

Market Summary



Key Domestic Market Highlights

- Domestic equity markets rose during the month after the U.S. Federal Reserve kept interest rates on hold for the third consecutive time in its monetary policy review which led to hopes that the U.S. Federal Reserve was done with rate hikes. The U.S. Federal Chief didn't completely dismiss the possibility of another rate hike, but market participants were of the view that he wasn't as hawkish as they might have anticipated. However, market participants remained hopeful that any knee-jerk reaction to the comments made by the U.S. Federal Reserve will be temporary.
- Domestic equity continued to remain supported after Chinese officials assured to implement additional stimulus measures for the nation's struggling real estate sector. The Organization of Petroleum Exporting Countries and its allies (OPEC+) unexpectedly delayed the policy meeting on output planned for Nov 26 which too aided market sentiment. The move raised questions about the future course of crude production cuts. Market participants were of the view that OPEC+ might not deepen output cuts next year.
- However, gains were capped following disappointing trade data from China for Oct 2023 that underscored an uneven economic recovery. Sentiments were also dampened after top exporters Saudi Arabia and Russia said they would stick to extra voluntary oil output cuts until the end of the year, keeping supply tight. Worries of a slowdown in global growth too kept markets under pressure.



Key Global Market Highlights

- U.S. equity markets rose after the U.S. Federal Reserve kept interest rates on hold in its monetary policy review which led to optimism among market participants that the recent cycle of interest rate hikes in U.S. is over. Softer than expected U.S. inflation data for Oct 2023 added to optimism about the outlook for interest rates. Improvements in market sentiment were also aided by a reduction in fears about violence in the Middle East following Israel and Hamas's agreement to a ceasefire mediated by Qatar.
- U.S. Treasury prices rose after the U.S. Federal Reserve kept interest rates on hold in its monetary policy review which led to optimism among market participants that the recent cycle of interest rate hikes in U.S. is over.
- European equity markets rose due to rising optimism about the outlook for interest rates. Market participants remained hopeful that global monetary policy tightening may soon come to an end after the U.S. Federal Reserve kept interest rates on hold in its monetary policy review. Gains were extended on slightly easing geopolitical tensions after Hamas and Israel reportedly agreed to a Qatar-mediated pause in fighting.
- Asian equity markets mostly rose following positive cues from U.S. equity markets. Gains were extended on expectations of stimulus measures from policymakers in China. Sentiments were further boosted after People's Bank of China infused liquidity through seven-day reverse repos to improve the growth prospects of China's economy.

Category-wise Fixed Income Returns

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	CYTD
UST 9.43%	10 Y GILT 15.28%	LT 8.93%	10 Y GILT 14.24%	UST 6.86%	10 Y GILT 8.00%	LT 12.20%	LT 13.46%	LT 4.22%	UST 5.29%	UST 7.00%
LIQ 9.34%	LT 14.04%	UST 8.59%	LT 13.09%	LIQ 6.57%	UST 7.96%	10 Y GILT 11.34%	10 Y GILT 13.20%	ST 4.07%	LIQ 5.23%	LIQ 6.67%
ST 8.03%	ST 10.47%	ST 8.55%	ST 9.28%	ST 6.35%	LIQ 7.25%	ST 9.15%	ST 10.13%	UST 3.93%	ST 3.75%	ST 6.43%
LT 5.11%	UST 9.52%	LIQ 8.30%	UST 8.04%	LT 5.55%	ST 6.65%	UST 7.84%	UST 5.58%	LIQ 3.56%	LT 2.71%	10 Y GILT 6.19%
10 Y GILT 2.65%	LIQ 9.23%	10 Y GILT 8.17%	LIQ 7.45%	10 Y GILT 3.52%	LT 6.04%	LIQ 6.74%	LIQ 4.43%	10 Y GILT 3.13%	10 Y GILT 2.34%	LT 6.06%

LIQ	Liquid Returns represented by ICRA Liquid Index
ST	Short Term Returns represented by Nifty Short Duration Debt Index
LT	Long Term Returns represented by ICRA Composite Bond Fund Index
UST	Low Duration Returns represented by NIFTY Ultra Short Duration Debt Index
10 Y Gilt	10 Year G-sec Returns represented by ICRA Composite Gilt Index

