

Monthly Factbook

December 2024

Key Domestic Market Highlights

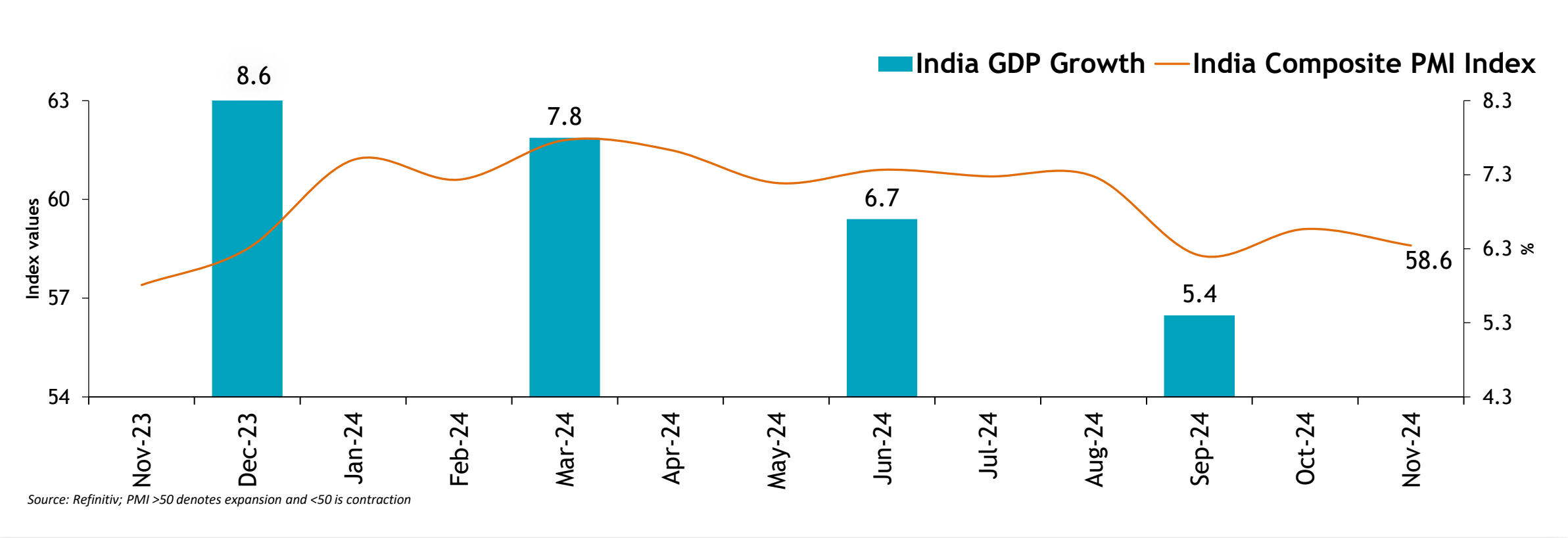
Domestic equity markets started the month positively on expectations of policy easing by the RBI

- Domestic equity markets rose initially on expectations of policy easing by the RBI following the weaker-than-expected GDP figure in the second quarter of FY25 of domestic economy.
- Meanwhile, the RBI monetary policy committee in its Dec 2024 policy meeting kept repo rate unchanged at 6.5% for the eleventh consecutive time but reduced the cash reserve ratio by 50 bps to 4.0% to boost liquidity.
- Gains were extended following a positive global outlook after the U.S. Federal Reserve's Chairman commented about the resilience of the U.S. economy.
- Sentiment was boosted following a positive turnaround from foreign institutional investors to domestic equity markets in the first half of the month.
- However, the trend reversed, in the second half of the month as the U.S. Federal Reserve's hawkish tone on interest rate cuts in 2025 dampened the market sentiment.
- After slashing interest rates by 25 bps in Dec 2024 monetary policy meeting as widely expected, the U.S. Federal Reserve warned that it remains cautious about further rate cuts amid inflation concerns, as the central bank cautioned that inflation may take one to two years to return to the 2% target.
- Persistent selling by the foreign institutional investors in domestic equity markets in the second half of the month along with rupee's record fall against the U.S. dollar, further extended the losses.

Indian Economic Indicators

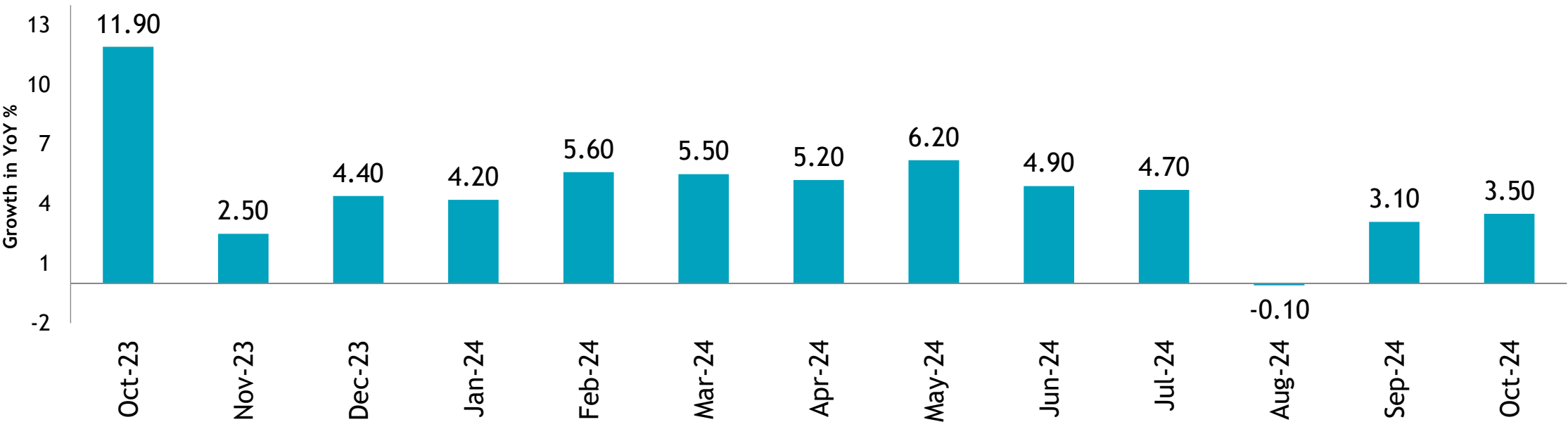
India Composite PMI & GDP Growth

Indian economy at constant (2011-12) prices witnessed a growth of 5.4% YoY in the second quarter of FY25.



Index of Industrial production (IIP)

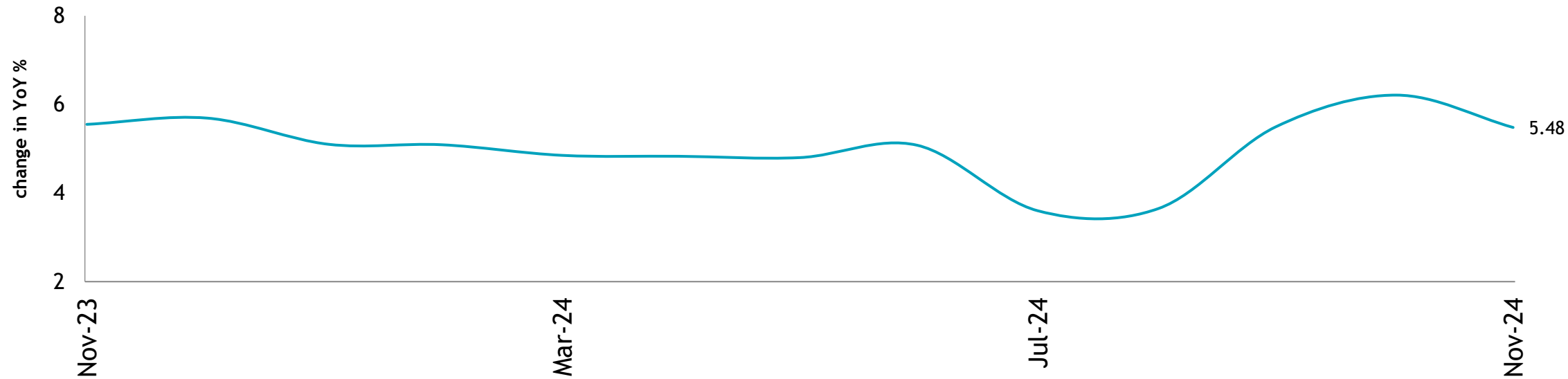
Index of Industrial production (IIP) rose 3.5% YoY in Oct 2024, as compared to 3.1% rise in Sep 2024.



Source: Refinitiv

Consumer Price Index

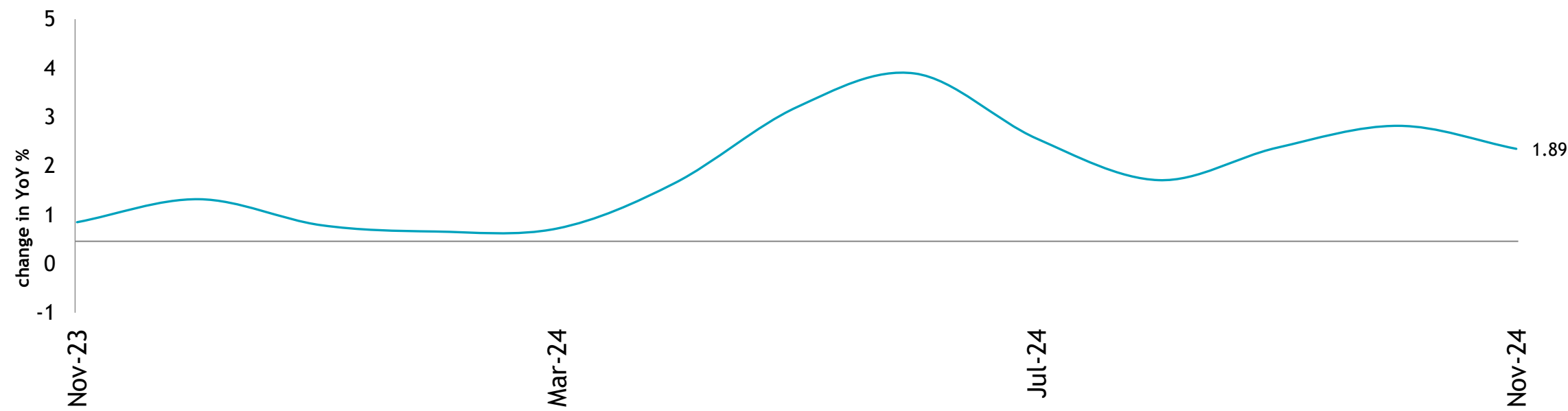
The consumer price index-based inflation eased to 5.48% YoY in Nov 2024 compared to 6.21% in Oct 2024.



