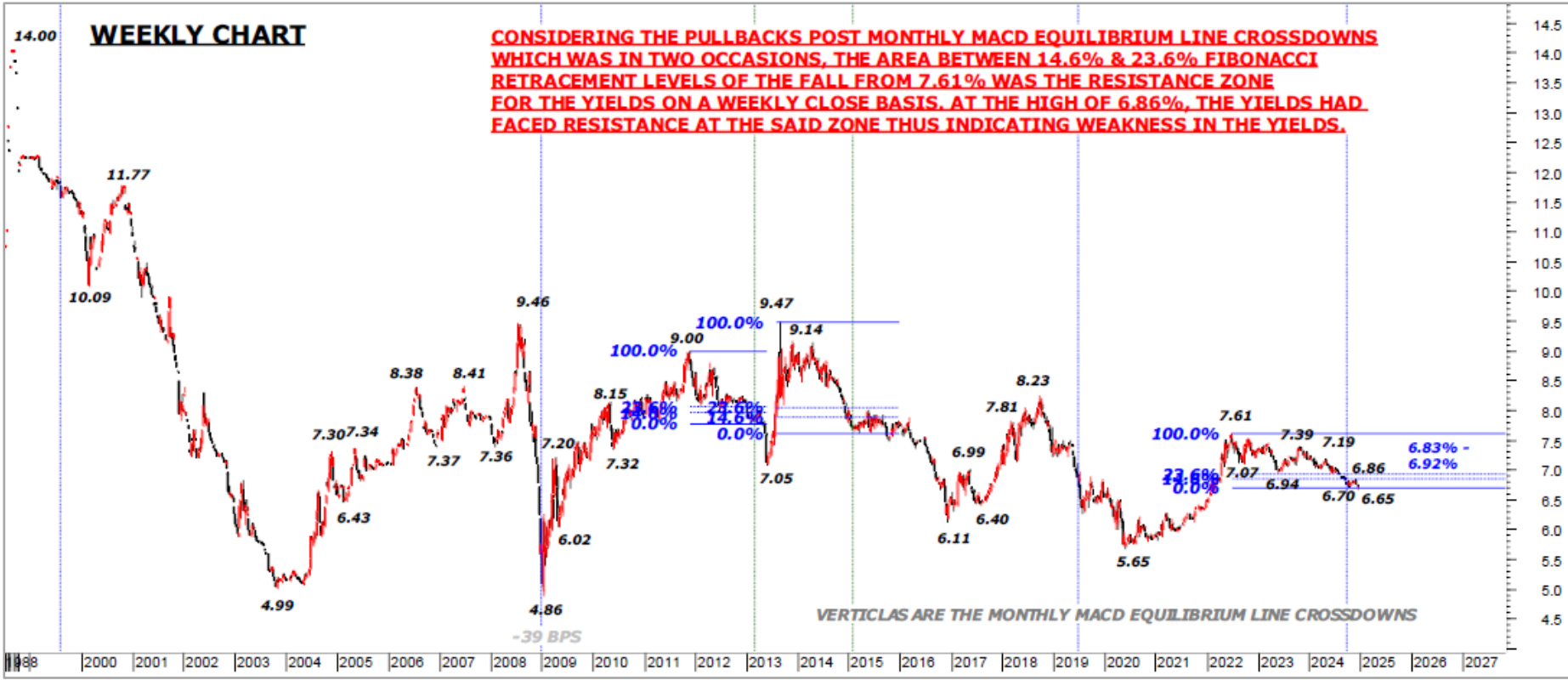
Security	Tenor	06 December 2024	29 November 2024
364 DTB	1	6.55	6.60
5.63% GS 2026	2	6.64	6.71
7.04% GS 2029	5	6.68	6.70
7.10% GS 2034	10	6.78	6.78
7.23% GS 2039	15	6.87	6.86
8.17% GS 2044	20	6.92	6.95
7.40% GS 2062	38	7.00	7.07
7.46% GS 2073	49	7.03	7.05

G-Sec Auction Results - Dec 13 2024

Security	Amount (INR Cr)	Cut-Off Yield	B/C
6.79% GS 2034	22,000	6.75%	0.31
New GOI SGrB 2054	5,000	6.98%	0.33
7.09% GS 2074	10,000	7.01%	0.35
	37,000		

- For the week ended December 13, 2024, the new 10-year benchmark recorded a close at 6.73%, falling by 12 bps from the close of the previous week.
- The yields opened the week lower and traded downwards, after the Indian Finance Minister expressed confidence in a third-quarter rebound and reaffirmed India's projected status as the fastest-growing major economy. She attributed the slowdown in the first two quarters to muted government expenditure and further showed optimism that the expansion in the third quarter could offset the current slowdown.
- During the mid-week, the yields reversed their trajectory and traded with an upward bias after an SBI report projected that the Indian economy would grow at 6.3% YoY in FY25, lower than the RBI's revised forecast of 6.6% YoY amid global and domestic economic challenges. Additionally, investor confidence waned after the RBI Governor, concluding his term, highlighted that restoring the inflation-growth balance will remain a crucial task for the central bank ahead, amid growing concerns over the potential impact of future economic policy shifts and global economic uncertainty.
- Towards the end of the week, the upward movement was limited as India's retail inflation eased to 5.48% in Nov'24 from 6.1% in Oct'24 on account of reducing food inflation. Further, food inflation eased to 9.04% in Nov'24 from 10.87% in Oct'24. Additionally, India's IIP increased to 3.5% in Oct'24 from 3.1% in Sep'24 as mining, manufacturing, and electricity sectors output increased by 0.9%, 4.1% & 2% respectively.
- The RBI conducted an auction of G-Sec for a notified amount of INR 37,000 Cr during the week ending December 13, 2024, with cut-off yields ranging around 6.75% - 7.01%.

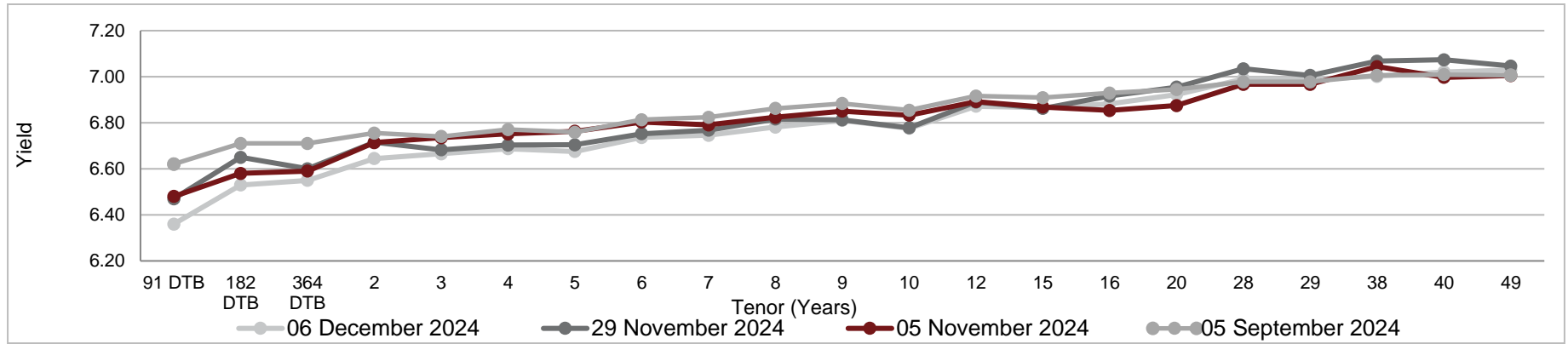
Ten Year GOI Yields – 6.73% (December 13, 2024)



