








ATLAS

*Monthly Market Review
June 2024*



2010	2011	Div.	Umsatz 29.10.2010	Stück	Tsd. Euro	Stück (€)
17	17	936060	43869	935077		
15	15	157881	1739312			
17	17	2007	3213370			

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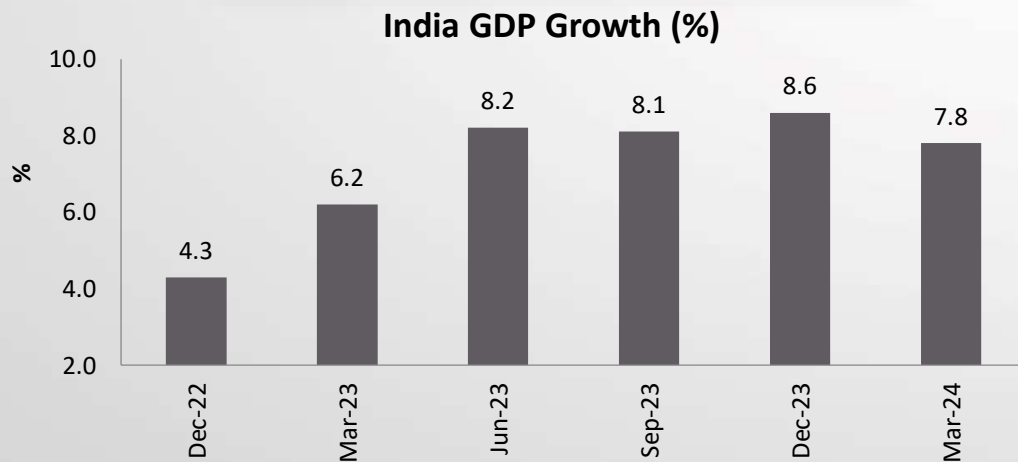
MACRO ECONOMIC INDICATORS

GDP and Current Account Deficit Trend



MACRO

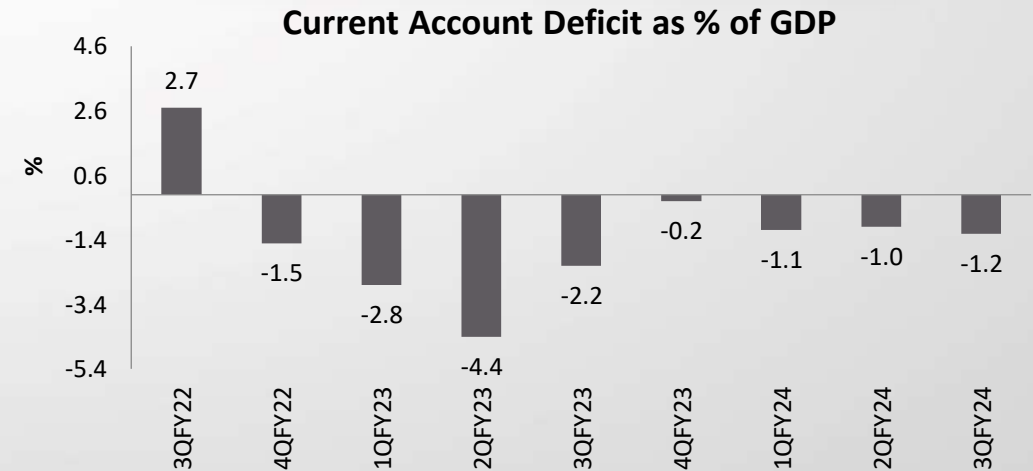
GDP growth accelerated YoY in 4QFY24



Source: Refinitiv

Gross Domestic Product (GDP) of the Indian economy at constant (2011-12) prices witnessed a growth of 7.8% in the fourth quarter of FY24.

CAD as a % of GDP narrowed in 3QFY24



Source: Refinitiv

Current account deficit narrowed to US\$ 10.5 billion (1.2% of GDP) in 3QFY24 from US\$ 11.4 billion in 2QFY24 and it was also lower than US\$ 16.8 billion compared to the same period of previous year.