Source: MFI Explorer

Equity Market Round Up

Equity Market Commentary

- Domestic equity markets rose during the month after the U.S. Federal Reserve kept interest rates on hold for the third consecutive time in its monetary policy review which led to hopes that the U.S. Federal Reserve was done with rate hikes. The U.S. Federal Chief didn't completely dismiss the possibility of another rate hike, but market participants were of the view that he wasn't as hawkish as they might have anticipated. However, market participants remained hopeful that any knee-jerk reaction to the comments made by the U.S. Federal Reserve will be temporary.
- On the BSE sectoral front, all the indices closed in the green. S&P BSE Realty rose the most by 18.43% followed by S&P BSE Oil & Gas that rose 12.71%. S&P BSE Realty rose on prospects of upbeat demand and hopes of a pause in the interest rate hiking cycle by the Reserve Bank of India. Also, some prominent domestic real estate companies reported upbeat earning numbers for the quarter ended Sep 2023 which added to the gains.
- U.S. equity markets rose after the U.S. Federal Reserve kept interest rates on hold in its monetary policy review which led to optimism among market participants that the recent cycle of interest rate hikes in U.S. is over. Gains were extended after data showed that the annual rate of consumer price growth in U.S. slowed in Oct 2023. Softer than expected U.S. inflation data for Oct 2023 added to optimism about the outlook for interest rates. Improvements in market sentiment were also aided by a reduction in fears about violence in the Middle East following Israel and Hamas's agreement to a ceasefire mediated by Qatar. However, profit booking capped the gains.
- European equity markets rose due to rising optimism about the outlook for interest rates. Market participants remained hopeful that global monetary policy tightening may soon come to an end after the U.S. Federal Reserve kept interest rates on hold in its monetary policy review. Also Bank of England kept interest rates on hold and indicated that monetary policy might remain restricted for an extended period. Gains were extended on slightly easing geopolitical tensions after Hamas and Israel reportedly agreed to a Qatar-mediated pause in fighting. However, concerns about global economic slowdown capped the gains.
- Asian equity markets mostly rose following positive cues from U.S. equity markets. Gains were extended on expectations of stimulus measures from policymakers in China. Sentiments were further boosted after People's Bank of China infused liquidity through seven-day reverse repos to improve the growth prospects of China's economy. Reports that that the Japanese Prime Minister had decided against calling an election before the end of the year also benefitted the Japanese equity markets. However, concerns over slowing domestic demand in China weighed on the market sentiment.

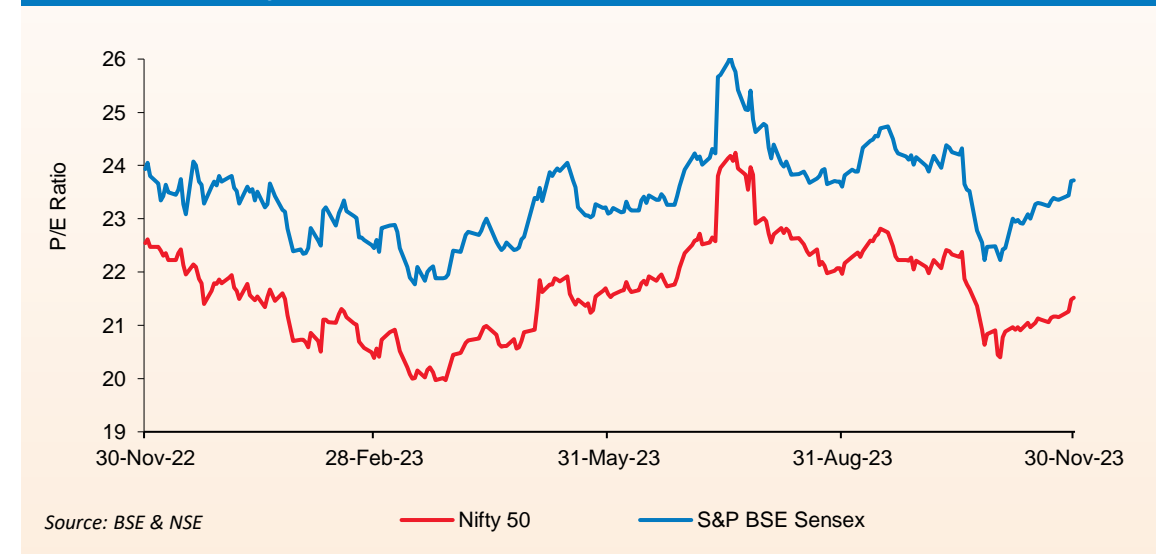
Broad Indices	30-Nov-23	% Change (MoM)	% Change (YoY)
S&P BSE Sensex	66,988.44	4.87	6.16
Nifty 50	20,133.15	5.52	7.33
S&P BSE 500	28,442.43	6.91	11.95
Nifty 500	17,987.95	7.06	12.80
S&P BSE Mid Cap	34,256.42	9.64	32.00
Nifty Mid Cap 100	42,908.90	10.37	33.93