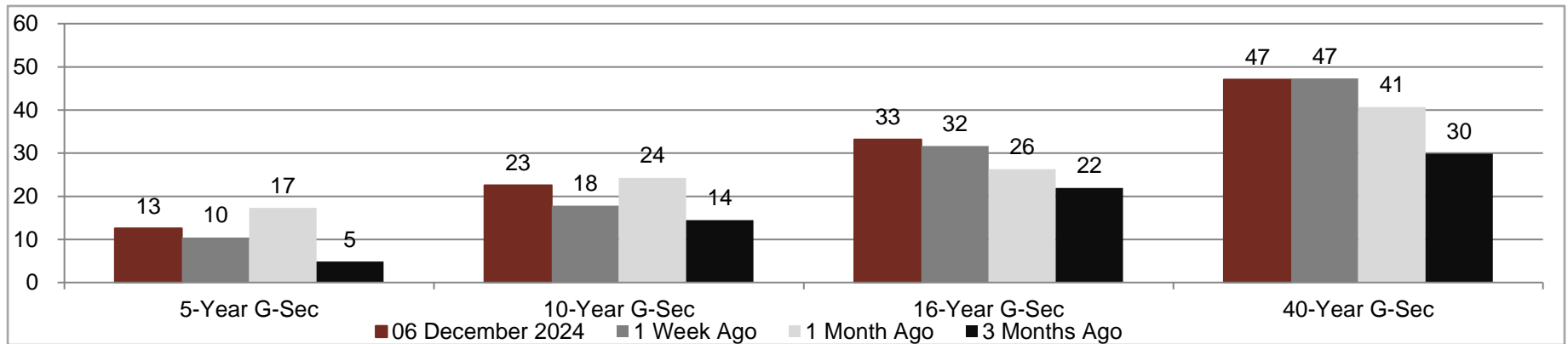
Support:- 5.65% to 6.63%

Resistance: 6.94% and 7.07% (Quarterly Close basis)

Sovereign Yield Curve – December 06, 2024



Spread between 364 DTB and G-Sec



State Development Loans Auction Results – December 10, 2024

Auction Result: Dec 10, 2024								
S No.	Rank	State	Amount to be Raised (INR Cr)	Tenure (Years)	Cut-Off Yield	Cut-Off Yield (Annualized)	Amount Raised (FY24) (INR Cr)	Amount Raised FYTD25 (INR Cr)
1	1	Gujarat	1000	9	7.04%	7.16%	30,500	12000
2	6	Haryana	1000	13	7.09%	7.22%	47,500	26000
3	3*	Jammu and Kashmir	400	22	7.08%	7.21%	16,337	10950
4	3	Karnataka	2000	Re-issue of 6.61% Karnataka SDL 2035 issued on September 02, 2020	7.11%	7.23%	81,000	35000
			2000	Re-issue of 6.75% Karnataka SDL 2035, issued on November 04, 2020	7.10%	7.23%		
5	7	Tamil Nadu	2000	10	7.10%	7.23%	1,14,000	72000
6	12	Uttar Pradesh	3000	14	7.08%	7.21%	97,650	15000
Total			11,400		-	-	3,86,987	1,70,950

Note: Ranking of States as per the Darashaw State Finance Study 2022-23. *Special State Ranking as per Darashaw State Finance Study 2022-23.

State Development Loans Auction Notification – December 17, 2024

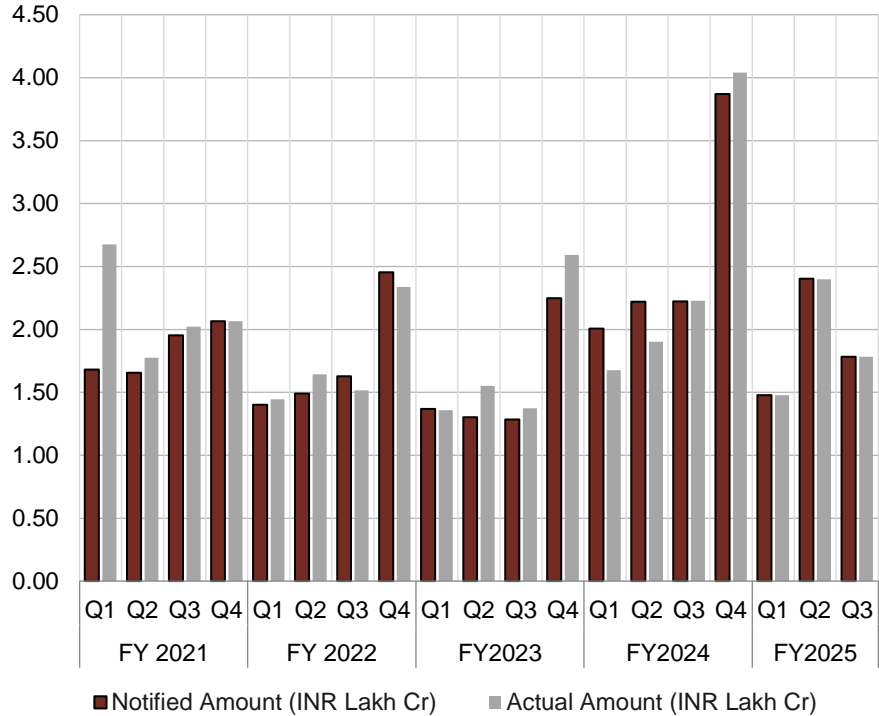
Notification: Dec 17, 2024

S No.	Rank	State	Tenure (Years)	Amount to be Raised (INR Cr)	Additional borrowing (INR Cr)	Notified Amount (FYTD) (INR Cr)	Actual Amount (FYTD) (INR Cr)	Actual amount raised compared to Notified (%)
1	10*	Arunachal Pradesh	20	395	-	400	400	100
2	18	Bihar	10	2000	-	24,000	28,000	117
3	7*	Himachal Pradesh	12	500	-	6,800	6,200	91
4	3*	Jammu and Kashmir	25	400	-	10,150	10,950	108
5	3	Karnataka	11	2000	-	27,000	35,000	130
			12	2000	-			
6	13	Kerala	18	1255	-	29,247	30,747	105
7	6*	Meghalaya	9	635	-	1,247	1,247	100
8	9*	Mizoram	15	140	-	621	671	108
9	15	Rajasthan	10	1000	-	49,150	48,800	99
			15	1000	-			
			22	1000	-			
10	7	Tamil Nadu	4	1000	-	67,000	72,000	107
			30	1000	-			
11	4	Telangana	22	500	-	38,000	39,000	103
			23	1000	-			
12	12	Uttar Pradesh	Re-issue of 7.08% Uttar Pradesh SGS 2038, issued on December 11, 2024	3000	-	12,000	15,000	125
13	16	West Bengal	16	1500	500	31,000	31,000	100
Total				20,325	-	2,96,615	3,19,015	