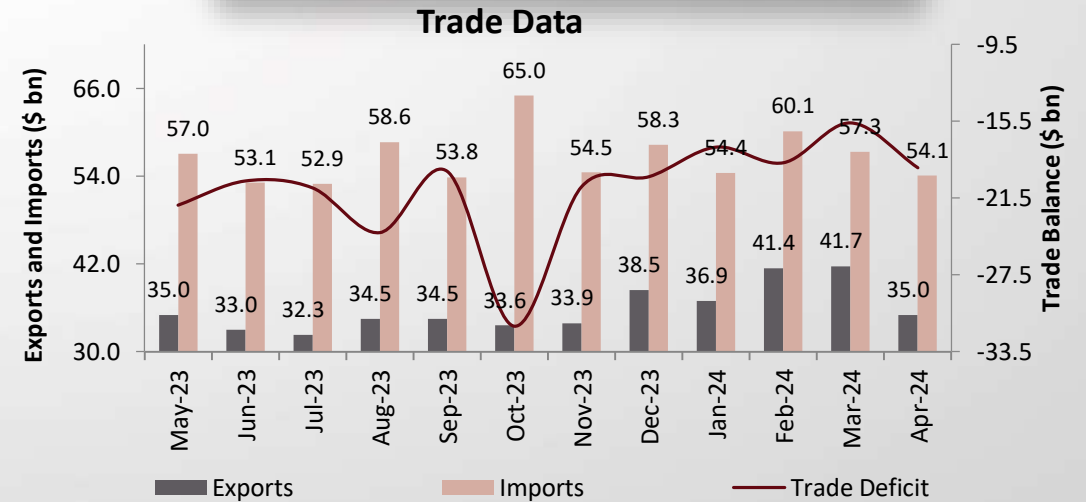
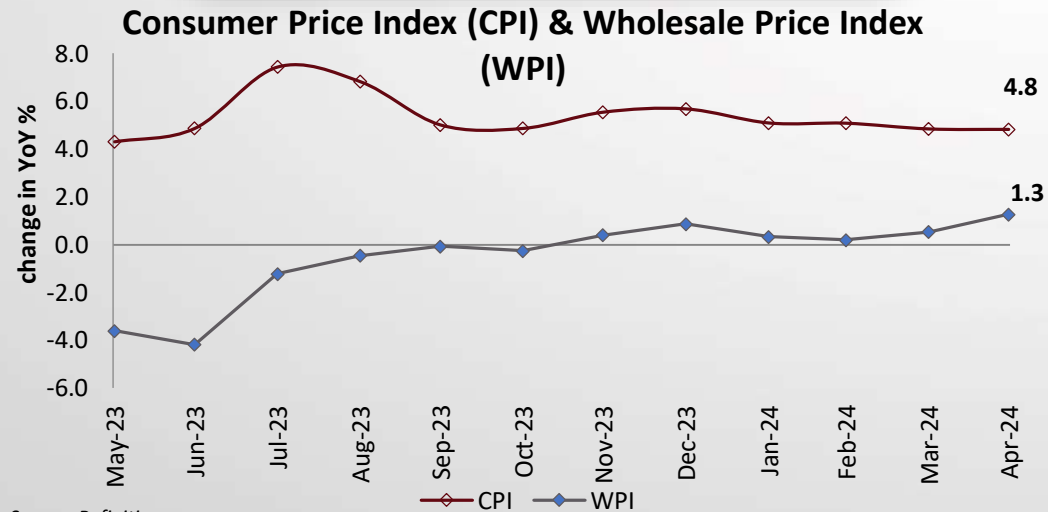
MACRO ECONOMIC INDICATORS

Inflation and Trade Data Trend

MACRO

CPI eased to 11-month low in Apr 2024

Trade deficit widened YoY in Apr 2024



Consumer price index-based inflation eased slightly to 11-month low of 4.83% YoY in Apr 2024 & wholesale price index (WPI) based inflation accelerated by 1.26% YoY in Apr 2024.

Merchandise trade deficit widened to \$19.10 billion in Apr 2024 from \$14.44 billion in Apr 2023. Exports edged up 1.07% YoY to \$34.99 billion and imports soared by 10.25% YoY to \$54.09 billion.

MACRO ECONOMIC INDICATORS

Manufacturing and Services PMI Trend

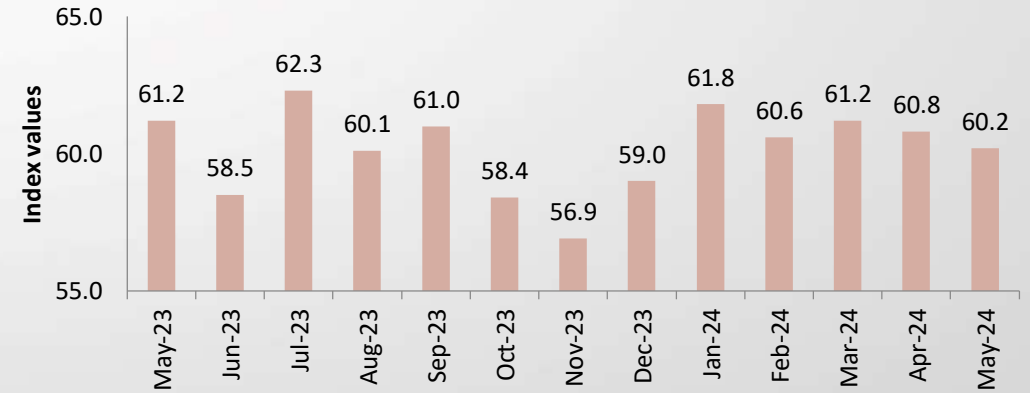
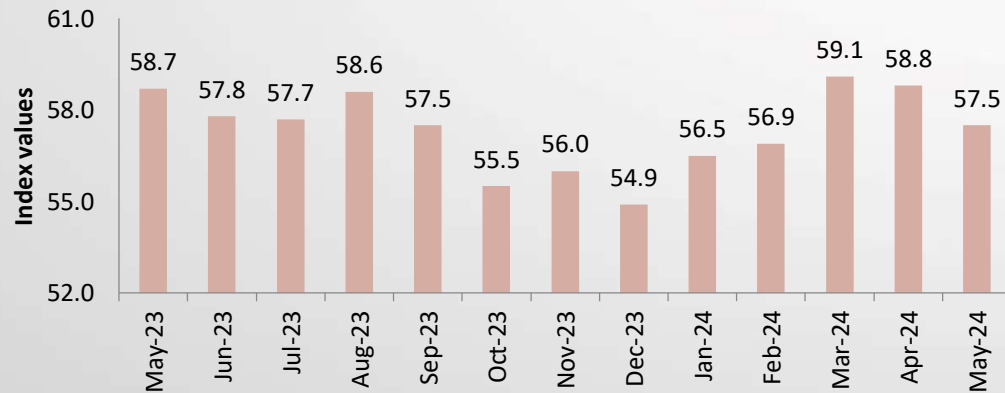