Source: BSE & NSE

Sector Indices	30-Nov-23	% Change (MoM)	% Change (YoY)
S&P BSE Auto	40,052.97	10.73	31.86
S&P BSE Bankex	50,292.51	3.81	1.91
S&P BSE CD	47,120.25	6.35	13.55
S&P BSE CG	49,989.66	9.18	47.70
S&P BSE FMCG	19,157.37	3.45	15.93
S&P BSE HC	30,374.52	11.38	26.85
S&P BSE IT	33,227.34	6.98	8.90
S&P BSE Metal	24,239.95	9.00	19.66
S&P BSE Oil & Gas	20,550.97	12.71	-0.29
S&P BSE Power Index	4,920.85	11.04	4.72
S&P BSE PSU	13,488.87	10.26	34.60
S&P BSE Realty	5,656.79	18.43	57.71
S&P BSE Teck	14,874.19	6.51	4.13

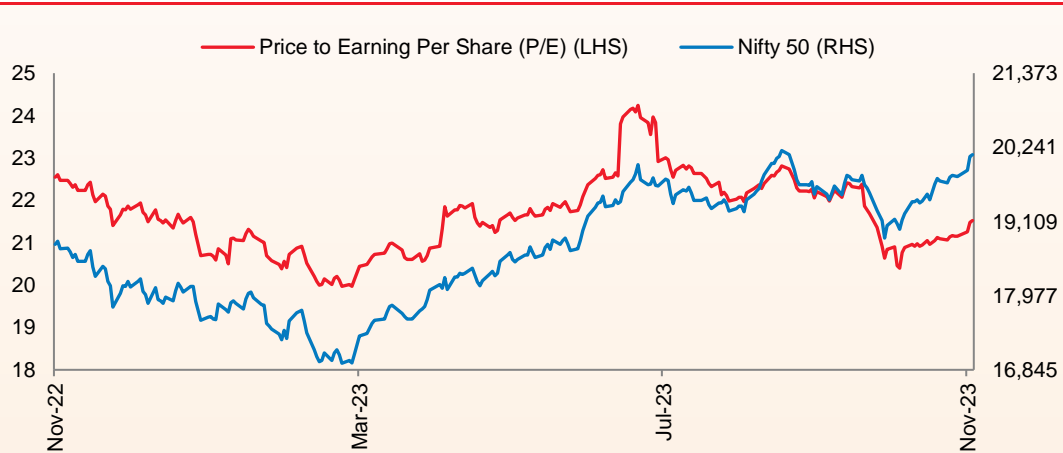
Source: BSE

Movement of Nifty 50 and S&P BSE Sensex P/E



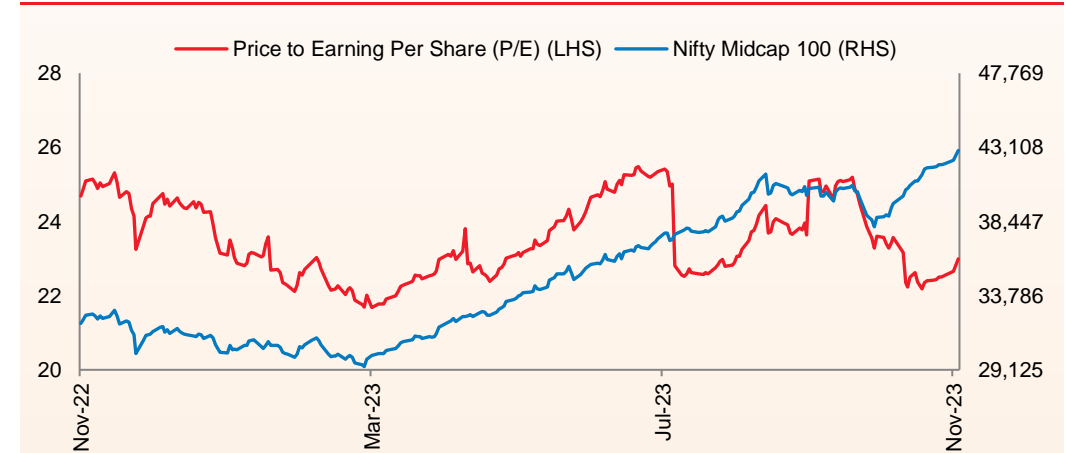
Country/Region	30-Nov-23	% Change (MoM)	% Change (YoY)
Nasdaq 100 (U.S.)	15,947.87	10.67	32.57
FTSE 100 (U.K.)	7,453.75	1.80	-1.58
DAX (Germany)	16,215.43	9.49	12.63
Nikkei 225 (Japan)	33,486.89	8.52	19.73
SSEC (China)	3,029.67	0.36	-3.86