Source: Refinitiv

Wholesale Price Index

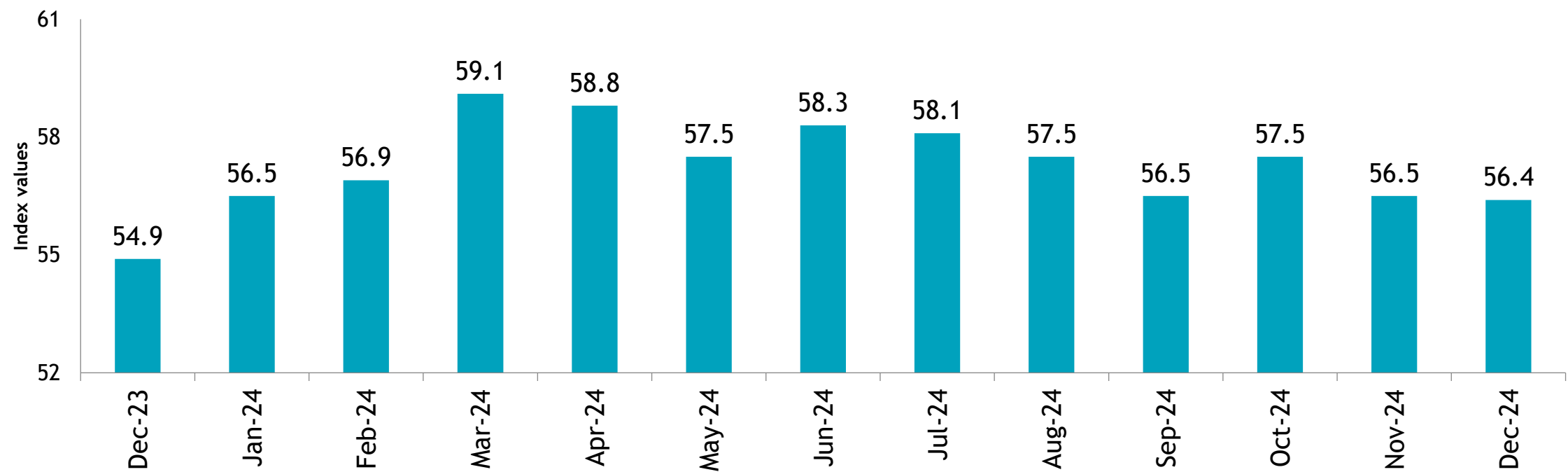
India's wholesale price index (WPI) based inflation eased to 1.89% YoY in Nov 2024 as compared to 2.36% in Oct 2024.



Source: Refinitiv

India Manufacturing PMI

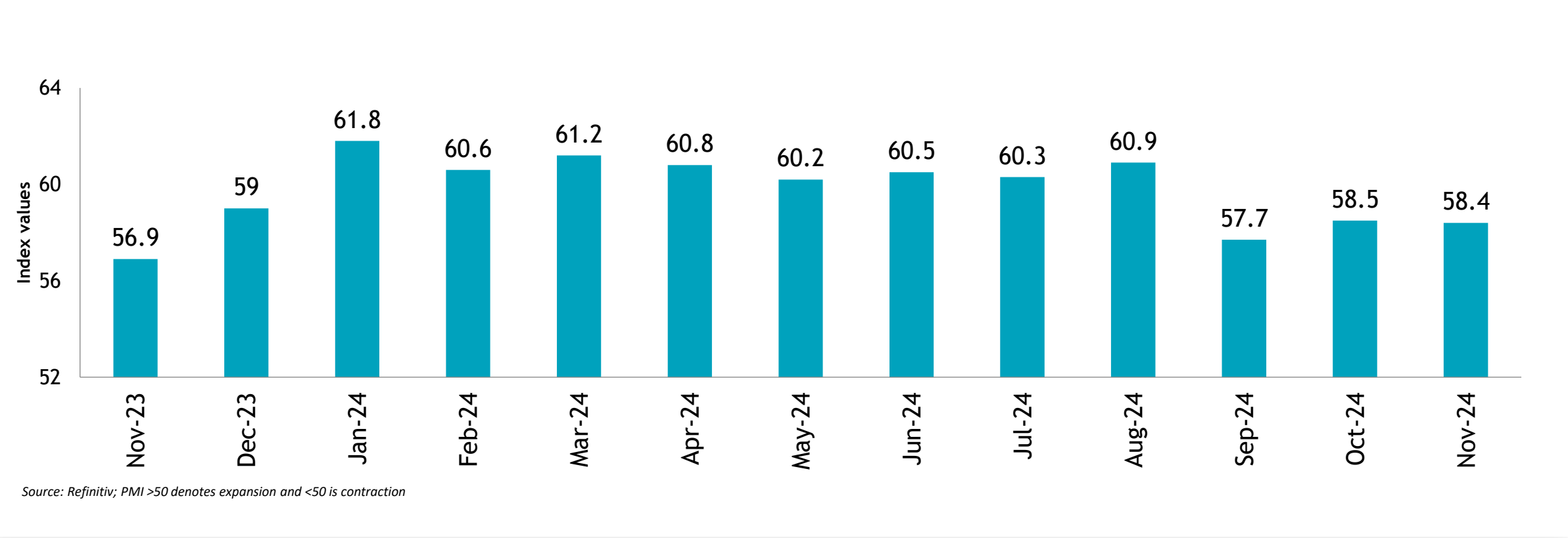
The Manufacturing Purchasing Managers' Index fell marginally to 56.4 in Dec 2024 compared to 56.5 in Nov 2024.



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

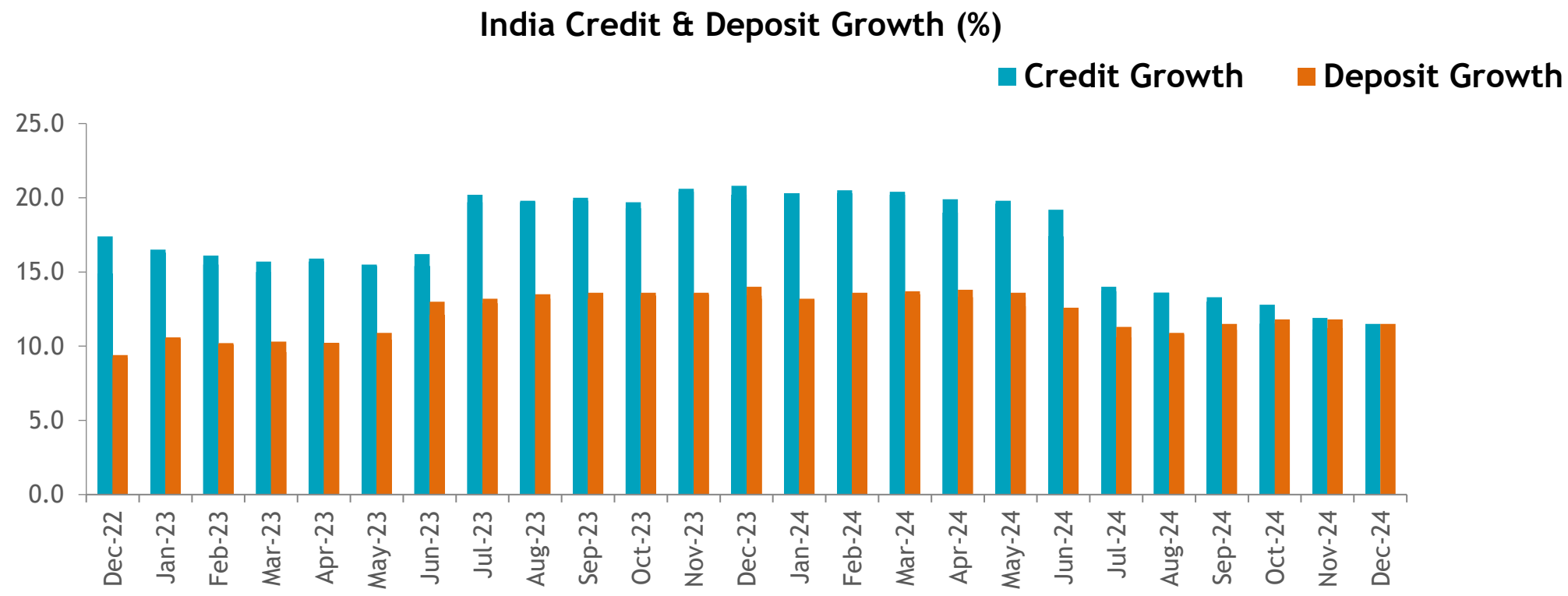
India Service PMI

India's Services Purchasing Managers' Index (PMI) eased slightly in Nov 2024 to 58.4 as compared to 58.5 in Oct 2024.



India Credit Growth and Deposit Growth

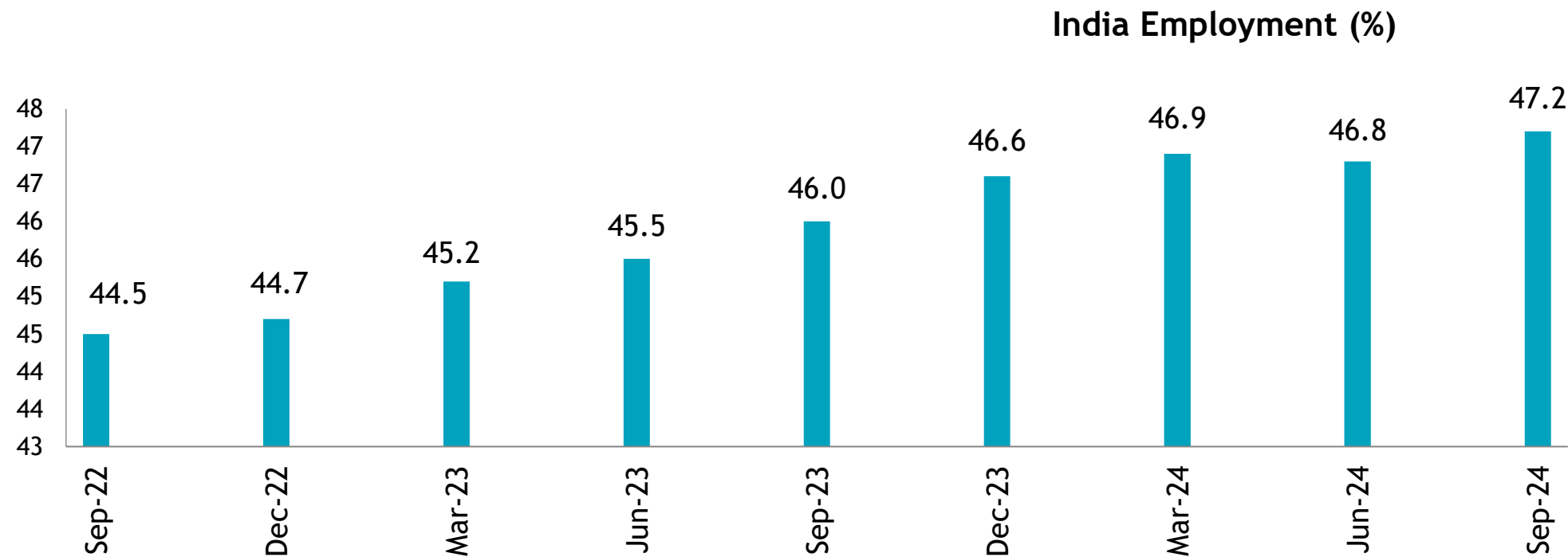
According to RBI, banks’ credit and deposit witnessed a growth of 11.5% & 11.5%, respectively, as of Dec 13, 2024.