Manufacturing PMI eased in May 2024

Services PMI slowed in May 2024

India Manufacturing PMI

India Service PMI



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

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

The Manufacturing Purchasing Managers' Index eased slightly to 57.5 in May 2024 compared to 58.8 in Apr 2024, signaling a slower but still substantial improvement in the manufacturing sector.

India's Services Purchasing Managers' Index (PMI) eased slightly to 60.2 in May 2024 as compared to 60.8 in Apr 2024 mainly due to weaker domestic demand.

MACRO ECONOMIC INDICATORS

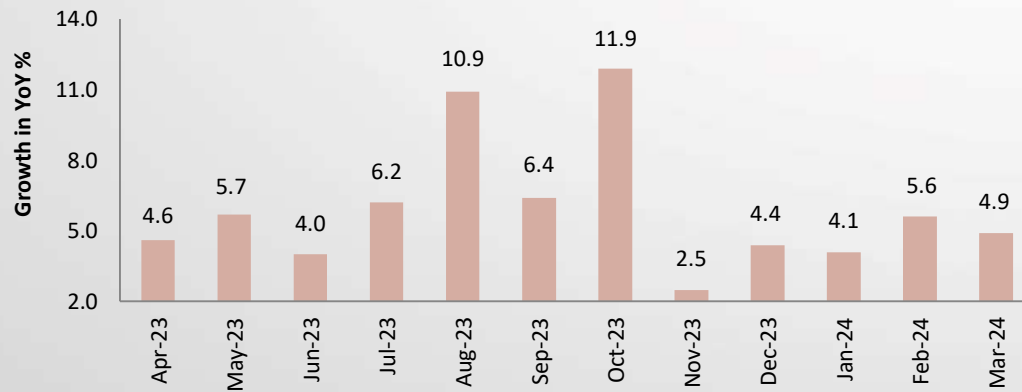
IIP and GST Trend



MACRO

Industrial output slowed YoY in Mar 2024

Index of Industrial production (IIP)

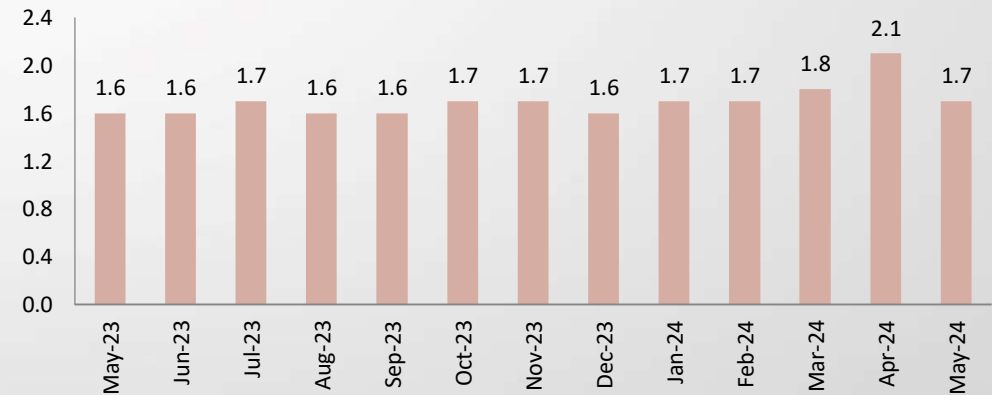


Source: Refinitiv

Industrial production growth in India (IIP) slowed to 4.9% YoY in Mar 2024, as compared to 5.6% rise in Feb 2024. Production in the manufacturing industry increased by 5.2%, mining by 1.2%.

GST collection grew 6.25% YoY to Rs. 1.73 lakh crore

GST Collections (Rs. Lakh Crore)



Source: PIB

According to the Ministry of Finance, the gross Goods and Services Tax (GST) revenue for the month of May 2024 stood at Rs. 1.73 lakh crore, representing a 10% YoY growth.