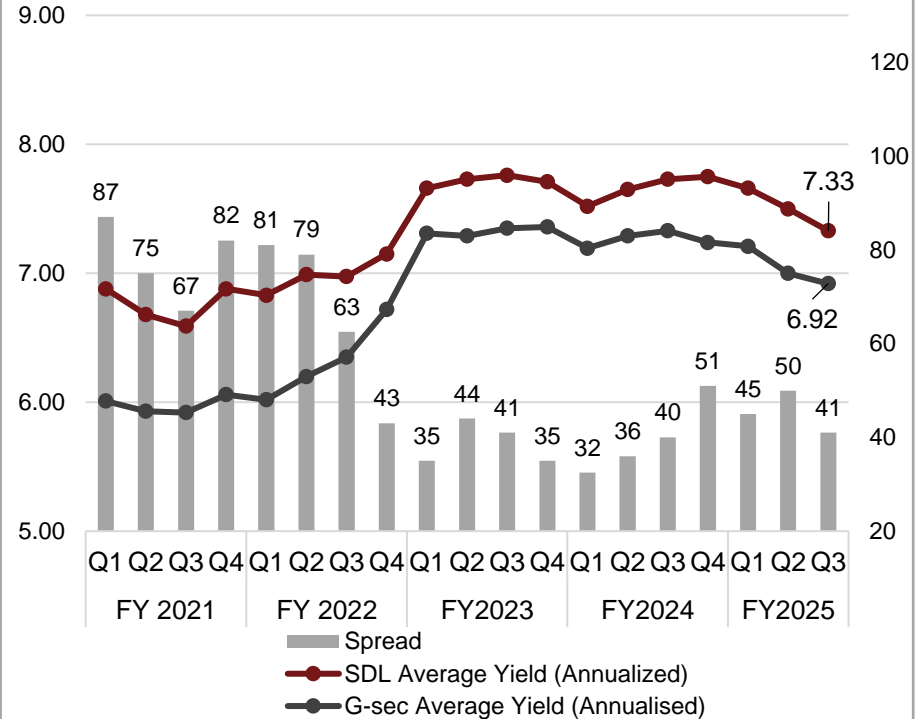
Note: Ranking of States as per the Darashaw State Finance Study 2022-23. **Special State Ranking as per Darashaw State Finance Study 2022-23.

SDL Auction- Notified vs Actual and Spread Analysis

Notified vs Actual

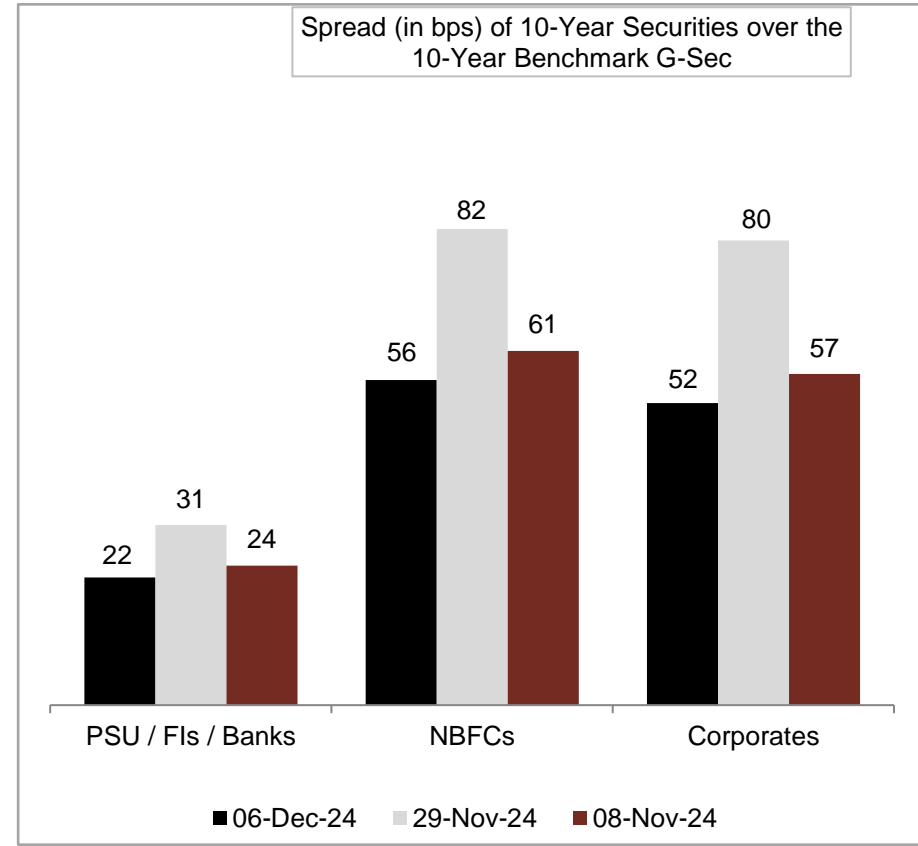
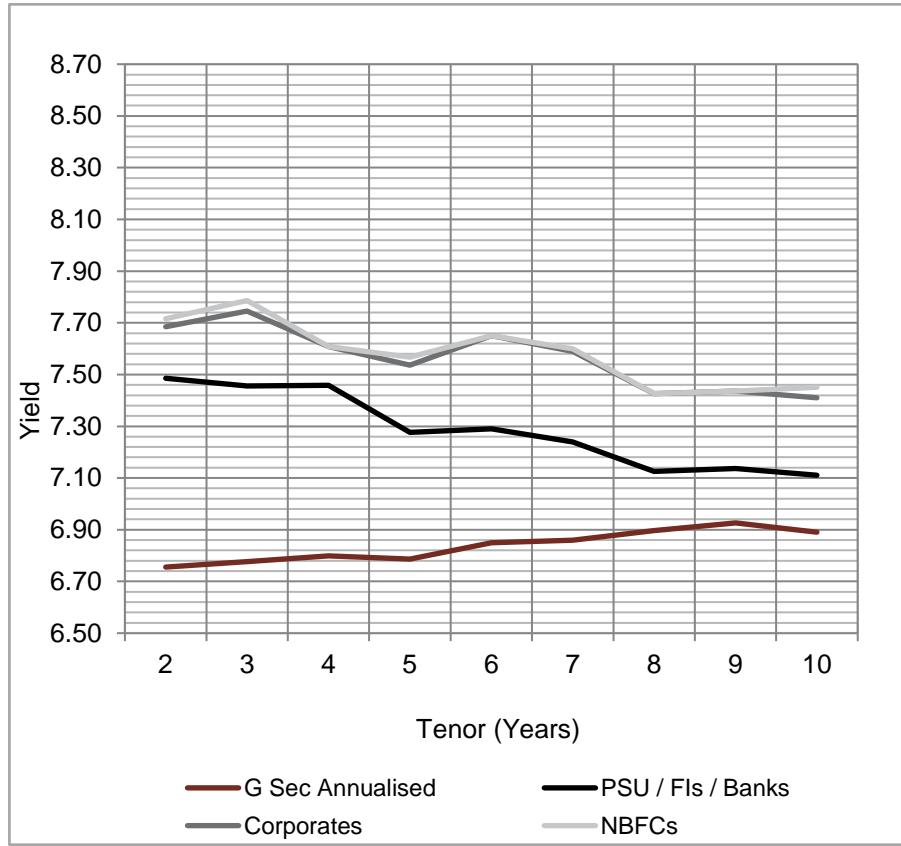