Source: Refinitiv

India Employment (%)

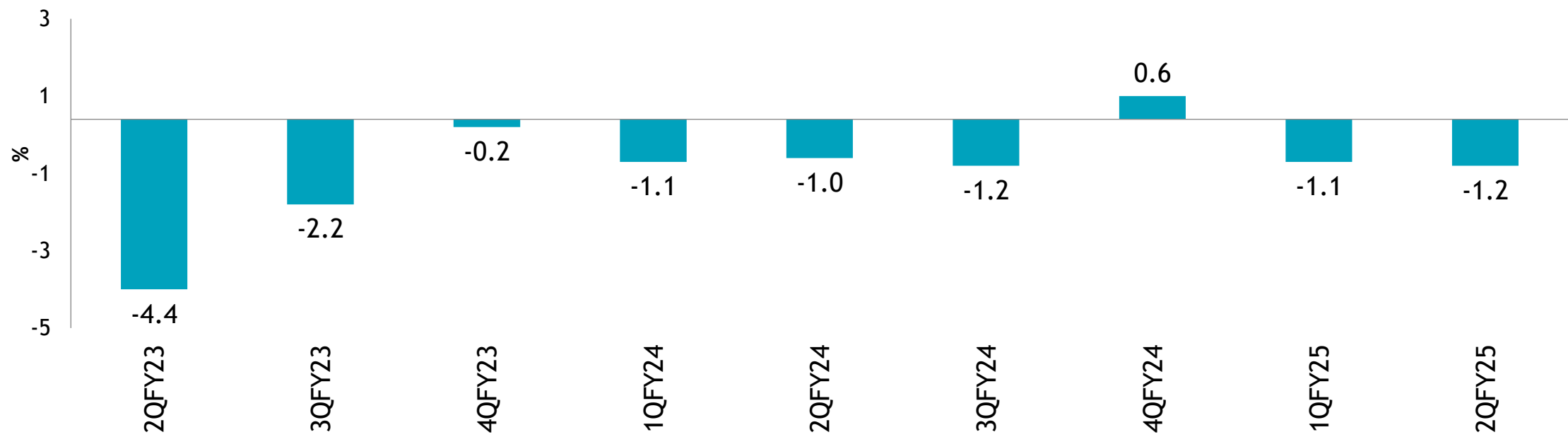
As per Periodic Labour Force Survey, India's employment increased to 47.20% in Sep 2024, compared to 46.80% in Jun 2024.



Source: Mospi

Current Account Deficit as % of GDP

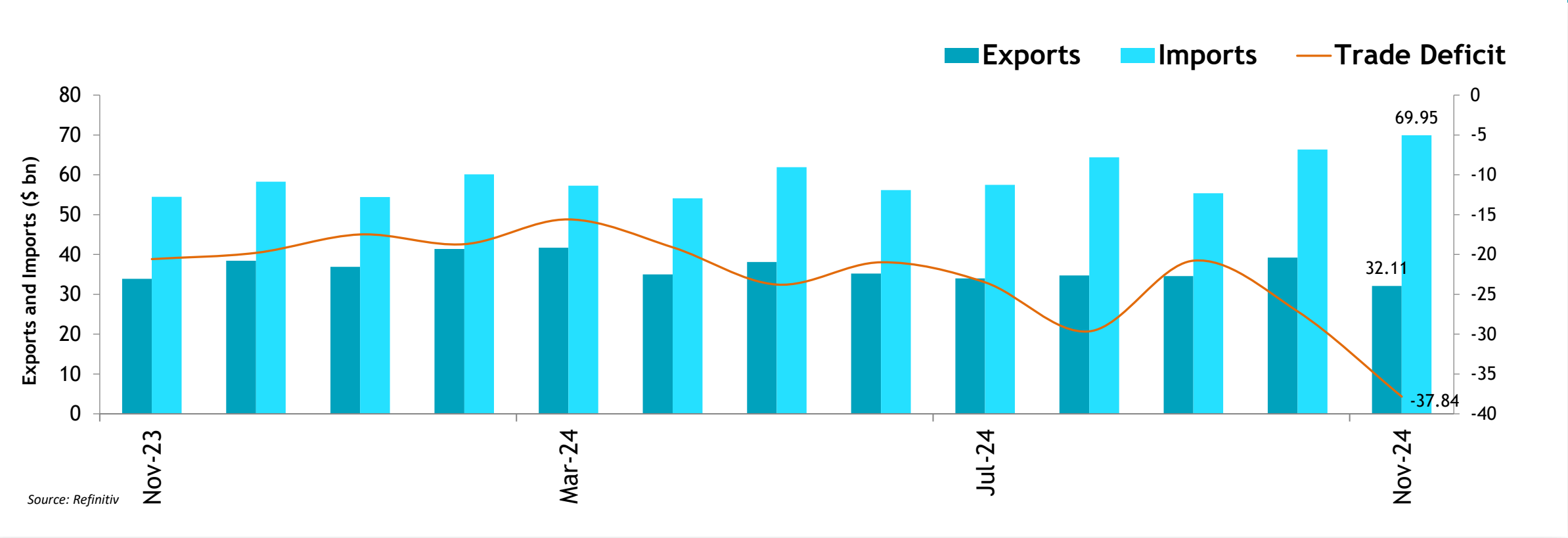
India's current account deficit (CAD) moderated marginally to US\$ 11.2 billion (1.2% of GDP) in Q2 FY25.



Source: Refinitiv

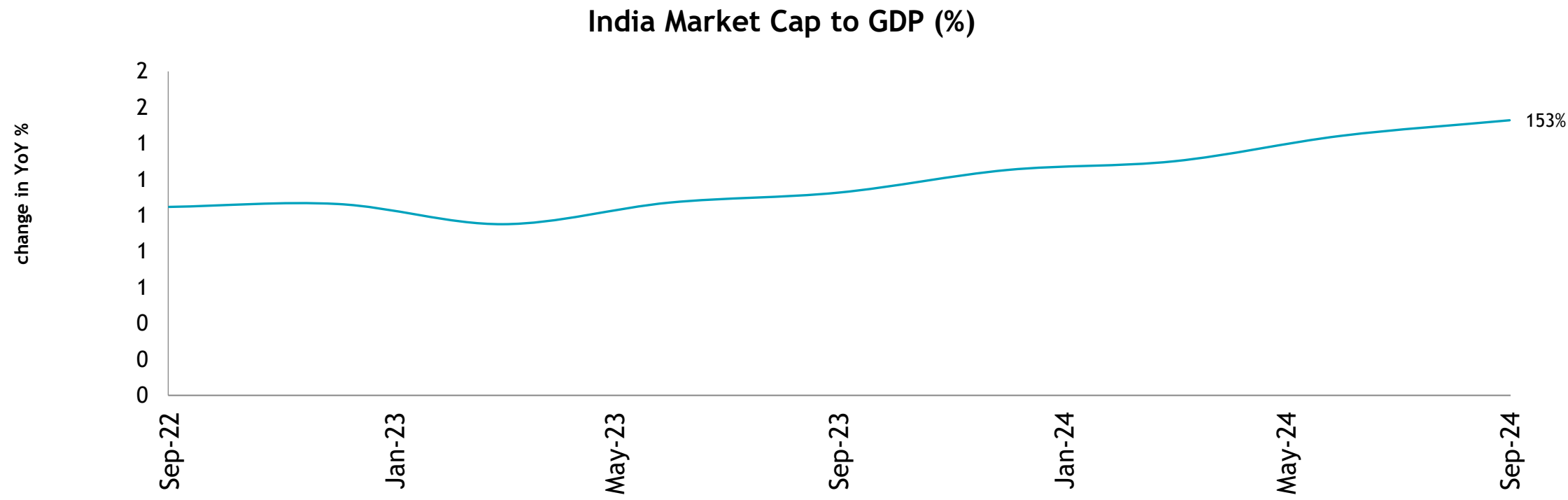
Trade Data

India's merchandise trade deficit widened annually to \$37.84 billion in Nov 2024 compared to \$21.31 billion in Nov 2023.



India Market Cap to GDP (%)

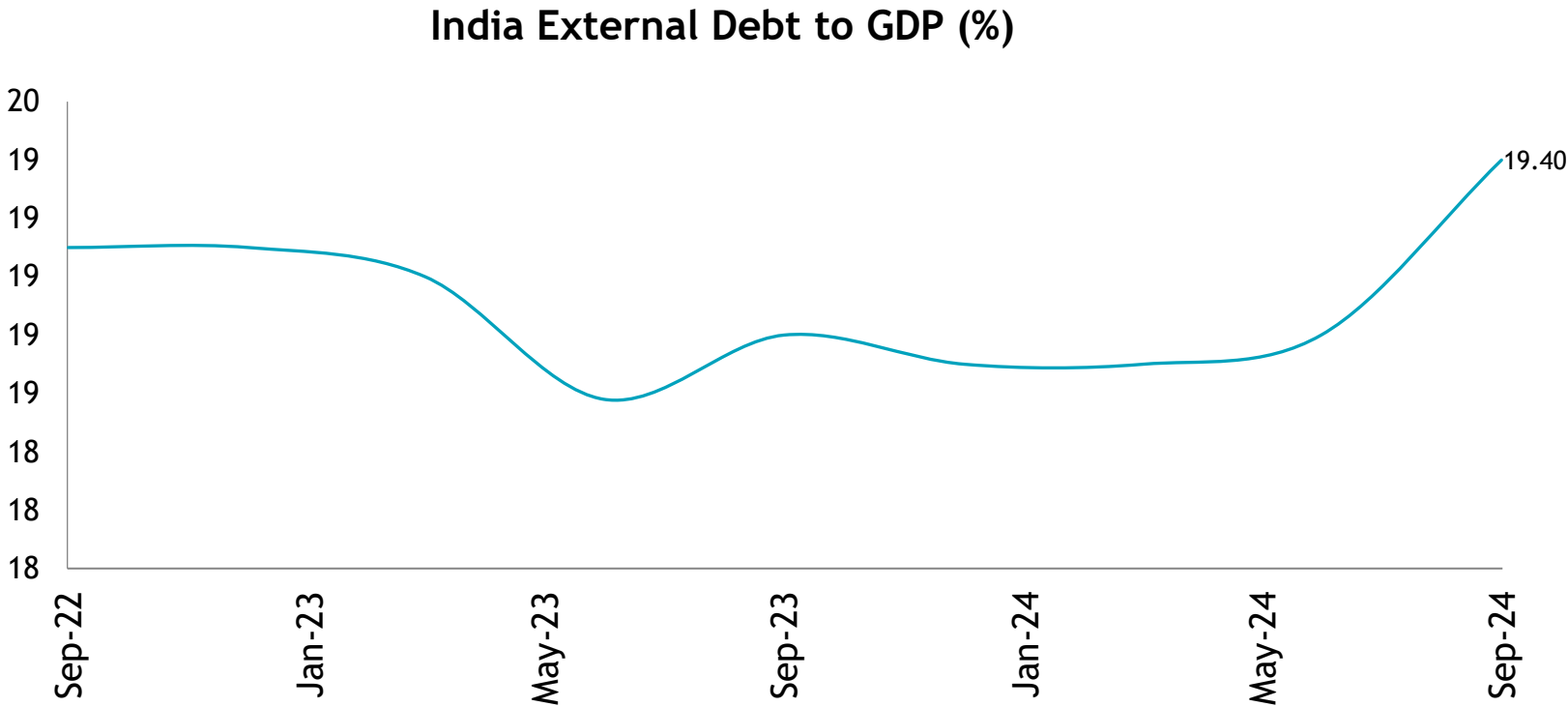
India’s market capitalization to GDP ratio increased to 153% in the second quarter of FY25, up from 144% in the first quarter of FY25.



Source: Refinitiv & NSE

India External Debt to GDP (%)

According to the Ministry of Finance, India's external debt to GDP increased by 19.40% in Sep 2024 compared to 18.80% in Sep 2023.