MACRO ECONOMIC INDICATORS

International Gold and U.S. 10 Year Treasury Trend



Gold prices rose MoM in May 2024

U.S. Treasury yield eased MoM in May 2024



Gold prices increased in tandem with expectations of rate cuts by the US Federal Reserve along with the growing geopolitical concerns in the Middle East.

U.S. Treasury yields fell after data revealed that consumer price inflation in the U.S. decreased in Apr 2024, which raised the expectations of rate cuts by the U.S. central bank.

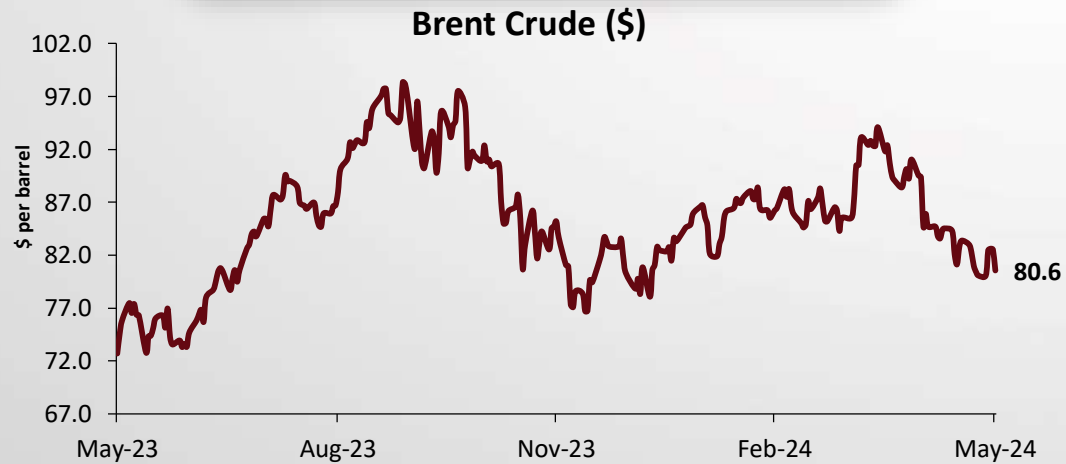
MACRO ECONOMIC INDICATORS

Crude and USD/INR Currency Trend



MACRO

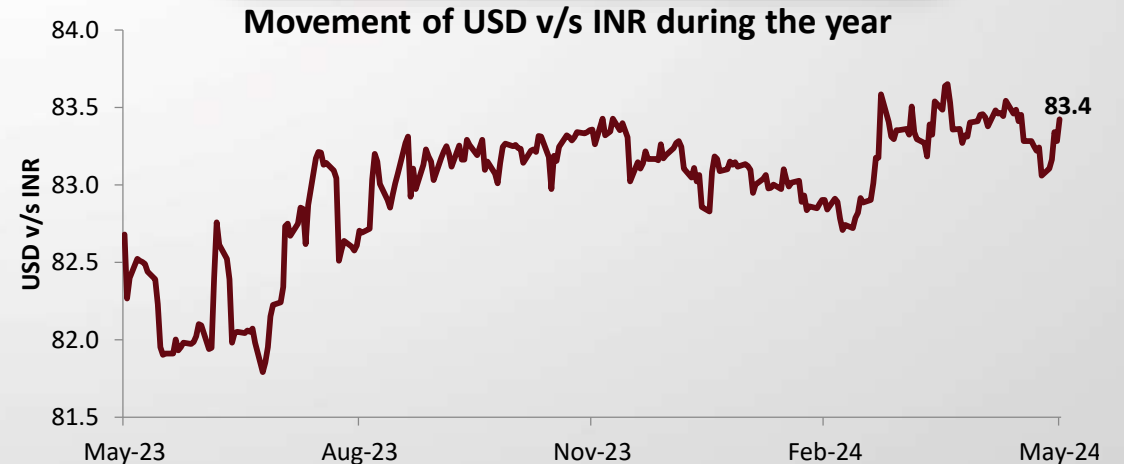
Crude oil prices fell MoM in May 2024



Source: Refinitiv

Crude oil prices fell amid easing Middle East tensions and signs of weak U.S. demand. Prices fell further as worries rose regarding the future of oil demand as a result of slowing economic growth.

Rupee eased against U.S. dollar on MoM in May 2024



Source: Refinitiv

Rupee fell (in spot trade) against the U.S. dollar due to weakness in other Asian peers and negative trends in the domestic equity market. Further, prices fell due to election-related risks in India.