Equity Market Round Up



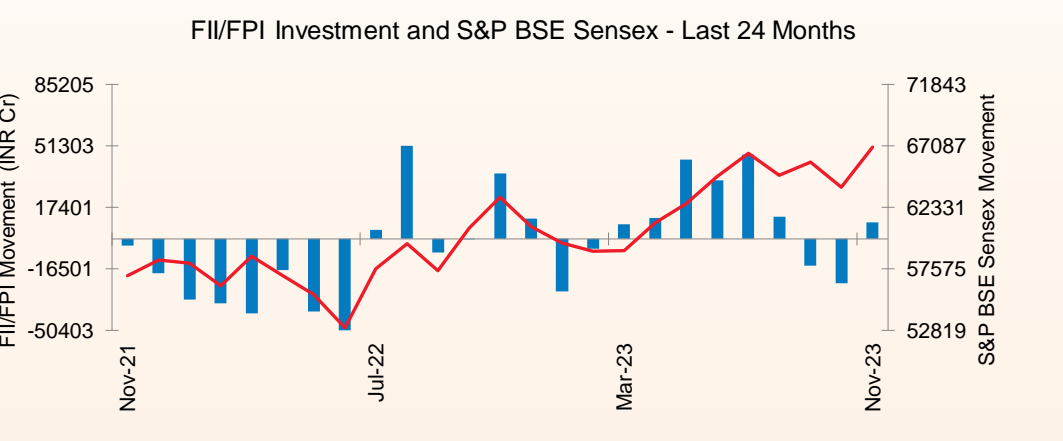
Source: NSE

During the month, S&P BSE Sensex and Nifty 50 rose 4.87% and 5.52% respectively to close at 66,988.44 and 20,133.15 respectively.



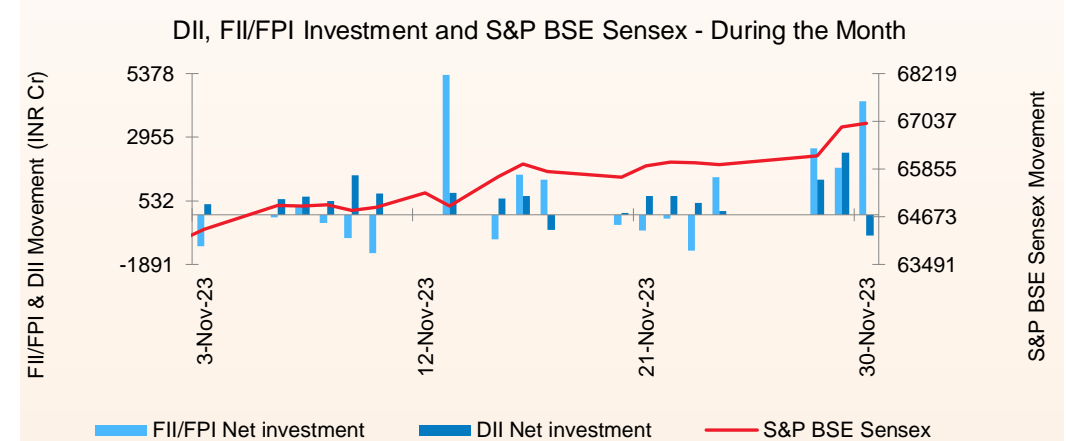
Source: NSE

During the month, Nifty Midcap 100 and Nifty Small cap 100 rose 10.37% and 12.03% respectively to close at 42,908.9 and 14,171.35 respectively.



Source : MFI Explorer

Foreign portfolio investors (FPIs) were net buyer of domestic stocks worth Rs. 9000.78 crore in Nov 2023 compared with net sell of Rs. 24,547.66 crore in Oct 2023.



Source : MFI Explorer

Domestic mutual funds remained net buyer in the equity segment to the tune of Rs. 17,654.260 crore in Nov 2023.