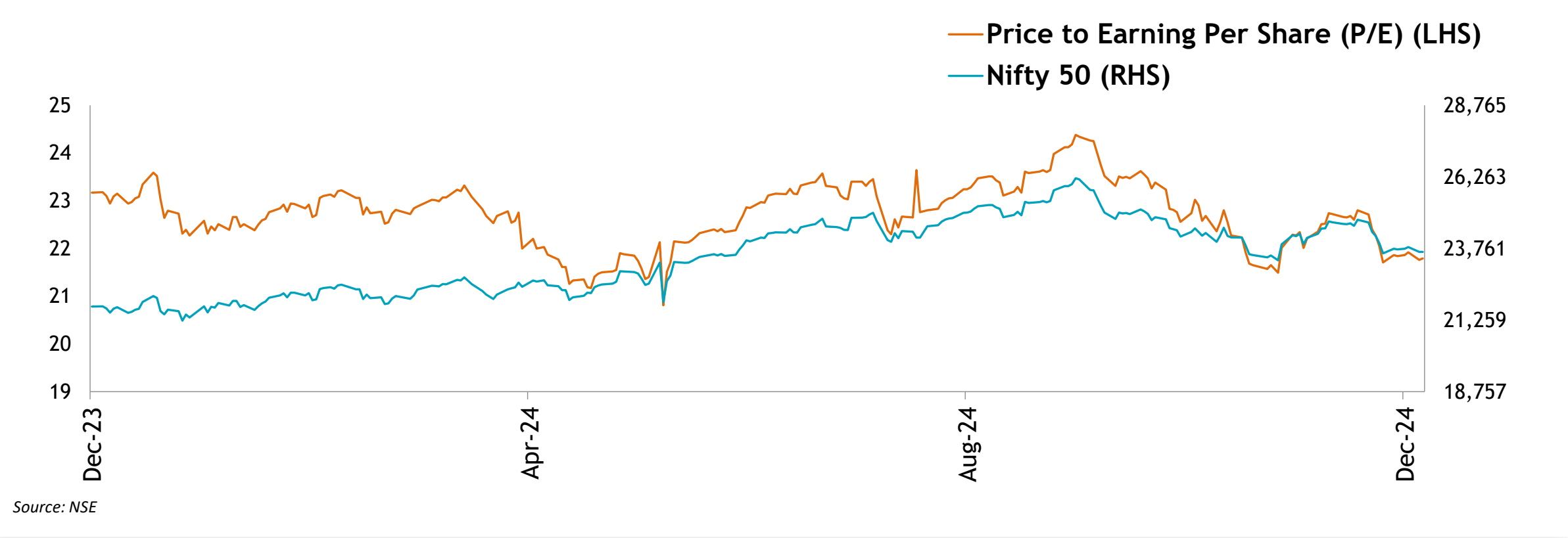


Source: Finmin

Domestic Equity Markets

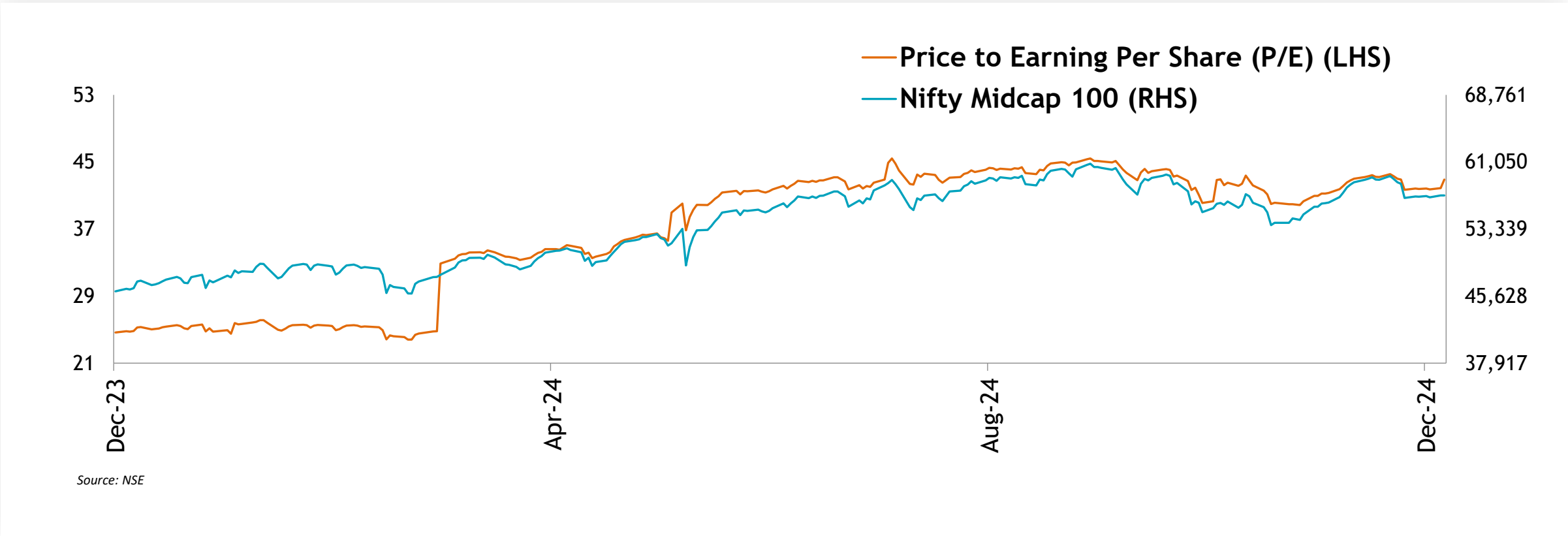
Price to Earning Per Share vs Nifty 50

During the month, BSE Sensex fell 2.08% and Nifty 50 fell 2.02% to close at 78,139.02 and 23,644.80 respectively.



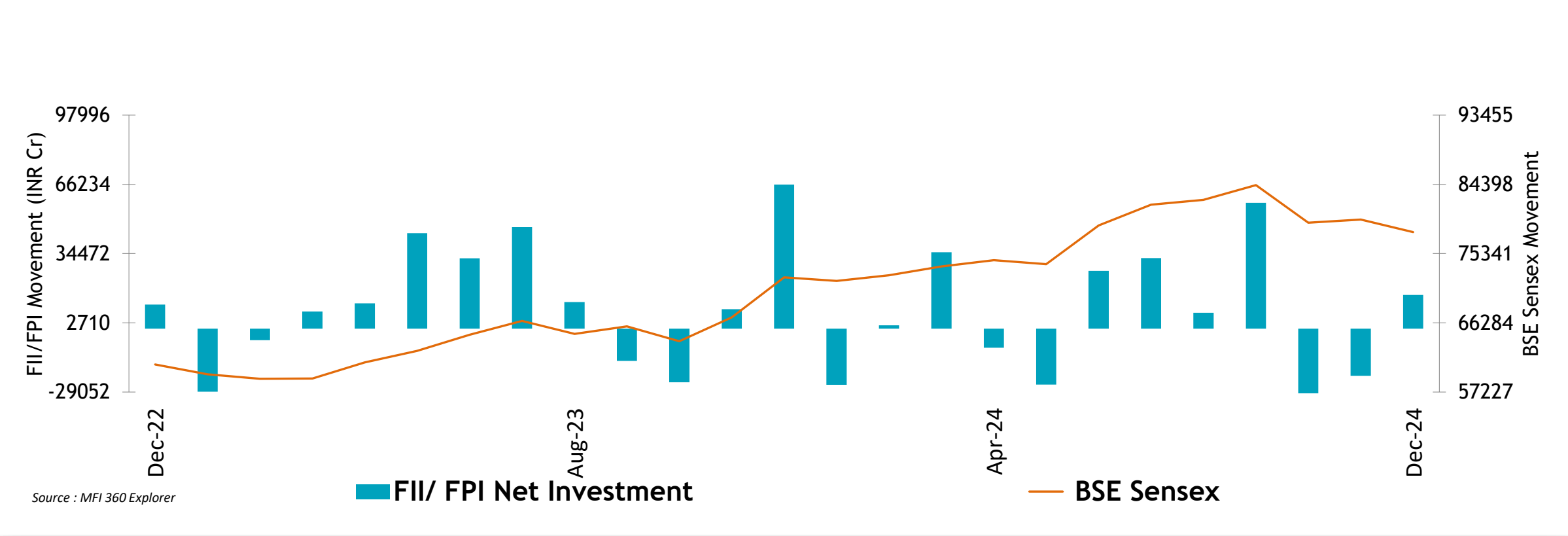
Price to Earning Per Share vs Nifty Midcap 100

During the month, Nifty Midcap 100 rose 1.43% and Nifty Small cap 100 rose 0.63% to close at 57,199.45 and 18769.20 respectively.



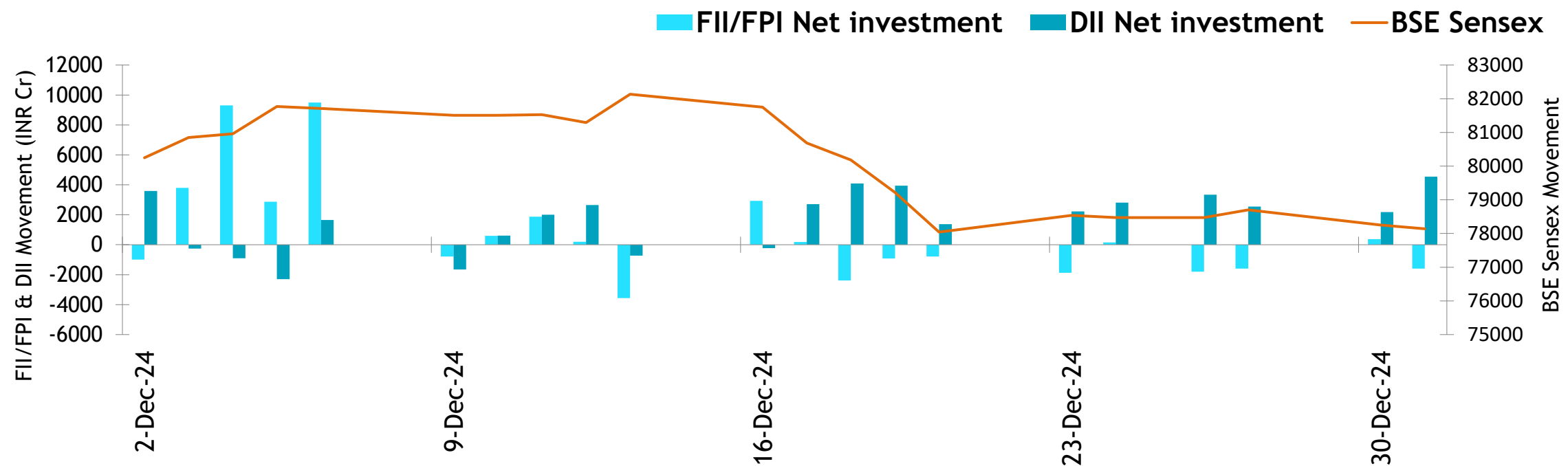
FII/FPI Investment and BSE Sensex - Last 24 Months

FPIs were net buyer of domestic stocks worth Rs. 15,446.50 crore in Dec 2024 compared with net sale of Rs. 21,611.80 crore in Nov 2024.