EVENT UPDATE

RBI MPC maintains status quo, keeps repo rate unchanged at 6.50%



MACRO

Key Highlights

- MPC kept repo rate **unchanged at 6.50%**
- Cash reserve ratio (CRR) kept unchanged at 4.50%
- The MPC voted by **majority on “withdrawal of accommodation”**
- For FY25, **retail inflation target projected at 4.5%**
- FY25 Real GDP **growth projected upward to 7.2% from 7.0%**

Policy Rates / Reserve Ratio	05-Apr-24	07-Jun-24	Status
CRR	4.50%	4.50%	↔
SLR	18.00%	18.00%	↔
SDF	6.25%	6.25%	↔
Repo Rate	6.50%	6.50%	↔
MSF	6.75%	6.75%	↔
Bank rate	6.75%	6.75%	↔
Fixed Reverse Repo Rate	3.35%	3.35%	↔

Growth Outlook

- It is anticipated that the **southwest monsoon will be more intense than usual**, which is good news for rural demand and agriculture.
- When combined with continued growth in the manufacturing and service sectors, this should **allow for a resurgence of private consumption**.
- However, risks to the outlook include headwinds from geopolitical tensions, volatility in global commodity prices, and geoeconomic fragmentation.

Inflation Outlook

- Going forward, the trajectory of **food inflation is significantly uncertain** due to overlapping shocks brought on by an **increase in the frequency of unfavorable climate events**.
- Given the recent dramatic increase in prices, **market arrivals of important rabi crops**, particularly pulses and vegetables, need to be closely watched.
- **Upside risks to inflation include fluctuations in the price of crude oil** as well as a strengthening of the prices of non-energy commodities.

EVENT UPDATE

India's GDP grows 7.8% in Q4FY24



MACRO

Key Highlights

- Gross Domestic Product of the Indian economy at constant (2011-12) prices **witnessed a growth of 7.8% in the fourth quarter of FY24**. In the Jan-Mar quarter of last year, the GDP growth rate was 6.2%.
- On the sectoral front, **manufacturing sector soared to 8.9% in Q4 of FY24** from 0.9% in Q4 FY23.

Gross Value Added (GVA)

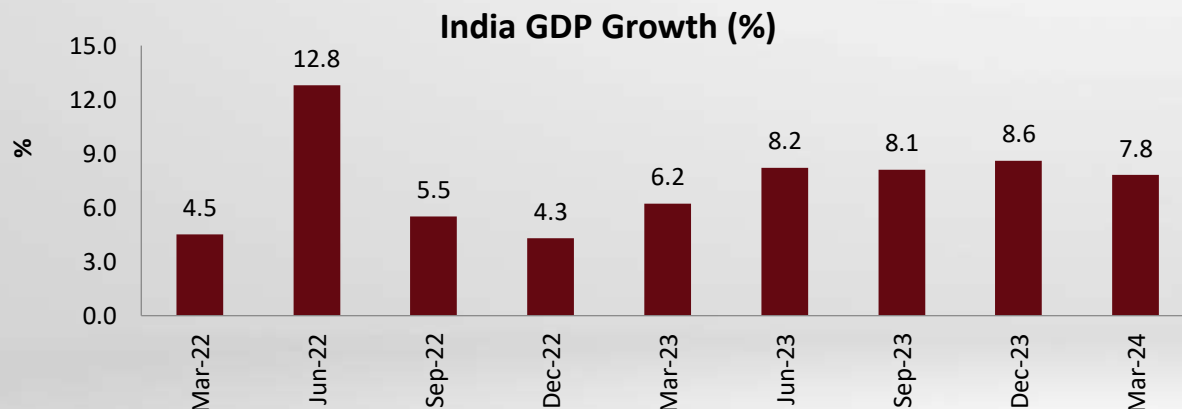
- Gross Value Added (GVA) **witnessed a growth of 6.3% YoY in Q4 FY24** compared to 6.0% in Q4 FY24 and 6.8% in Q3 FY24.

Gross Fixed Capital Formation (GFCF) & Private Final Consumption Expenditure (PFCE)

- GFCF indicates how much of the new value added is invested rather than consumed, **lowered its share in GDP to 33.2% in Q4 FY24 from 33.6% in Q4 FY23**. PFCE, a marker to gauge how households have spent on buying goods and services, **decreased its share to 52.9% from 54.8% in the same period**.

Year-on-Year % Change

- Agriculture, Livestock, Forestry & Fishing slowed to **0.6% in Q4 of FY24** compared to 7.6% growth in Q4 of FY23