SDL Yield and G-sec Yield QoQ



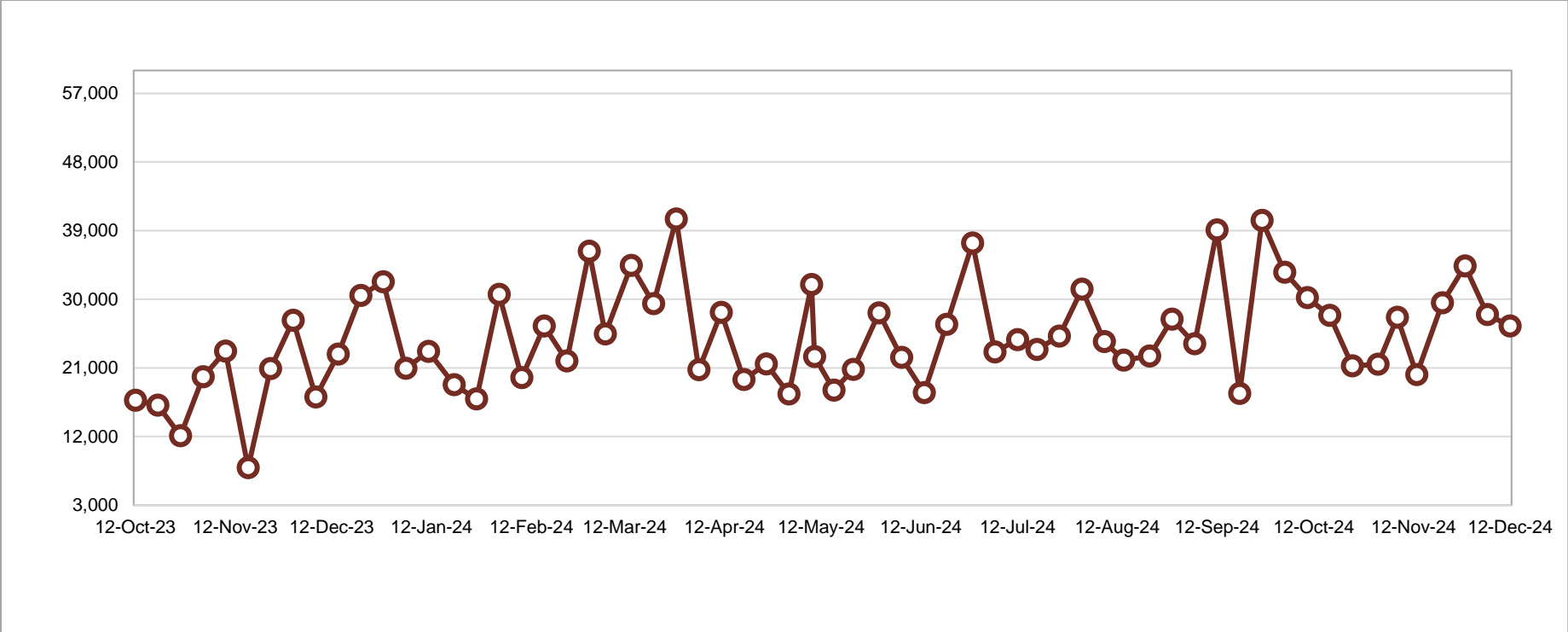
The SDL Yield and G-sec are sourced from the Secondary market

AAA Rated Bond Yield Curves – December 06, 2024



Corporate Bonds

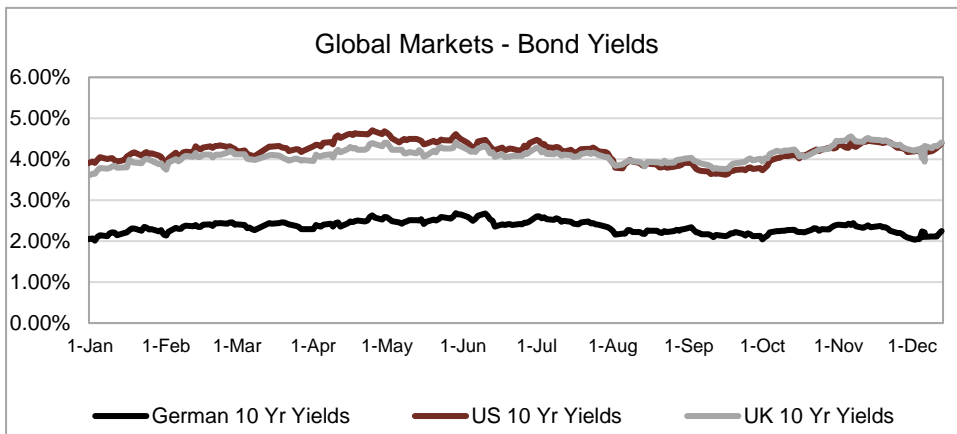
Volume of Corporate Bonds Traded (INR Cr.)