DII, FII/FPI Investment and BSE Sensex - During the Month

Domestic mutual funds remained net buyer in the equity segment to the tune of Rs. 28,137.78 crore in Dec 2024



Source : MFI 360 Explorer

Returns of Major NSE Indices

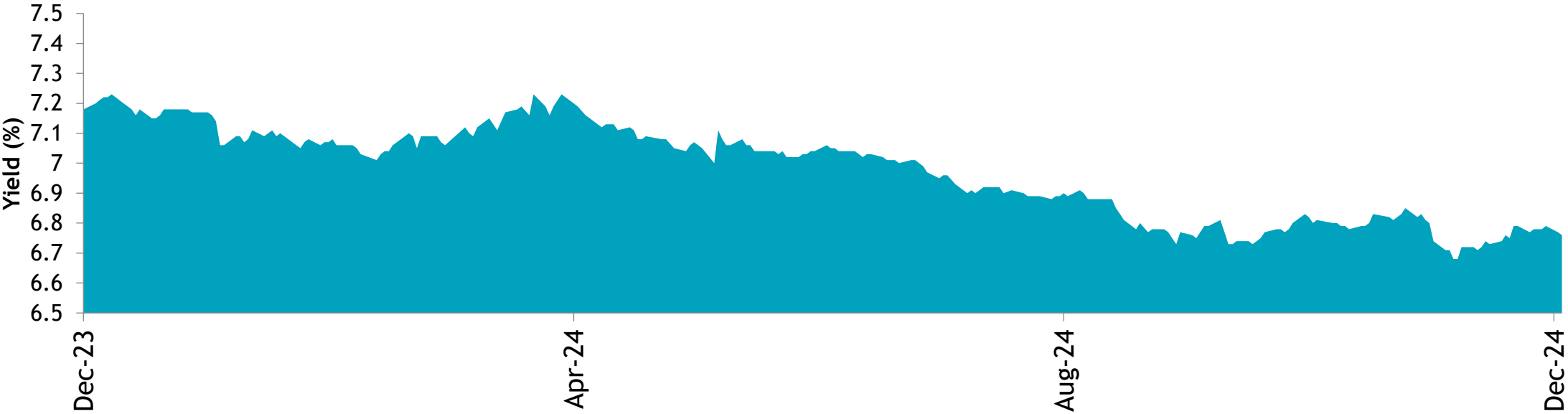
| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------|---------------------|-------------------|--------------------|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| 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 81.64% | Pharma 38.72% |
| 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 48.26% | Realty 34.07% |
| 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 47.78% | Smallcap 26.19% |
| 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 43.82% | Midcap 23.58% |
| 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 33.72% | Auto 22.44% |
| 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% | PSU Bank 32.40% | IT 21.83% |
| 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% | FMCG 29.10% | PSU Bank 14.35% |
| 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% | IT 24.16% | Largecap 11.65% |
| 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% | Largecap 20.11% | Finance 9.35% |
| 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% | Media 19.94% | Metal 8.35% |
| 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% | Metal 18.72% | FMCG -0.33% |
| 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% | Finance 13.24% | Media -23.71% |

- 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

Domestic Debt Markets

10-Yr Benchmark Bond

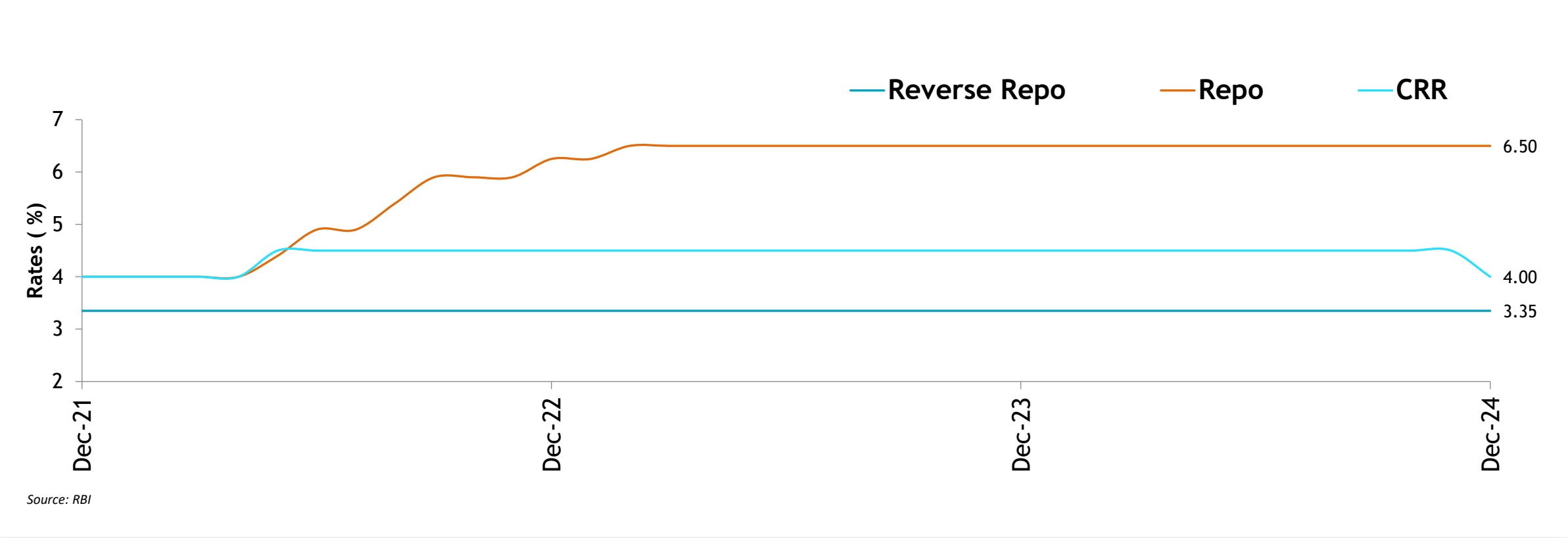
Bond yields rose after the RBI maintained the repo rate at 6.50% in Dec 2024 monetary policy meeting.



Source: Refinitive

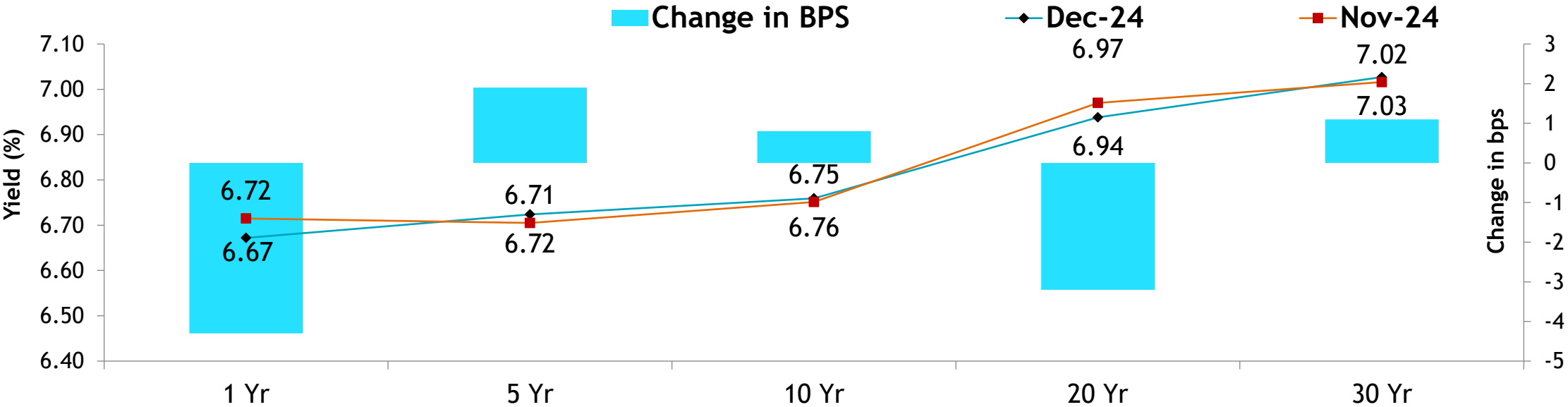
Movements of Key Policy Rates in India

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



India Yield Curve Shift (Month-on-Month)

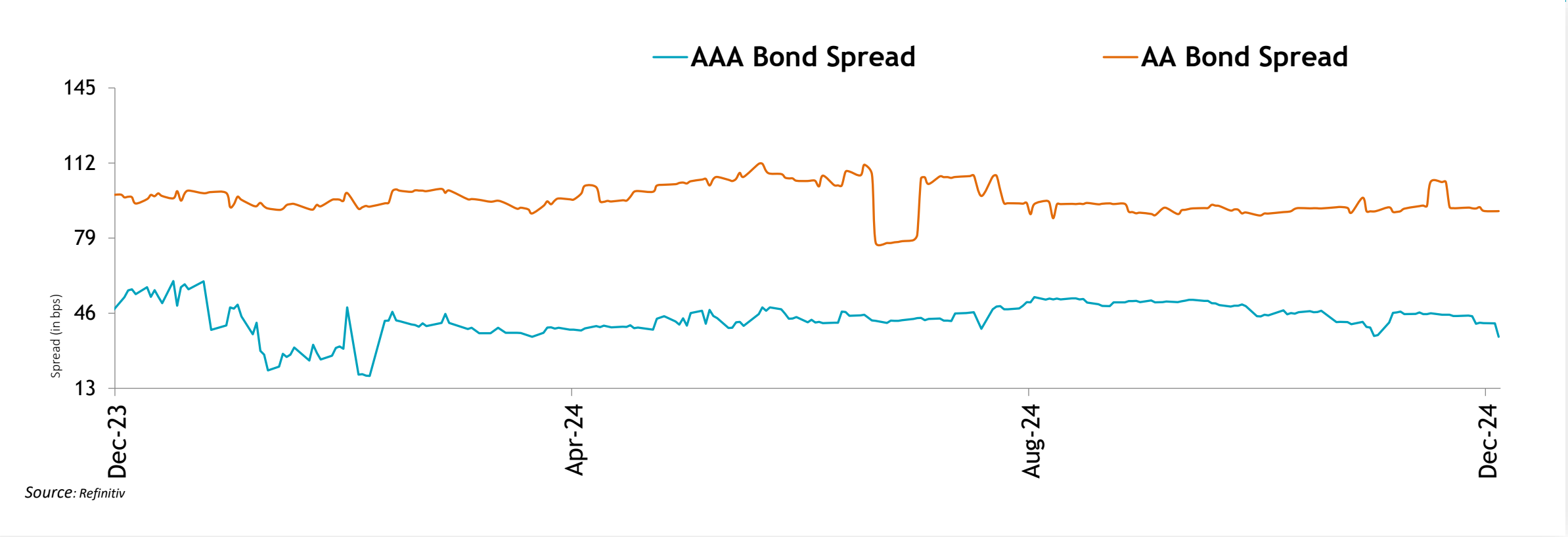
Yield on gilt securities rose up to 8 bps across the maturities, barring 15 year paper that fell by 3 bps, while 3 & 12 year papers were unchanged.



Source: Refinitiv

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

Yield on corporate bonds increased up to 15 bps across the curve, barring 15 year paper that fell 4 bps and 10 year paper was unchanged.