Source: Refinitiv

DOMESTIC & GLOBAL

Equity Market Update

INDIAN EQUITY MARKET DASHBOARD

May 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	-0.32	2.40	10.99	19.63	13.92	14.63	13.26
Nifty 50	0.03	2.86	12.51	23.02	14.44	14.93	13.42
Nifty 100	0.65	4.73	16.97	28.95	15.48	15.66	13.98
Nifty 500	0.73	5.30	17.78	35.17	18.08	17.83	15.06
Nifty Midcap 150	2.23	8.36	21.18	54.00	26.69	25.60	20.45
Nifty Smallcap 250	-1.27	4.47	18.11	58.64	26.00	24.76	17.44
Nifty Microcap 250	-1.48	2.18	15.55	71.79	36.70	32.01	24.76
Sectoral Indices							
Nifty Metal	5.97	22.74	38.68	65.70	25.53	29.39	14.62
Nifty Realty	4.75	11.97	42.88	113.75	45.17	29.63	16.00
Nifty Auto	4.18	14.75	33.51	66.19	31.91	24.83	15.02
Nifty Infrastructure	1.08	7.20	31.87	60.19	27.42	22.67	12.20
Nifty FMCG	-0.12	0.33	2.75	7.29	17.44	14.45	13.48
Nifty Energy	-0.28	3.65	38.11	71.05	28.67	22.02	17.66
Nifty Bank	-0.29	6.79	10.73	11.99	12.24	9.97	13.44
Nifty Pharma	-0.90	-1.06	16.03	49.43	11.02	18.25	10.03
Nifty Healthcare	-1.50	-1.30	14.86	44.64	12.68	20.30	11.77
Nifty IT	-1.61	-13.40	0.56	13.34	8.27	17.41	15.97
Nifty Oil & Gas	-1.70	1.52	37.57	57.62	20.77	18.99	16.61
Nifty PSU Bank	-2.32	7.20	47.37	84.66	46.80	18.77	8.07

- Domestic equity markets remained flat during the month after the U.S. Fed kept interest rates steady for a sixth consecutive time.
- Domestic cyclicals gained the most ahead of optimistic expectations from General Elections 2024. Defensives such as Healthcare, IT and FMCG remained lackluster.

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 Midcap 150 13.3
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 Smallcap 250 11.5
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 9.0
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 7.8
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 4.2
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 2.9

- On CYTD basis, Nifty Midcap 150 and Nifty Smallcap 250 continue to deliver the highest returns.

RELATIVE TRAILING VALUATIONS (P/E)

Large Cap vs Mid Cap vs Small Cap



DOMESTIC

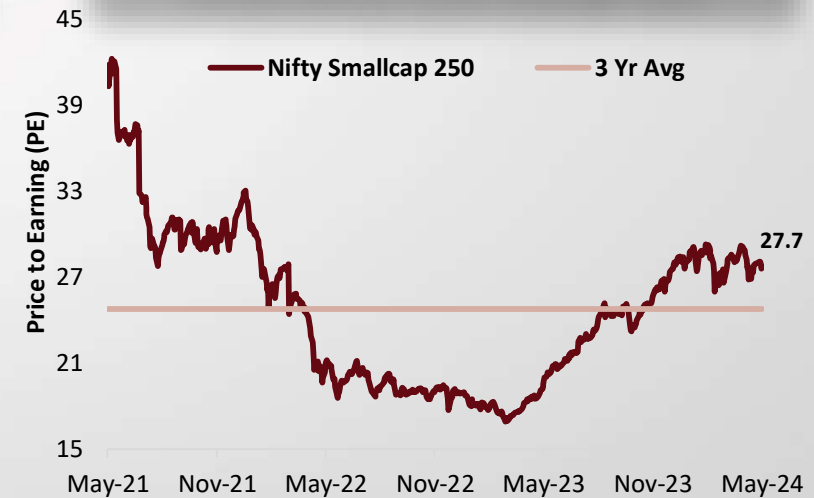
Nifty 50 trailing PE remained below 3 year average mark



Nifty Midcap 150 trailing PE surged way above 3 year average level



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



- Currently, Midcap valuations are expensive compared with Large cap and Small cap due to sudden surge in the last four months.
- Large cap valuations are hovering near their 3 year avg level since Jan this year while Midcap and Small cap are well above their avg level.