Returns of Major NSE Indices

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	CYTD
IT 57.97%	Smallcap 69.57%	Media 10.30%	Metal 45.20%	Realty 110.22%	IT 23.64%	Realty 28.49%	Pharma 60.43%	Metal 69.66%	PSU Bank 70.92%	Realty 65.26%
Pharma 26.51%	PSU Bank 67.07%	Smallcap 10.20%	Auto 10.75%	Smallcap 57.47%	FMCG 13.57%	Finance 25.65%	IT 54.75%	Smallcap 61.94%	Metal 21.83%	Smallcap 39.77%
FMCG 12.18%	Midcap 60.26%	Pharma 9.26%	Midcap 5.41%	Midcap 54.53%	Finance 10.54%	Largecap 10.42%	Smallcap 25.02%	IT 59.58%	FMCG 17.59%	Auto 39.17%
Auto 9.41%	Finance 57.34%	Midcap 8.41%	Finance 4.93%	Metal 48.71%	Largecap 1.13%	IT 8.39%	Midcap 24.31%	Realty 54.26%	Auto 15.36%	Midcap 34.31%
Largecap 6.46%	Auto 56.69%	FMCG 0.33%	PSU Bank 4.11%	Finance 41.56%	Pharma -7.77%	Midcap -0.28%	Metal 16.14%	Midcap 46.81%	Finance 9.55%	Pharma 28.90%
Media 1.50%	Pharma 43.42%	IT -0.03%	Largecap 3.60%	Media 32.80%	Midcap -13.26%	FMCG -1.29%	Largecap 14.82%	PSU Bank 44.37%	Largecap 3.64%	FMCG 20.02%
Midcap -3.01%	Largecap 33.17%	Auto -0.32%	FMCG 2.78%	Auto 31.47%	PSU Bank -16.47%	Smallcap -8.27%	FMCG 13.42%	Media 34.56%	Midcap 2.97%	PSU Bank 16.73%
Finance -7.32%	Media 33.02%	Largecap -2.41%	Smallcap 0.36%	Largecap 31.15%	Metal -19.84%	Pharma -9.34%	Auto 11.43%	Largecap 25.04%	Smallcap -3.66%	Media 15.29%
Smallcap -8.14%	FMCG 18.22%	Finance -5.41%	Media -0.85%	FMCG 29.47%	Auto -22.99%	Auto -10.69%	Realty 5.11%	Auto 18.96%	Media -10.25%	IT 13.84%
Metal -14.26%	IT 17.84%	Realty -15.02%	Realty -4.20%	PSU Bank 24.17%	Media -25.80%	Metal -11.20%	Finance 4.46%	Finance 13.96%	Realty -10.84%	Largecap 10.64%
PSU Bank -30.44%	Realty 10.02%	Metal -31.35%	IT -7.25%	IT 12.21%	Smallcap -26.68%	PSU Bank -18.25%	Media -8.55%	Pharma 10.12%	Pharma -11.46%	Finance 5.66%
Realty -34.38%	Metal 7.02%	PSU Bank -32.91%	Pharma -14.18%	Pharma -6.32%	Realty -32.87%	Media -29.72%	PSU Bank -30.50%	FMCG 9.96%	IT -26.11%	Metal 4.37%

IT returns represented by NIFTY IT
 Metal returns represented by NIFTY Metal
 Realty returns represented by NIFTY Realty
 Auto returns represented by NIFTY Auto
 Pharma returns represented by NIFTY Pharma
 Media returns represented by NIFTY Media

Finance returns represented by NIFTY Finance
 FMCG returns represented by NIFTY FMCG
 PSU Bank returns represented by NIFTY PSU Bank
 Largecap returns represented by Nifty 100
 Midcap returns represented by Nifty Midcap 150
 Smallcap returns represented by Nifty Small cap 250

Fixed Income Market Round Up

Fixed Income Market Commentary

- Bond yields decreased in tandem with a decline in U.S. treasury yields as market participants became more pessimistic about potential rate hikes following the Federal Reserve's (Fed) post-monetary policy remarks. Gains were extended following decline in U.S. treasury yields on downbeat U.S. job growth data for Oct 2023. Lower than expected consumer inflation data for Oct 2023 in U.S. as well as in India extended the gains further. Fall in global crude oil prices boosted the overall fall in yields. However, gains were restricted after weaker than expected demand was witnessed at one of the weekly government bond auction.
- Yield on the 10-year benchmark paper (7.18% GS 2033) fell by 7 bps to close at 7.28%, compared with the previous month's close of 7.35%.
- Yield on gilt securities fell up to 11 bps across the maturities. Yield fell the most on 1 year paper and the least on 30 year papers. Yield on corporate bonds fell in the range of 3 to 11 bps across the curve barring 15 year paper that was steady. Difference in spread between corporate bond and gilt securities expanded in the range of 2 to 9 bps across the segments, barring 2, 3 & 5 year papers that contracted by up to 6 bps.