Category-wise Fixed Income returns

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024* | | |
|---------------------|--------------------|---------------------|---------------------|--------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------|---|
| LT 14.31% | LD 8.94% | 10 Y GILT 14.93% | LD 6.80% | LD 7.69% | LT 10.72% | LT 12.25% | ST 4.38% | LIQ 5.08% | LD 8.86% | 10 Y GILT 9.81% | LIQ | Liquid Returns represented by Crisil Liquid Fund Index |
| 10 Y GILT 14.14% | ST 8.66% | LT 12.91% | LIQ 6.66% | LIQ 7.58% | 10 Y GILT 10.46% | ST 10.39% | LD 4.23% | LD 3.65% | 10 Y GILT 7.82% | LT 9.16% | ST | Short Term Returns represented by Crisil Short Term Bond Fund Index |
| ST 10.47% | LT 8.63% | ST 9.82% | ST 6.05% | ST 6.65% | ST 9.53% | 10 Y GILT 9.23% | LIQ 3.60% | ST 3.59% | LT 7.29% | ST 8.08% | LT | Long Term Returns represented by Crisil Composite Bond Fund Index |
| LD 9.87% | LIQ 8.23% | LD 9.02% | LT 4.71% | 10 Y GILT 6.03% | LD 8.60% | LD 7.45% | LT 3.44% | LT 2.51% | ST 7.26% | LIQ 7.33% | LD | Low Duration Returns represented by Crisil Low Duration Index |
| LIQ 9.21% | 10 Y GILT 7.39% | LIQ 7.48% | 10 Y GILT -0.05% | LT 5.91% | LIQ 6.86% | LIQ 4.60% | 10 Y GILT 1.35% | 10 Y GILT 0.46% | LIQ 7.13% | LD N/A% | 10 Y Gilt | 10 Year G-sec Returns represented by CRISIL 10 Yr Gilt |

*Data as on 30th Nov, 2024

Asset Class Returns

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | |
|------------------|------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|-----------------|------------------|------------------|--|
| Equity 37.31% | Debt 8.63% | Debt 12.91% | Equity 5.32% | Gold 7.87% | Gold 23.79% | Gold 27.88% | Equity 28.88% | Gold 13.94% | Equity 24.74% | Gold 20.43% | |
| Debt 14.31% | Equity -0.75% | Gold 11.35% | Gold 5.12% | Debt 5.91% | Debt 10.72% | Equity 16.78% | Debt 3.44% | Equity 4.93% | Gold 15.41% | Equity 14.62% | Equity Equity Returns represented by Nifty 200 Index |
| Gold -7.91% | Gold -6.65% | Equity 5.08% | Debt 4.71% | Equity 0.31% | Equity 10.03% | Debt 12.25% | Gold -4.21% | Debt 2.51% | Debt 7.29% | Debt* 9.16% | Debt Debt Returns represented by Crisil Composite Bond Fund Index |
| | | | | | | | | | | | Gold Gold Returns represented by domestic prices of gold |

*Data as on 30th Nov, 2024

Global Markets

Key Global Equity Market Highlights

U.S.

- U.S. equity markets closed on a mixed note. The market rose following the release of closely watched U.S. consumer price inflation data for Nov 2024 that came in line with economic estimates, and the report has boosted confidence that the U.S. Federal Reserve will cut interest rates by another quarter point on 18th Dec, 2024.
- Gains increased even more as investors reacted positively to the release of the U.S. Federal Reserve's preferred readings on the U.S. personal consumption expenditures (PCE) price index for Nov 2024, which came below economists' expectations.
- U.S. Treasury prices fell following the anticipated reduction of interest rates by 25 basis points by the U.S. Federal Reserve on 18th Dec, 2024 but flagged that it will slow the pace of easing in 2025 amid a stable labor market and inflation that has become stickier than normal.

Europe

- European equity markets closed on a mixed note. The market rose as investors were analysing the European Central Bank's choice to reduce interest rates by 25 basis points on 12th Dec 2024 and are considering the likelihood of an additional reduction in the first quarter of 2025.
- The market rose as mining, energy, and technology stocks experienced an increase following the announcement of new U.S. restrictions on technology exports to China, which were less stringent than previously suggested.
- However, gains were limited by concerns regarding political instability in several significant European nations, apprehensions about a possible government shutdown in the U.S., and the prospect of tariffs imposed on the European Union have negatively impacted overall sentiment.

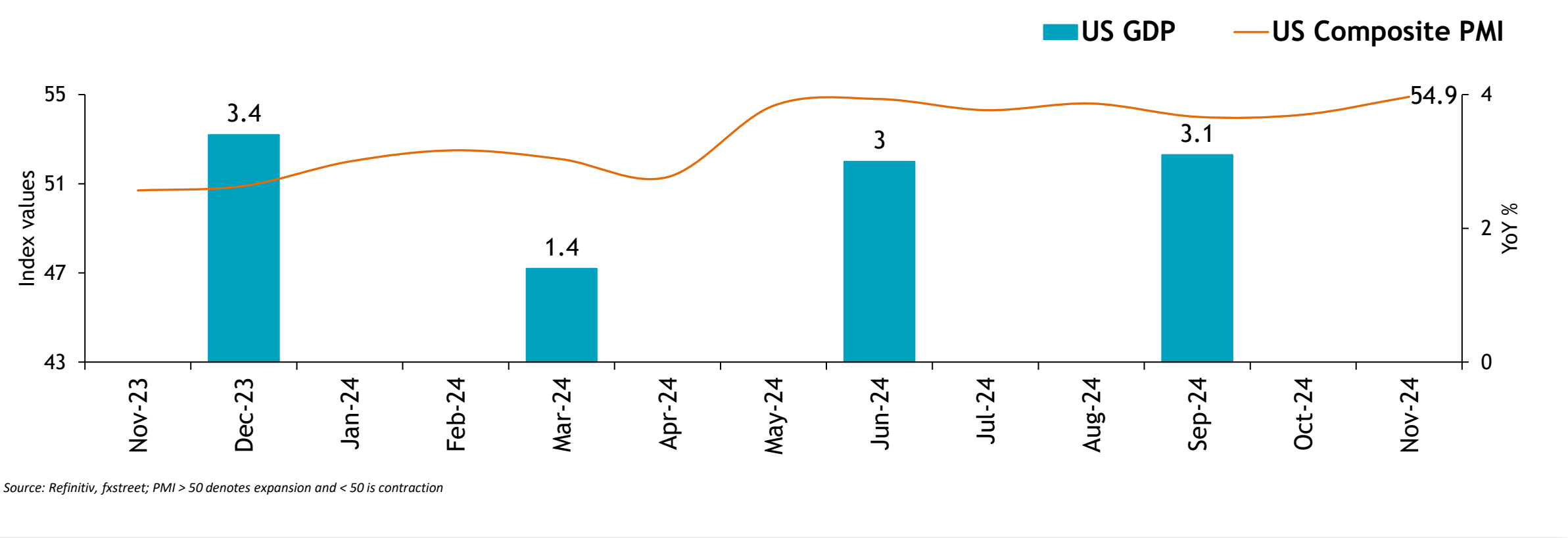
Key Global Equity Market Highlights

Asia

- Asian equity markets mostly rose after Japan's service sector activity returned to growth in Nov 2024.
- Gains increased even more as recent U.S. restrictions on semiconductor exports to China have turned out to be milder than initially anticipated.
- The Japanese market rose as data revealed that the country's GDP grew at a faster pace in Jul-Sep of 2024 than initially reported due to upward revisions in capital investment and exports.
- However, gains were restricted as the People's Bank of China opted to keep its benchmark lending rates unchanged, contrary to market expectations for a reduction.
- Further, market sentiment hit on continued concerns regarding the U.S. Federal Reserve's interest rate path, while the U.S. confronted a government shutdown following the President-elect's sudden dismissal of a bipartisan agreement.

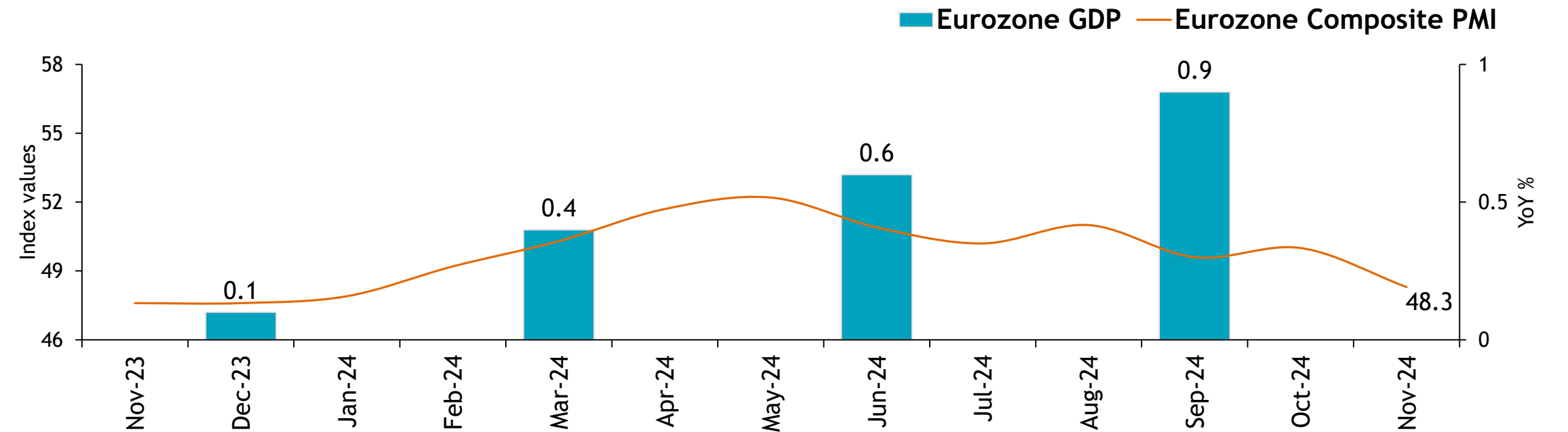
US Composite PMI & GDP Growth

U.S. gross domestic product rose by 3.10% in the third quarter of 2024 after jumping by 3.00% in the second quarter of 2024.



Euro Zone Composite PMI & GDP Growth

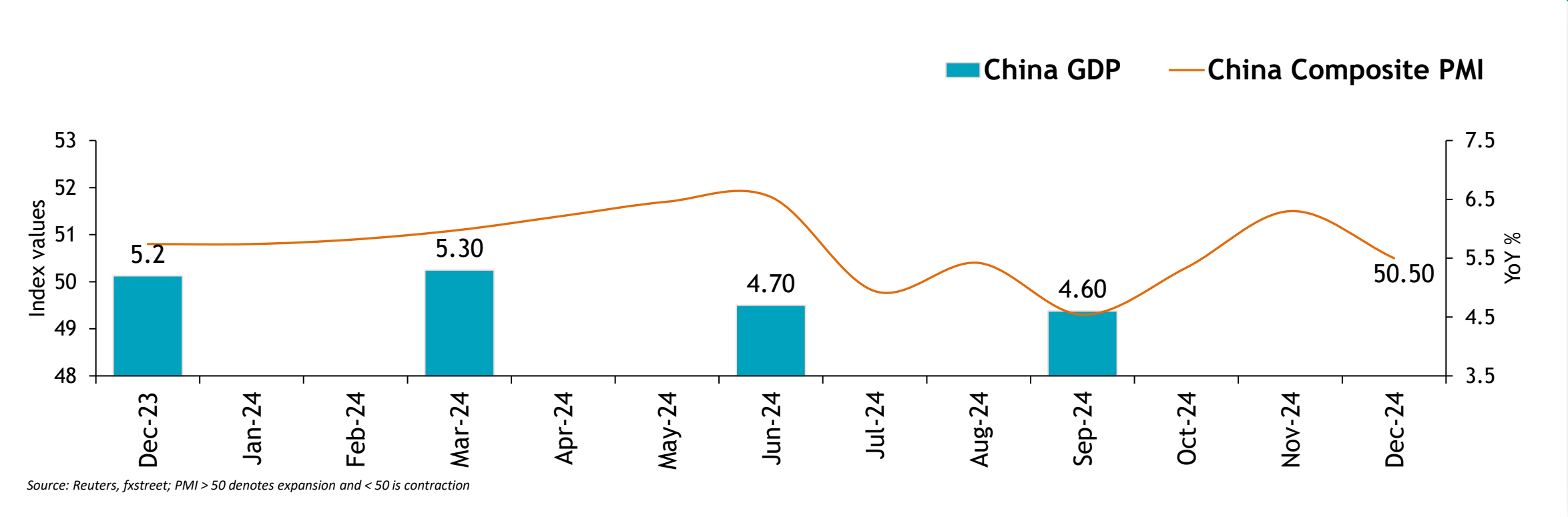
Year-on-year growth of the Euro zone economy grew to 0.9% in the third quarter of 2024 from 0.6% in the second quarter of 2024.