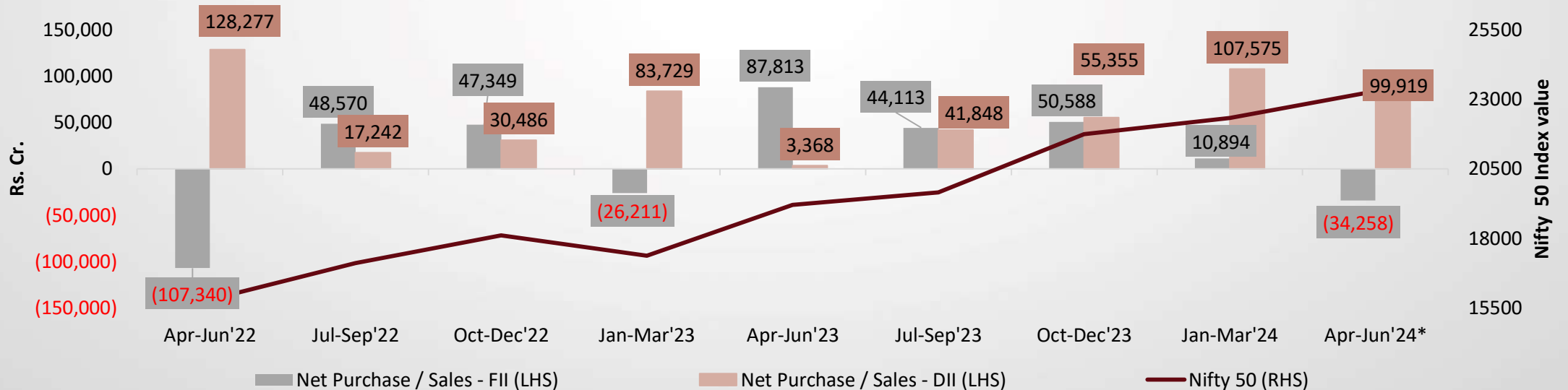
EQUITY FLOWS

Quarterly FII & DII Flows



DOMESTIC

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



- FII's remained net sellers for two consecutive months. Nonetheless, cumulative inflows stood at Rs. 2,43,663 crore since July 2022 till date. Since April 2021 till date, cumulative FII outflows stood at Rs. 3,686 crore.
- Mutual funds have been net buyers in equity segment in the last 37 months till May 2024, except - April 2023 and August 2022. Cumulative inflows stand at Rs. 6,28,776 crore from March 2021 till date.

GLOBAL EQUITY MARKET DASHBOARD

May 2024



GLOBAL

Emerging Markets	Index	Absolute (%)					CAGR(%)		
		1 Month	3 Months	YTD	6 Months	1 Year	2 Years	3 Years	5 Years
Taiwan	Taiwan TAIEX	3.81	11.64	18.09	21.45	27.63	12.22	7.44	15.05
India	Nifty 50	-0.33	2.49	3.68	11.91	21.50	16.53	13.06	13.56
China	Shanghai Composite	-0.58	2.38	3.76	1.89	-3.66	-1.57	-5.13	1.26
South Korea	Kospi	-2.06	-0.22	-0.71	3.99	2.30	-0.92	-6.29	5.24
Brazil	Brazil Ibovespa	-3.04	-5.37	-9.01	-4.11	12.67	4.71	-1.10	4.70
Russia	MOEX Russia	-7.28	-1.22	3.81	1.62	18.33	16.84	-4.73	3.83
Developed Markets									
US	Russell 3000	5.87	2.94	12.32	17.63	31.72	19.31	9.27	17.57
Germany	DAX	3.16	4.64	10.42	14.08	18.04	13.37	6.25	9.53
UK	FTSE 100	1.61	8.46	7.01	11.02	11.10	4.29	5.60	2.93
Japan	Nikkei 225	1.46	-1.73	15.01	15.51	24.53	18.75	10.06	13.30
Europe	Euro Stoxx 50 Pr	1.27	2.17	10.22	13.72	18.10	14.66	7.25	8.71
France	CAC 40	0.10	0.83	5.96	9.33	12.56	11.14	7.42	8.94

- Developed markets bounced back sharply after a fall in Apr 2024 ahead of optimism around interest rate cuts.
- Eurozone was officially declared out of recession in May 2024.

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	Japan 15.0
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 12.3
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	Germany 10.4
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	U.K. 7.0
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	Hong Kong 6.1
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 3.8
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	India 3.7

- Japanese equity market was the top performer in the current calendar year till the reported period.
- Indian market remained in the top three positions in the last four full calendar years but in the current year it is near to the bottom level.
- Hong Kong continues to remain at the bottom end of the rank.

ASSET CLASS PERFORMANCE

Calendar Year wise



ASSET CLASS

2015 (%)	2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)	CYTD (%)
Real Estate 9.7	G-Sec 14.3	Indian Equity 37.7	G-Sec 8.0	Intl 34.2	Intl 36.9	Indian Equity 31.6	Gold 13.9	Intl 40.0	Gold 14.6
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 12.3
Cash 8.3	Gold 11.3	Real Estate 7.2	Cash 7.3	Bonds 12.2	Indian Equity 17.9	Bonds 4.2	Indian Equity 4.2	Gold 15.4	Indian Equity 9.0
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 4.2
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 3.9
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 3.2
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 0.9