Recent Issuances

ISIN	Issuer	Type	Maturity	Coupon (%)	Date of Allotment	Rating	Amount (INR Cr)
INE0H7R07041	NATIONAL HIGHWAYS INFRA TRUST	Secured	17	7.00%	11-Dec-24	AAA	1,400
INE0J7Q07256	DME DEVELOPMENT	Secured	10	7.23%	11-Dec-24	AAA	775
INE115A07RA9	LIC HOUSING FINANCE	Secured	2	7.69%	12-Dec-24	AAA	1,275
INE296A07TG0	BAJAJ FINANCE	Secured	2	7.72%	10-Dec-24	AAA	1000
INE498L07103	L&T FINANCE	Secured	3	7.75%	13-Dec-24	AAA	500
INE660A07RU2	SUNDARAM FINANCE	Secured	2	7.75%	13-Dec-24	AAA	1000
INE831R07516	ADITYA BIRLA HOUSING FINANCE	Secured	3	7.85%	12-Dec-24	AAA	600
INE916DA7SX8	KOTAK MAHINDRA PRIME	Secured	3	7.75%	09-Dec-24	AAA	375
INE134E08NF8	POWER FINANCE CORPORATION	Unsecured	10	7.10%	10-Dec-24	AAA	3,052
INE134E08NG6	POWER FINANCE CORPORATION	Unsecured	15	7.11%	10-Dec-24	AAA	3200
INE261F08EL3	NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT	Unsecured	5	7.40%	13-Dec-24	AAA	4864
INE514E08GD0	EXPORT IMPORT BANK OF INDIA	Unsecured	5	7.14%	13-Dec-24	AAA	2500

Global Bond Yields



- U.S. Treasury yields rose** this week as U.S. inflation rate rose to 2.7% in Nov'24 from 2.6% in Oct'24, marking the second consecutive monthly increase, primarily due to low base effects from the previous year. Furthermore, slower declines in energy and new car prices, as well as an acceleration in food inflation to 2.4% from 2.1%, also contributed to the increase. Additionally, the CPI rose 0.3% MoM from 0.2% MoM, due to higher shelter costs, rising food and energy prices, and rising car and home goods prices.
- UK yields rose** as UK GDP contracted for the second consecutive month in Oct'24, declining by 0.1% following a similar drop in Sep'24, marking the first back-to-back reduction since the initial Covid-19 lockdown in Q1FY21. Furthermore, the services sector stagnated, while manufacturing and construction output fell, contrary to economists' forecasts of a 0.1% rise. Moreover, Finance Minister Rachel Reeves' budget, which introduced substantial tax hikes on businesses, is expected to impact UK's GDP growth in the upcoming months.
- German Bund yields rose** during the week as Moody's Ratings downgraded France's rating to AA3 from AA2, citing concerns over potential political instability in France raised uncertainty around economic growth and fiscal stability, with the likely extension of the budget into next year resulting in a looser-than-planned fiscal policy. Meanwhile, ECB President Lagarde's indication of a potential weakening in Eurozone growth further dampened the region's economic outlook.

Global 10-Year Yields

Country	13-Dec-24	06-Dec-24	Change (bps)
US	4.39%	4.16%	23
UK	4.41%	4.33%	8
Germany	2.25%	2.11%	14
China	1.78%	1.97%	-19
Japan	1.04%	1.05%	-2



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Treasury Bills / Policy Rates / Systemic Liquidity

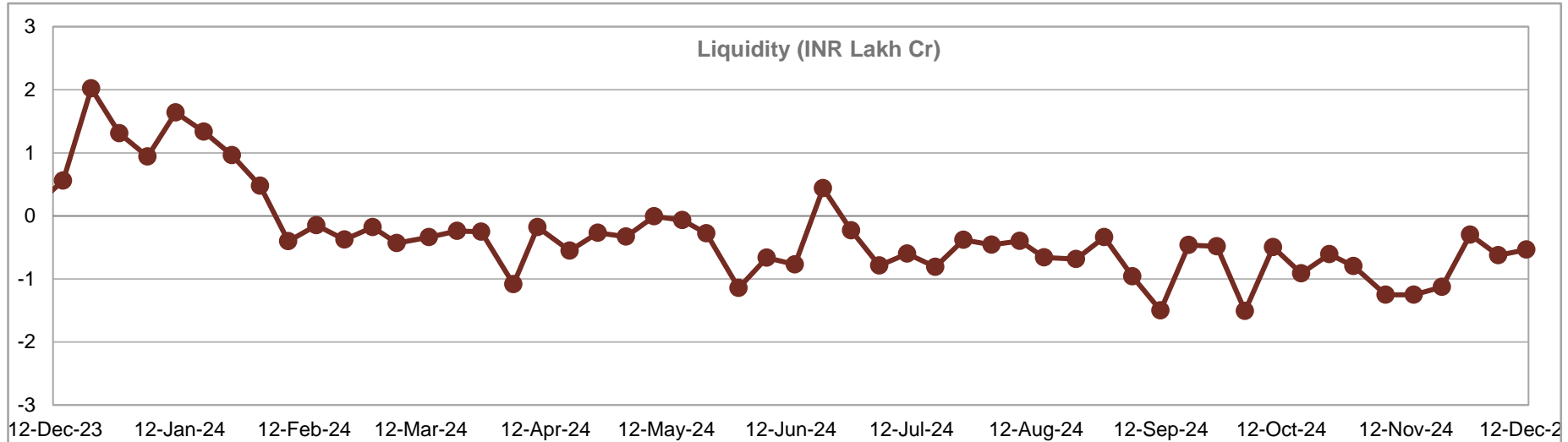
Policy Rates		T-Bill Yields		
Bank Rate	6.75%	Tenor	13-Dec-24	6-Dec-24
Repo Rate	6.50%	91 Day	6.45%	6.43%
Rev Repo Rate	3.35%	182 Day	6.61%	6.54%
MSF	6.75%	364 Day	6.58%	6.53%
CRR	4.00%			
SLR	18.00%			

T-Bill Auction

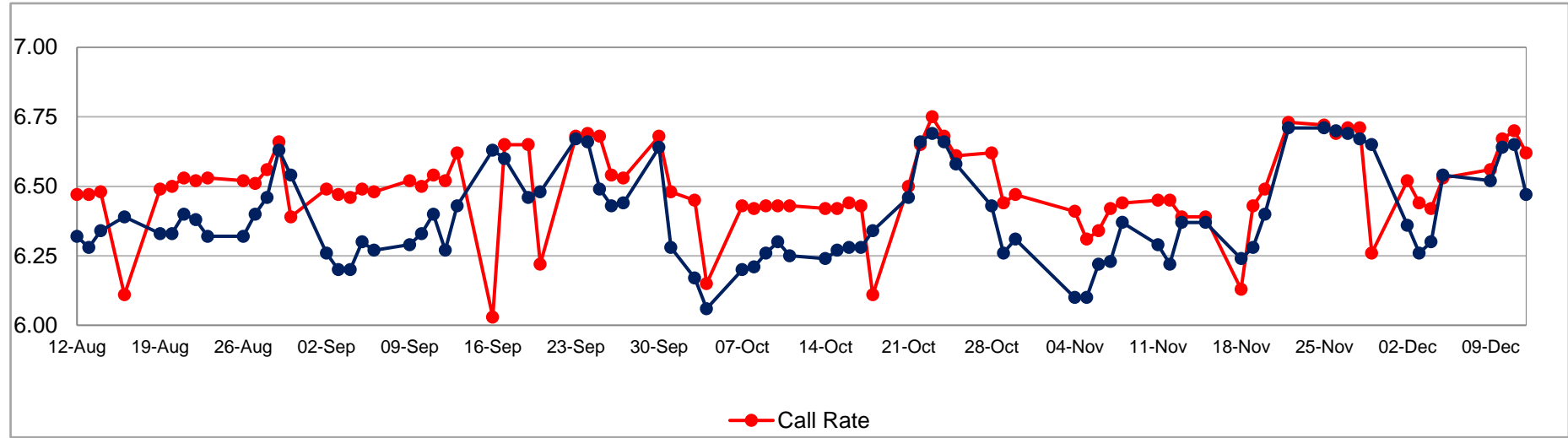
Tenor	Amount (INR Cr)	B/C Ratio		Cut Off Yield (%)		Auction on December 18, 2024 Amount (INR Cr)
		As on Dec 11, 2024	As on Dec 04, 2024	As on Dec 11, 2024	As on Dec 04, 2024	
91 Days	7,000.00	3.97	3.41	6.43%	6.43%	7,000.00
182 Days	6,000.00	2.25	3.74	6.54%	6.54%	6,000.00
364 Days	6,000.00	2.76	3.29	6.53%	6.53%	6,000.00
Total	19,000.00					19,000.00