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

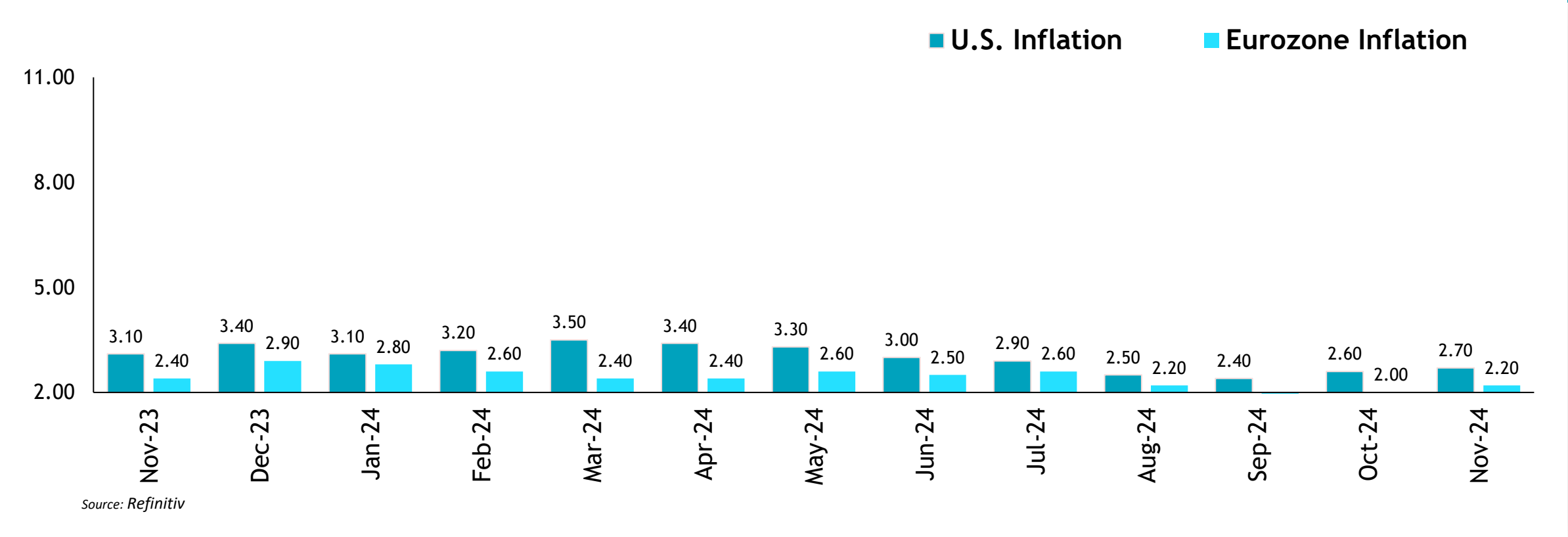
China Manufacturing PMI & GDP Growth

According to a survey, China's Caixin manufacturing PMI posted 50.5 in Dec 2024, down from 51.5 in Nov 2024.



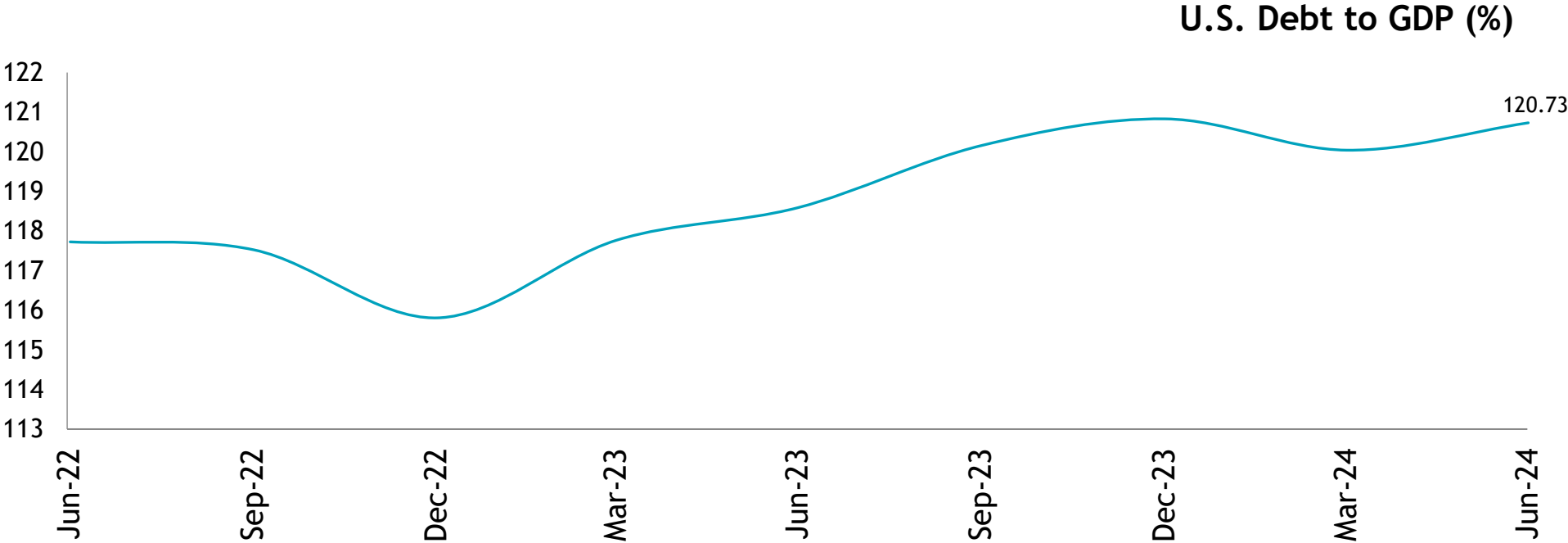
US & Eurozone Inflation

U.S. inflation stood at 2.70% in Nov 2024, and the eurozone inflation rate stood at 2.20% in Nov 2024.



U.S. Debt to GDP (%)

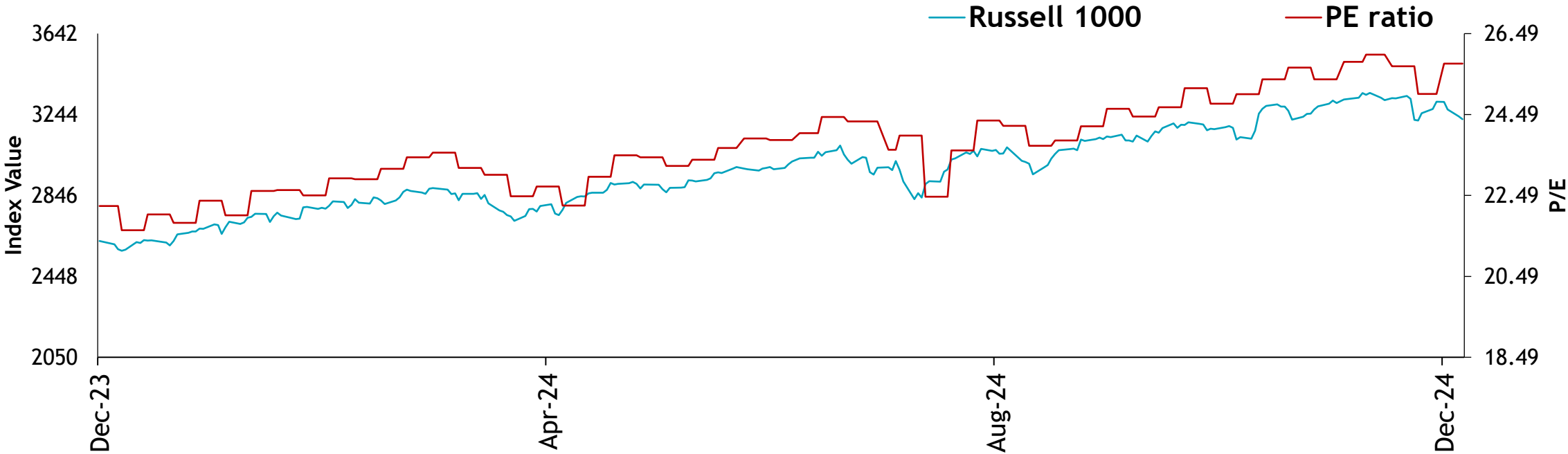
According to a report, the U.S. debt to GDP ratio rose to 120.73% in Jun 2024, compared to 120.04% in Mar 2024.



Source: Fred

Russell 1000 Index and PE ratio

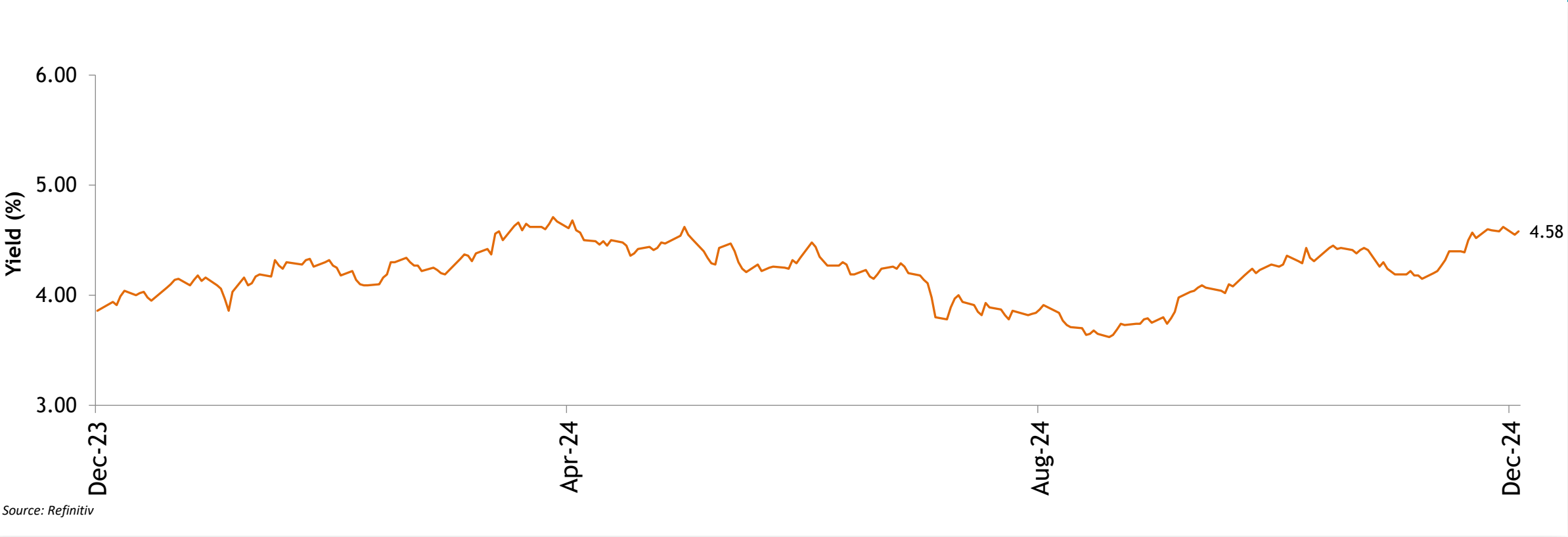
U.S. equity markets rose following the release of closely watched U.S. consumer price inflation data for Nov 2024.