Movement of 10-Year Benchmark Bond Rate

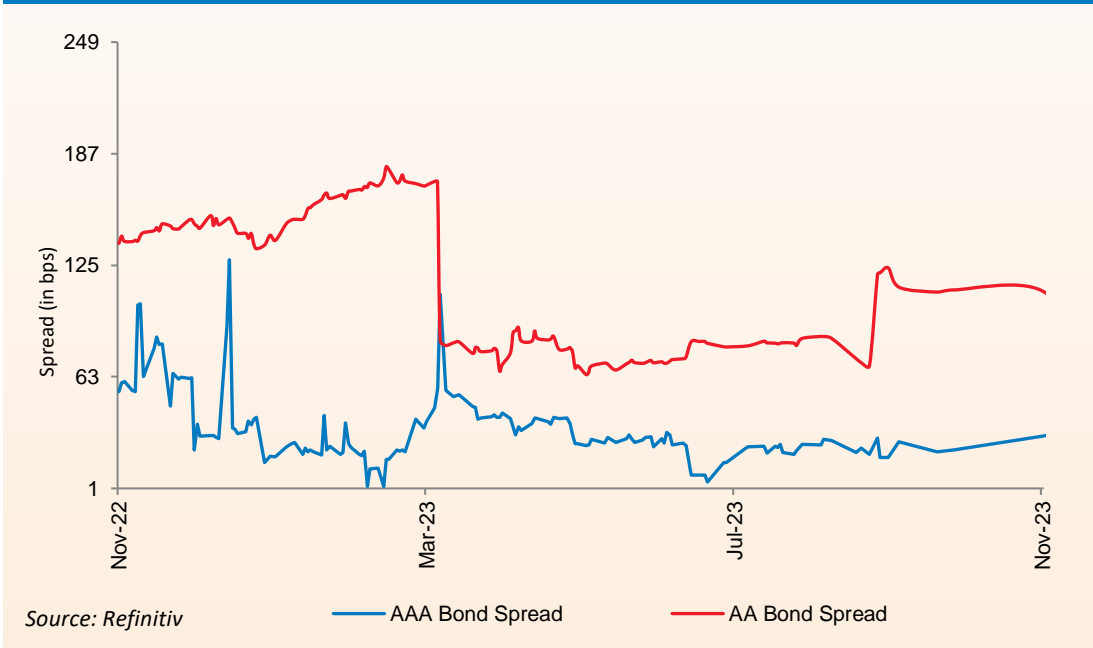


10 Year Corporate Bond Spread (for AAA & AA bonds)

Date	Period	Spread	
		AAA	AA
30-Nov-23	1 Yr	64	93
	3 Yr	49	87
	5 Yr	27	82
31-Oct-23	1 Yr	61	90
	3 Yr	52	76
	5 Yr	28	67