Treasury Bills/ Policy Rates/ Systemic Liquidity

Liquidity Position (₹ Bn)		
Weekly Data	December 12, 2024	December 5, 2024
Average Reverse Repo	77.80	84.63
Average Net LAF	(65.70)	(72.53)
Average MSF	4.05	2.76
Average Liquidity Position	(53.44)	(62.69)



Call Rate/ Tri-Party Repo Rate



Particulars	December 6, 2024	December 12, 2024
Call Rate	6.53	6.62
Tri-Party Repo	6.54	6.47



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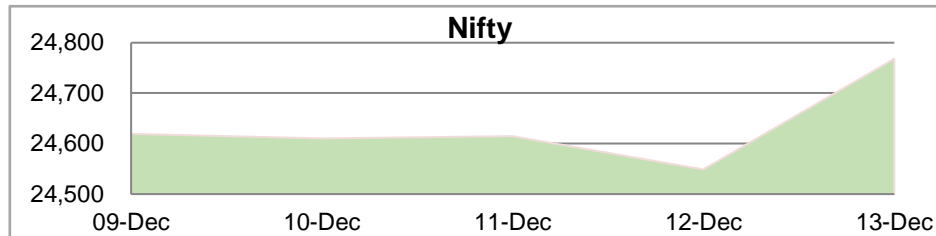
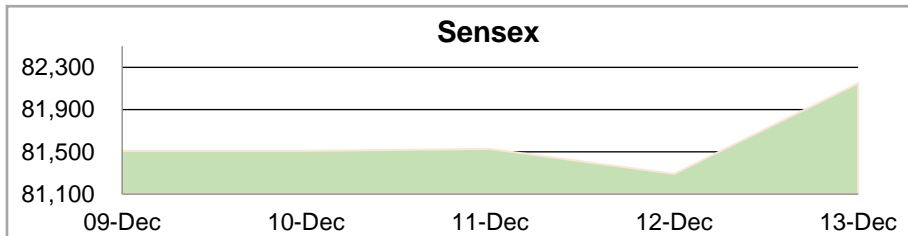
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Domestic Indices

Index	13-Dec-24	06-Dec-24	% Change
Sensex	82,150.89	81,709.12	0.54
Nifty	24,768.30	24,677.80	0.37
Nifty Mid Cap 50	16,456.24	16,322.25	0.82
Nifty Small Cap 50	9,342.50	9,427.85	-0.91

Global Indices

S&P 500	6,051.09	6,090.27	-0.64
DJIA	43,828.06	44,642.52	-1.82
NASDAQ Composite	19,926.70	19,859.77	0.34
FTSE 100	8,300.33	8,308.61	-0.10
Nikkei	39,470.44	39,091.17	0.97
Hang Seng	19,971.24	19,865.85	0.53

Domestic benchmark Indices

- Indices opened the week lower and traded sideways after reports predicted that the reduction in CRR would be short-lived, necessitating the RBI to deploy additional tools such as open market operations and foreign exchange swaps while stronger dollar is likely to pressure system liquidity, as the RBI may need to intervene in the currency market to manage excessive volatility in the rupee.
- However, this was counteracted as S&P Global expects the Indian economy to demonstrate resilience, supported by strong urban consumption, steady growth in the services sector, and ongoing investment in infrastructure. Additionally, Chief Economic Advisor expressed mixed views over the domestic growth as GDP growth slowdown in Q2FY25 may be a temporary blip or have long-term implications. It was also mentioned that these developments may have longer-term implications for urban household income, consumption, and savings patterns compared to pre-COVID times.
- Towards the end of the week, the indices traded upwards following fall in India's retail inflation to 5.48% in Nov'24 from 6.1% in Oct'24 on account of reducing food inflation. Moreover, food inflation eased to 9.04% in Nov'24 from 10.87% in Oct'24. Furthermore, the upward movement was accentuated on the back of rise in India's IIP to 3.5% in Oct'24 from 3.1% in Sep'24 as mining, manufacturing, and electricity sectors output increased by 0.9%, 4.1% & 2% respectively.

US Indices

- US benchmark indices traded downwards during the week after investors turned cautious amid rise in inflation rate for a second consecutive month coupled with rise in US PPI to 0.4% in Nov'24 as compared to 0.3% in Oct'24. Further, concerns over the Federal Reserve's upcoming policy decision and economic conditions limited gains.

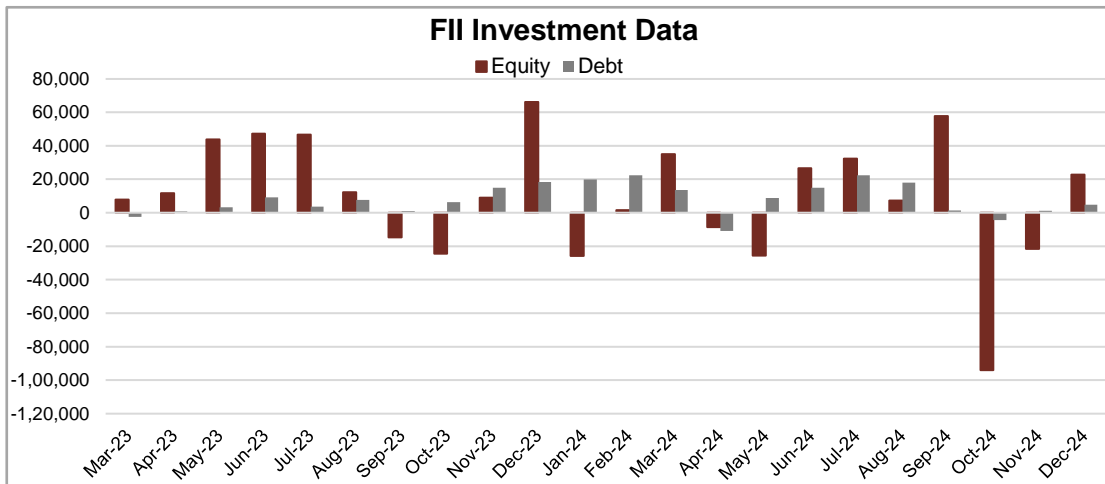
Nifty – 24,768.30 (December 13, 2024)