Source: Refinitiv

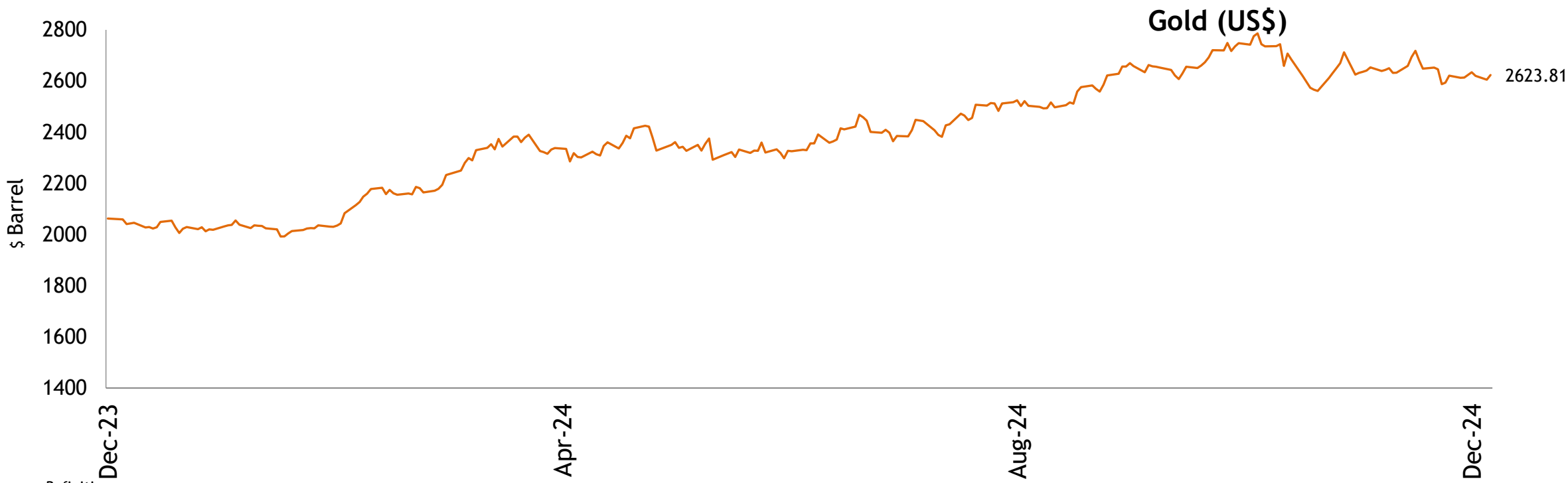
U.S. 10 Year Treasury Yield

U.S. Treasury prices fell after data revealed that U.S. producer price inflation exceeded forecasters' expectations for Nov 2024.



Gold

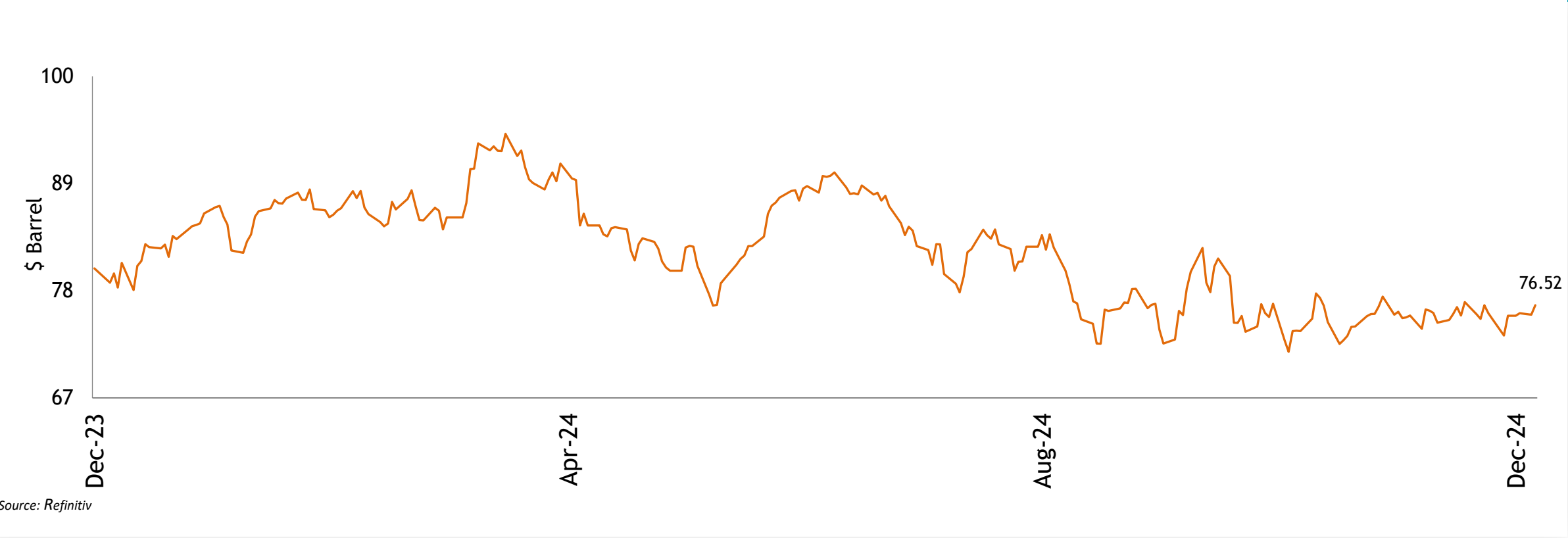
Gold prices fell after the U.S. Federal Reserve signaled a rate-cut slowdown in 2025.



Source: Refinitiv

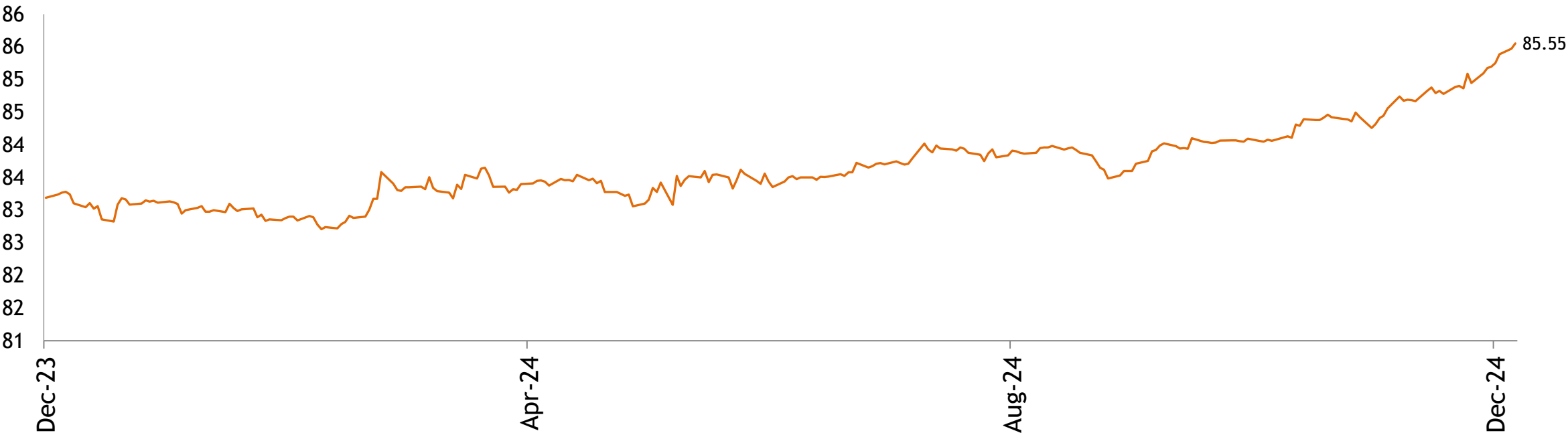
Brent Crude

Brent crude oil prices rose following the ongoing conflict between Russia and Ukraine, and expectations of increased demand.



USD/INR

Rupee fell against the U.S. dollar after data showed that India's merchandise trade deficit widened to a record high in Nov 2024.



Source: Refinitiv

Returns of Major Global Indices

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | | |
|-------------------|--------------------|-------------------|--------------------|---------------------|-------------------|--------------------|---------------------|---------------------|---------------------|--------------------|--|---|
| SSEC 52.87% | DAX 9.56% | RTS 52.22% | HangSeng 35.99% | Nasdaq -1.04% | RTS 45.28% | Nasdaq 47.58% | CAC 28.85% | STI 4.09% | Nasdaq 53.81% | Nasdaq 24.88% | | CAC returns represented by CAC 40 Index (France) |
| Nasdaq 17.94% | SSEC 9.41% | FTSE 14.43% | Nasdaq 31.52% | RTS -7.65% | Nasdaq 37.96% | Kospi 30.75% | Nasdaq 26.63% | FTSE 0.91% | Nikkei 28.24% | Nikkei 19.22% | | DAX Index returns represented by FSE DAX (Germany) |
| Nikkei 7.12% | Nikkei 9.07% | DAX 6.87% | Kospi 21.76% | STI -9.82% | CAC 26.37% | Nikkei 16.01% | DAX 15.79% | Nikkei -9.37% | DAX 20.31% | DAX 18.85% | | FTSE returns represented by FTSE 100 (United Kingdom) |
| STI 6.24% | CAC 8.53% | Nasdaq 5.89% | Nikkei 19.10% | CAC -10.95% | DAX 25.48% | SSEC 13.87% | RTS 15.01% | CAC -9.50% | Kospi 18.73% | HangSeng 17.67% | | HangSeng returns represented by HangSeng (Hong Kong) |
| DAX 2.65% | Nasdaq 8.43% | CAC 4.86% | STI 18.13% | Nikkei -12.08% | SSEC 22.30% | DAX 3.55% | FTSE 14.30% | DAX -12.35% | CAC 16.52% | STI 16.89% | | Nasdaq returns represented by Nasdaq 100 (US) |
| HangSeng 1.28% | Kospi 2.39% | Kospi 3.32% | DAX 12.51% | FTSE -12.48% | Nikkei 18.20% | HangSeng -3.40% | STI 9.84% | SSEC -15.12% | RTS 11.63% | SSEC 12.67% | | Nikkei returns represented by Nikkei 225 (Japan) |
| CAC -0.54% | RTS -4.26% | Nikkei 0.42% | CAC 9.26% | HangSeng -13.61% | FTSE 12.10% | CAC -7.14% | Nikkei 4.91% | HangSeng -15.46% | FTSE 3.78% | FTSE 5.69% | | RTS returns represented by RTS Index (Russia) |
| FTSE -2.71% | FTSE -4.93% | HangSeng 0.39% | FTSE 7.63% | Kospi -17.28% | HangSeng 9.07% | RTS -10.42% | SSEC 4.8% | Kospi -24.89% | STI -0.34% | RTS 4.36% | | SSEC represented by SHANGHAI SE COMPOSITE (China) |
| Kospi -4.76% | HangSeng -7.16% | STI -0.07% | SSEC 6.56% | DAX -18.26% | Kospi 7.67% | STI -11.76% | Kospi 3.63% | Nasdaq -32.97% | SSEC -3.70% | CAC -2.15% | | STI returns represented by FTSE Straits Times (Singapore) |
| RTS -45.17% | STI -14.34% | SSEC -12.31% | RTS 0.18% | SSEC -24.59% | STI 5.02% | FTSE -14.34% | HangSeng -14.08% | RTS -39.18% | HangSeng -13.82% | Kospi -9.63% | | Kospi represented by Kospi Index (South Korea) |

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