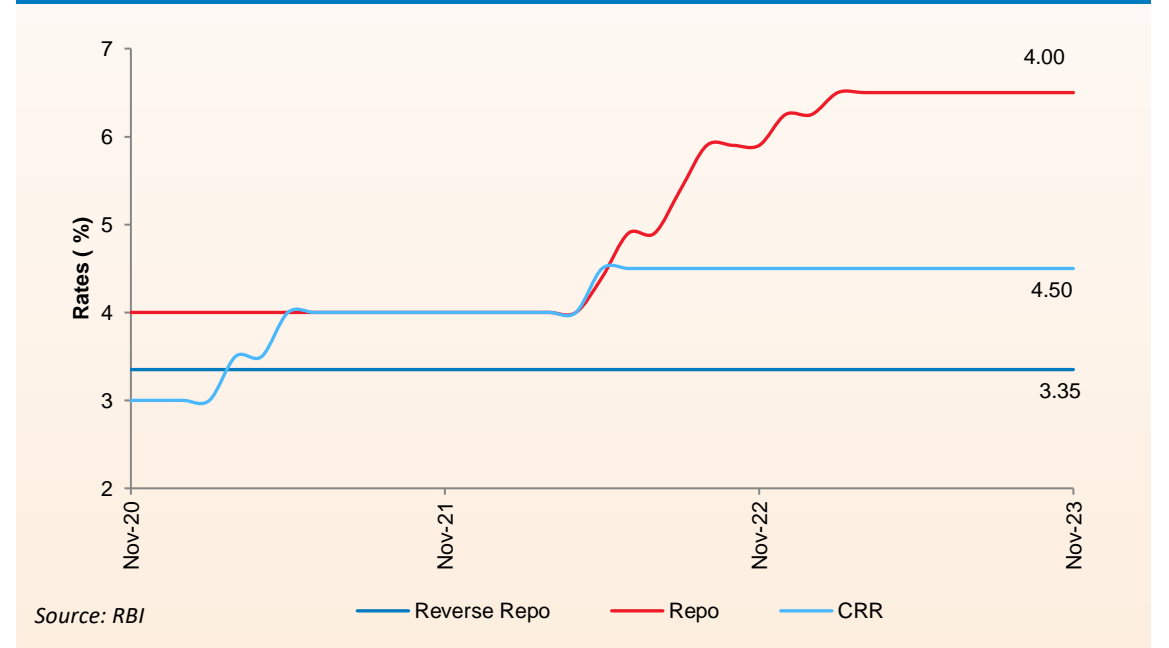
Source: Refinitiv

10 Year Corporate Bond Spread (for AAA & AA bonds)



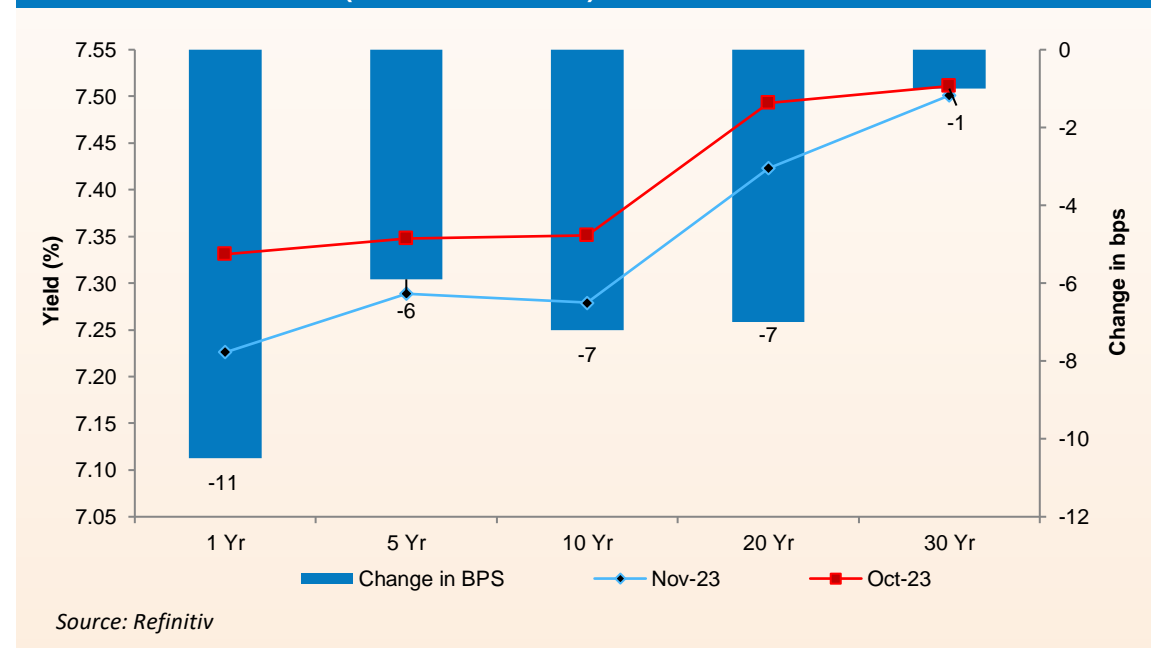
Source: Refinitiv

Movements of Key Policy Rates in India



Source: RBI

India Yield Curve Shift (Month-on-Month)



Source: Refinitiv

Macro-Economic Update and Key Events

Key Events

India's consumer price inflation dropped to 4.87% in Oct 2023

The consumer price index-based inflation dropped to 4.87% in Oct 2023 compared to 5.02% in Sep 2023, driven by the effectiveness of various fiscal and monetary policies implemented to stabilize prices and sustain economic growth. The consumer food price index stood to 6.61% in Oct from 6.62% in Sep.

Industrial production in India (IIP) climbed to 5.8% YoY in Sep 2023

Industrial production in India (IIP) increased by 5.8% YoY in Sep 2023, as compared to 10.3% rise in Aug 2023. Production in the manufacturing industry increased by 4.5%, in mining by 11.5% and in electricity by 9.9%.

India's WPI remains in the negative territory at -0.52% in Oct 2023

India's wholesale price index (WPI) based inflation continued to remain in negative territory at -0.52% in Oct 2023 as compared to -0.26% in Sep 2023 and -0.46% in Aug 2023.

India's GDP prices witnessed a growth of 7.6% in Q2FY24

Government data showed that Gross Domestic Product (GDP) of the Indian economy at Constant (2011-12) prices witnessed a growth of 7.6% in the second quarter of FY24. In the Jul-Sep quarter last year, the GDP growth rate was 6.2%. On the sectoral front, the growth of the manufacturing sector soared to 13.9% in Q2 of FY24 from a negative 3.8% in same quarter of previous fiscal year. However, growth of Agriculture, Livestock, Forestry & Fishing slowed to 1.2% in Q2 of FY24 from 2.5% in Q2 of FY23.