Support:- 24180, 23605 - 23176

Resistance: 25126, 25639 - 25739

Markets Investment Data



FIIL Investment Data		
Month	Equity	Debt
	Net Invest. (INR Cr)	Net Invest. (INR Cr)
Dec-24	22,766	4,814
Nov-24	-21,612	1,217
Oct-24	-94,017	-4,406
Sep-24	57,724	1,299
Aug-24	7,320	17,960
Jul-24	32,365	22,363
June-24	26,565	14,955
May-24	-25,586	8,761
Apr-24	-8,671	-10,949

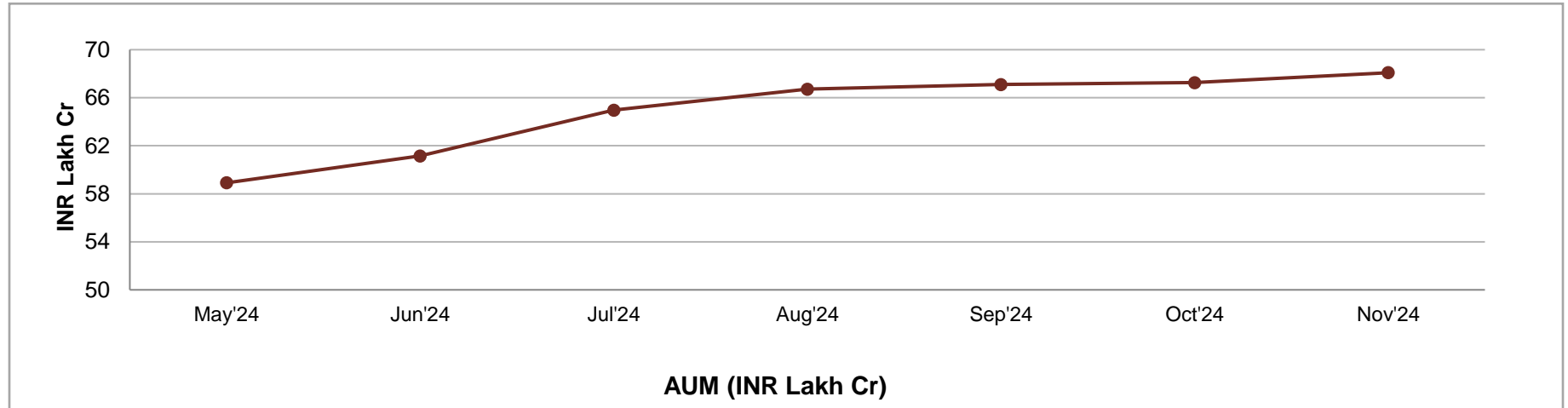
Weekly Investment Data						
Week	Equity			Debt		
	Gross Purchase	Gross Sale	Net Invest.	Gross Purchase	Gross Sales	Net Invest.
	(INR Cr)	(INR Cr)	(INR Cr)	(INR Cr)	(INR Cr)	(INR Cr)
DII	46,031.12	44,784.59	1,246.53	85,579.53	99,277.47	-13,697.94
FIIL	78,822.84	80,510.85	-1,688.01	7,332.46	2,376.44	4,956.02

FIIL Investment Data		
Year	Equity	Debt
	Net Invest. (INR Cr)	Net Invest. (INR Cr)
FY25TD	3,148	56,015
FY24	2,08,212	1,21,059
FY23	-37,632	-8,937
FY22	-1,40,010	1,628
FY21	2,74,032	-50,443
FY20	6,153	-48,710

*DII data is from 05th Nov'24 to 11th Dec'24 and FIIL data is from 09nd Dec'24 to 13th Dec'24.

Mutual Funds Investment Data

Mutual Funds - All Schemes (INR Cr)						
Month	AUM	SIP Inflows	Net Inflow/(Outflow) in Equity Funds	Y-o-Y	AUM	SIP Inflows
Nov'24	68,08,101	25,320	35,943	Nov'23	48,74,812	17,073
Oct'24	67,25,615	25,323	41,887	Oct'23	46,71,688	16,928
Sep'24	67,09,259	24,509	34,419	Sep'23	46,57,755	16,042
Total	-	75,152	1,12,249	Total	-	33,115





Weekly Market Update

News & WSS

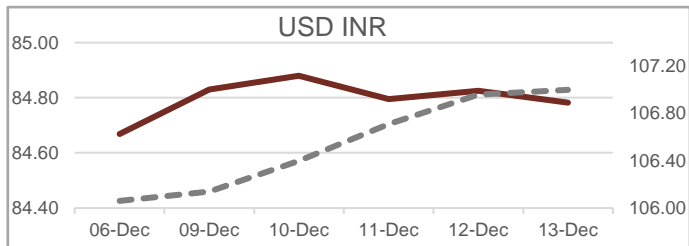
Bond

Money Market

Equity

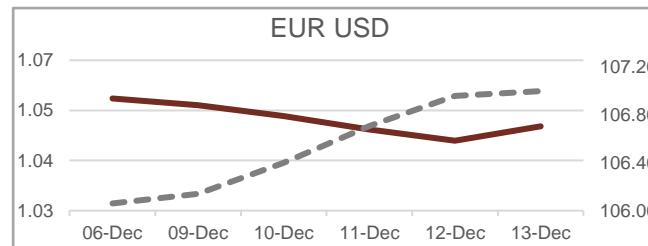
Forex & Crude

Foreign Exchange Report



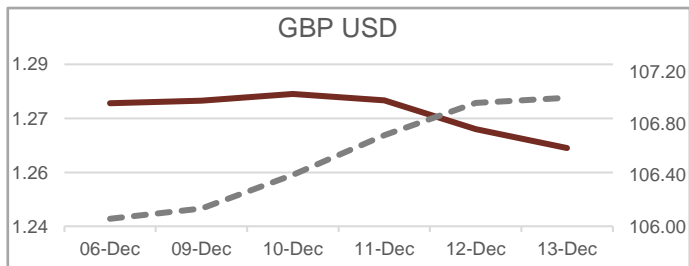
06-Dec	13-Dec
84.67	84.78
0.13%	

The Indian Rupee depreciated as fall in India's inflation rate to 5.48% YoY in Nov'24 from 6.21% in Oct'24, led to heightened expectations of an impending rate cut by the RBI. The persistent rise in crude oil prices amid geopolitical tensions, the renewed potential for increased demand from China, and the recent sanctions imposed by the EU, also put downward pressure on the currency.