Key Rates (%)	Current	Month Ago	Year Ago
Reverse Repo	3.35	3.35	3.35
Repo	6.50	6.50	5.90
CRR	4.50	4.50	4.50
SLR	18.00	18.00	18.00
Bank Rate	6.75	6.75	6.15

Source: RBI

Key Indicator	Period	Current Month	Previous Month
CPI - Monthly	Oct-23	4.87%	5.02%
WPI - Monthly	Oct-23	-0.52%	-0.26%
IIP - Monthly	Sep-23	5.80%	10.30%
Export (Y-o-Y) - Monthly	Oct-23	6.23%	-2.60%
Import (Y-o-Y) - Monthly	Oct-23	12.29%	-15.04%
Trade Deficit - Monthly	Oct-23	31.46	19.37

Source: Refinitiv; CPI- Consumer Price Index, WPI- Wholesale Price Index IIP- Index of Industrial Production, Trade deficit- in \$Billion

Institutional Flows (Equity)			
Net Flow (INR Crore)	Current Month	Previous Month	Year to Date
FII Flows	9,001	(24,548)	104,973
DII Flows	14,158	28,254	171,358
MF Flows	18,024	19,912	147,630

Source: CDSL, NSE & SEBI

Institutional Flows (Debt)			
Net Flow (INR Crore)	Current Month	Previous Month	Year to Date
FII Flows	14,860	6,382	50,361
MF Flows	(27,284)	(7,498)	(82,036)

Source: NSDL & SEBI

Events for December 2023

Events	Date
India S&P Global Composite PMI (Nov)	5-Dec-23
Industrial Production YY - Oct 2023	12-Dec-23
Manufacturing Production YY - Oct 2023	12-Dec-23
CPI Inflation YY - Nov 2023	12-Dec-23

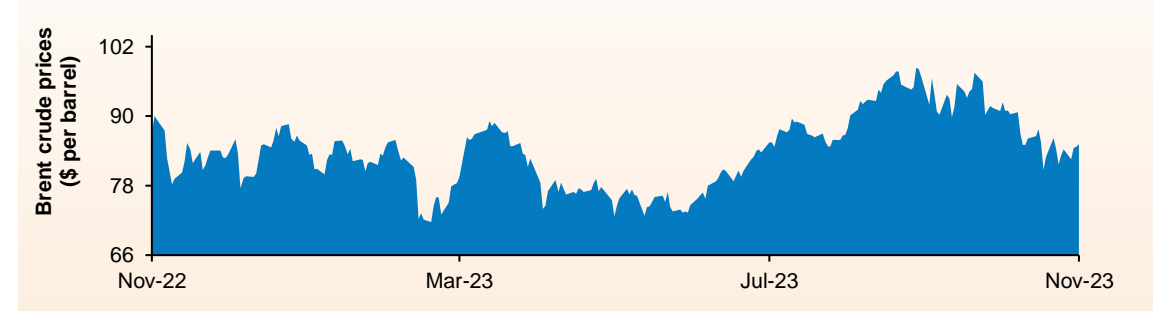
Events	Date
CPI Food Inflation YY - Oct 2023	12-Dec-23
WPI Inflation YY - Nov 2023	14-Dec-23
Payroll Reporting in India - Oct 2023	22-Dec-23
Infrastructure Output YY - Nov 2023	29-Dec-23

Commodity and Currency Round up

Commodity Market - Brent Crude

- Brent crude oil prices fell as worries about supply interruptions brought on by the Israel-Hamas conflict subsided. Prices fell further as concerns about a global economic slowdown weighed on the market sentiment.
- Losses were extended as markets were skeptical of the latest round of production cuts announced by OPEC+. However, reports of a storm in the Black Sea disrupting oil supplies restricted further losses.

Movement of Brent Crude Price Over 1 Year



Currency Market

- Rupee fell against the U.S. dollar following increase in demand for greenback from domestic corporations and large foreign banks.
- The rupee fell further amid ongoing weakness in other Asian currencies. However, losses were restricted following rise in domestic equity market and domestic fund inflows.

Movement of Major Currencies (as on November 30, 2023)

Currency	30-Nov-23	Month Ago	Year Ago
INR/USD	83.35	83.27	81.60
INR/GBP	105.87	101.16	97.75
INR/EUR	91.48	88.32	84.45
INR/100 JPY	56.68	55.42	58.95

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