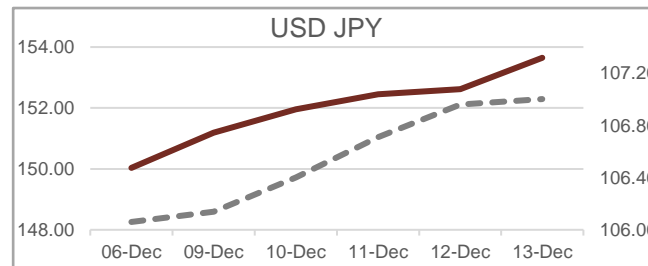
06-Dec	13-Dec
1.0568	1.0502
0.62%	

The Euro depreciated following the European Central Bank's decision to reduce its key deposit rate by 25 bps to 3.00% from 3.25% in its final policy meeting of FY24, marking the fourth rate cut of the year driven by a more optimistic inflation outlook and stronger monetary policy transmission. Political uncertainty in France and Germany also continued to exert pressure on the Eurozone economy.



06-Dec	13-Dec
1.2742	1.2618
0.97%	

The British Pound depreciated as concerns about the economic performance of UK grew following a 0.1% MoM contraction in GDP in Oct'24, repeating the decline seen in Sept'24, largely driven by a 0.6% fall in production, with notable decreases in the manufacturing sector. Industrial and manufacturing output contracted, coupled with an increase in the UK's trade deficit.



06-Dec	13-Dec
150.03	153.64
2.41%	

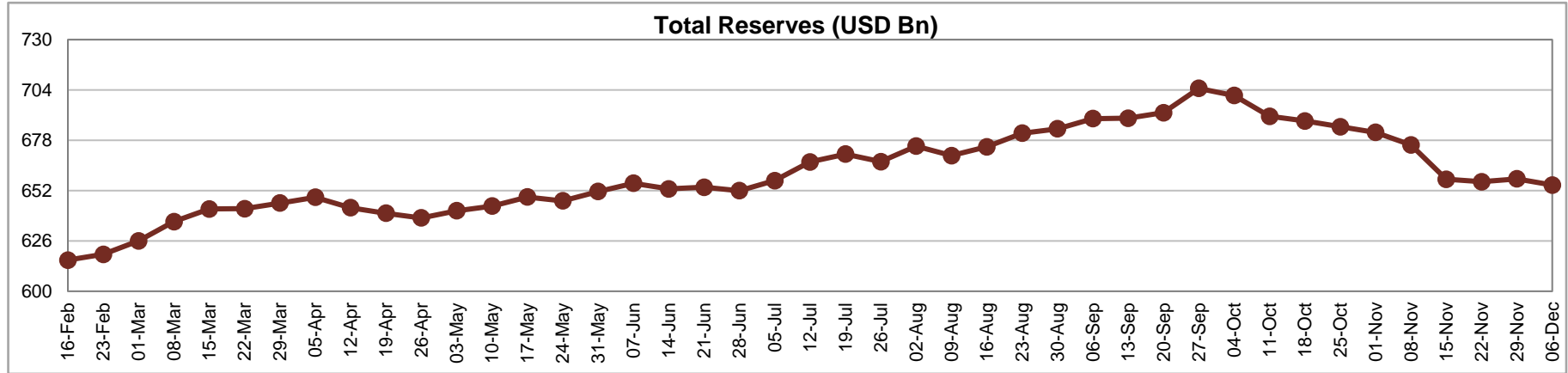
The Japanese Yen depreciated as uncertainty surrounding the Bank of Japan's potential timeline for interest rate hikes dampened investor confidence. Japan's PPI increased by 3.7% YoY in Nov'24 from 3.6% in Oct'24, indicating the 45th consecutive month of producer inflation and the highest rate since Jul'23, and raised concerns about sustained inflationary pressures in the economy.

Dollar Index ended the week higher by **0.89%** at 107.00

--- Dollar Index

RBI Forex Reserves

	06-Dec-24	29-Nov-24	% Change (WoW)	% Change (MoM)	% Change (YoY)
Forex Reserves (USD Bn)	654.857	658.091	-0.49%	-3.08%	7.91%
Foreign Currency Assets (USD Bn)	565.623	568.852	-0.57%	-3.38%	5.39%
Gold Reserves (USD Bn)	66.936	66.979	-0.06%	-1.29%	42.02%
SDRs (USD Bn)	18.031	18.007	0.13%	-0.70%	-0.86%
Reserves with IMF (USD Bn)	4.266	4.254	0.28%	-0.74%	-11.90%



Brent Crude

Date	Day	Price (USD/bbl.)	
December 13, 2024	Friday	74.49	↑
December 12, 2024	Thursday	73.41	↓
December 11, 2024	Wednesday	73.52	↑
December 10, 2024	Tuesday	72.19	↑
December 9, 2024	Monday	72.14	↑



- Brent Crude ended the week higher by 4.74% to close at USD 74.49, and WTI Crude ended the week higher by 6.09% to close at USD 71.29.
- Crude oil prices opened the week higher and traded upwards, driven by escalating geopolitical tensions in the Middle East after rebels ousted Syria's long-standing government, ending a 50-year rule and heightening fears of regional instability. Additionally, China, the world's largest oil importer, signaled a "moderately loose" monetary policy for CY25, marking its first significant policy shift in over a decade to stimulate economic growth. This announcement not only lifted market optimism but also aligned with a 14% YoY surge in China's crude imports for Nov'24, marking the first increase in seven months, which sparked renewed optimism in the oil market, with anticipation that the country's measures could drive stronger oil demand moving forward.
- During the mid-week, crude oil prices traded moderately downwards as the International Energy Agency (IEA) projected the oil market to remain well-supplied in FY25, despite raising its global oil demand growth forecast from 990K bpd to 1.1 Mn bpd.
- Towards the end of the week, crude oil prices reversed their trajectory and traded upwards, driven by tightening global supplies, as the European Union's new sanctions on Russia's tanker fleet and potential U.S. actions against Russian and Iranian oil raised the prospect of reduced supply in global markets. Additionally, the data released by the U.S. Energy Information Administration (EIA) showed U.S. oil inventories decreased by 1.425 Mn barrels, further supporting bullish sentiment and adding to expectations of tightening supply.
- As per Baker Hughes, the number of active crude oil rigs in the US remained unchanged at 482 for the week ending December 6, 2024.

Things to watch out for during the week

Date	Country	Things to Watch Out For
16-Dec	China	Industrial Production
		Unemployment Rate
	India	WPI
17-Dec	UK	Unemployment Rate
	Euro Area	Balance of Trade
	US	Retail Sales
		Industrial Production
18-Dec	Japan	Balance of Trade
	UK	Inflation Rate
19-Dec	US	Fed Interest Rate Decision
	Japan	BoJ Interest Rate Decision
	UK	BoE Interest Rate Decision
20-Dec	Japan	Inflation Rate
	UK	Retail Sales
	US	PCE Price Index

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