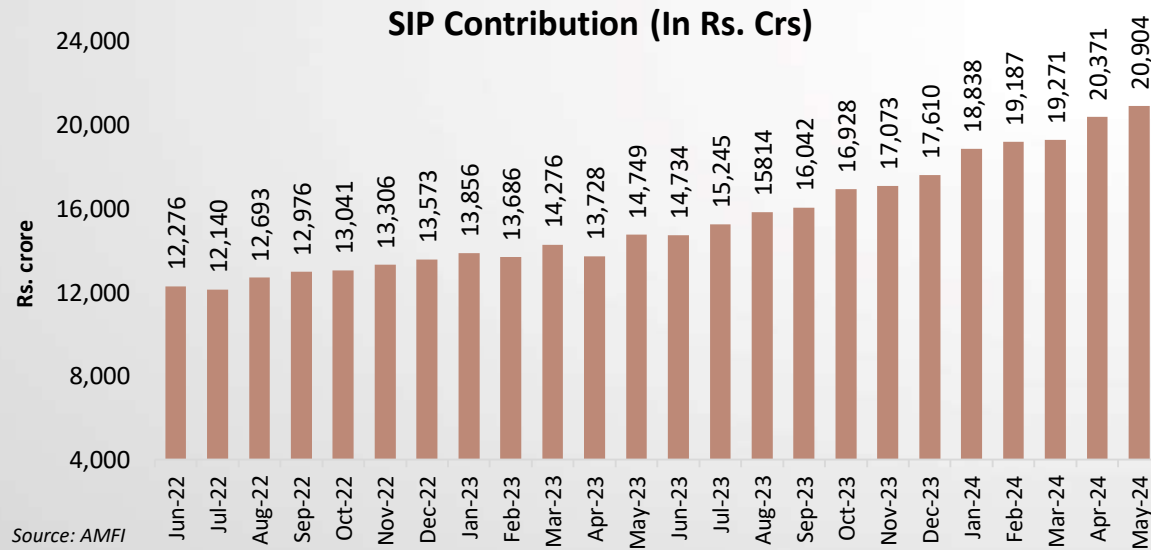
- On CYTD basis, Gold continues to remain at the top followed by International market (U.S.) and Indian equity market.
- Till 2023, Indian equities has been among the top three gainers for the past four calendar years while Gold has been one of the top performers in five out of six years.

MUTUAL FUNDS

SIP Flows and SIP Returns Data



DOMESTIC



- According to AMFI, SIP contribution in May 2024 touched a new high and stood at Rs. 20,904 crore.
- SIP AUM increased to Rs. 11.53 lakh crore with 875.89 lakh outstanding SIP accounts.

Equity Broad MF category	Category average SIP returns (%)		
	3-year	5-year	10-year
Large cap	18.6	18.9	14.2
Large & Mid cap	24.0	23.9	17.2
Flexi cap	21.5	21.4	16.1
Multi cap	26.2	26.9	18.6
Mid cap	28.3	28.6	19.4
Small cap	28.1	32.4	21.4
Focused	20.3	20.5	15.4
Value	26.3	26.3	18.1

- Small cap category has outperformed across periods followed by Midcaps.
- Large cap category has been the bottom performer across periods.

CATEGORY PERFORMANCE

Equity Mutual Funds



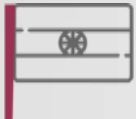
CATEGORY

MF Category	Absolute Returns (%)			CAGR (%)			
	1 month	3 months	6 months	1 year	3 years	5 years	10 years
Large Cap	0.44	4.82	17.05	30.99	15.37	15.05	13.50
Large & Mid Cap	1.44	7.21	19.41	40.19	20.21	19.14	16.41
Flexi Cap	1.14	5.96	17.67	35.77	17.63	17.27	15.27
Multi Cap	1.15	6.80	18.77	43.06	21.74	20.96	17.14
Mid Cap	2.59	9.40	20.74	48.56	23.80	23.24	18.97
Small Cap	0.57	6.51	14.97	45.21	25.32	26.40	20.64
Focused	0.42	5.77	16.68	33.98	17.11	16.56	15.04
Value	1.29	5.94	20.83	45.02	21.55	19.27	16.46
Index:							
Nifty 100	0.65	4.73	16.97	28.86	15.48	15.66	13.98
Nifty 500	0.73	5.30	17.78	35.06	18.08	17.83	15.06
Nifty Midcap 150	2.23	8.36	21.18	53.82	26.69	25.60	20.45
Nifty Smallcap 250	-1.27	4.47	18.11	58.44	26.00	24.76	17.44

- In May 2024, Mid Cap category delivered the highest returns followed by Large & Mid Cap and Value 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 fell initially during the month under review after the U.S. Federal Reserve kept interest rates steady for a sixth consecutive time.** According to the U.S. Federal Reserve, “The economic outlook is uncertain, and the Committee remains highly attentive to inflation risks.” The outcome dampened expectations of an early rate cut by the U.S. Federal Reserve this year which led to concerns of foreign fund outflow from the domestic capital markets.
- Later during the month, Israel warned that its war in Gaza could extend until the end of the year which too kept the markets on tenterhooks.
- **Markets remained volatile on the back of election-related concerns.** Lower voter turnout led to election jitters which kept markets under pressure.

Outlook:

- Domestic equity markets remained under pressure after the outcome of the general elections did not come along market expectations. However, markets bounced back and were able to recover some of the losses. Moving ahead, **India’s growth outlook is expected to have its impact on the markets.**
- Above normal monsoons are expected to ally inflationary concerns which may open the door to rate cuts by the RBI in the coming months.
- While **India’s structural story remains intact, geopolitical tensions pose some risks to the growth prospects of the domestic economy. The economy continues to show strength and with good monsoon predictions and benign crude prices; the economy is poised to do well in near future.**
- However, **looking at the 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

DEBT MARKET

Indian Government Bond and Policy Rate Trend



INDIAN DEBT

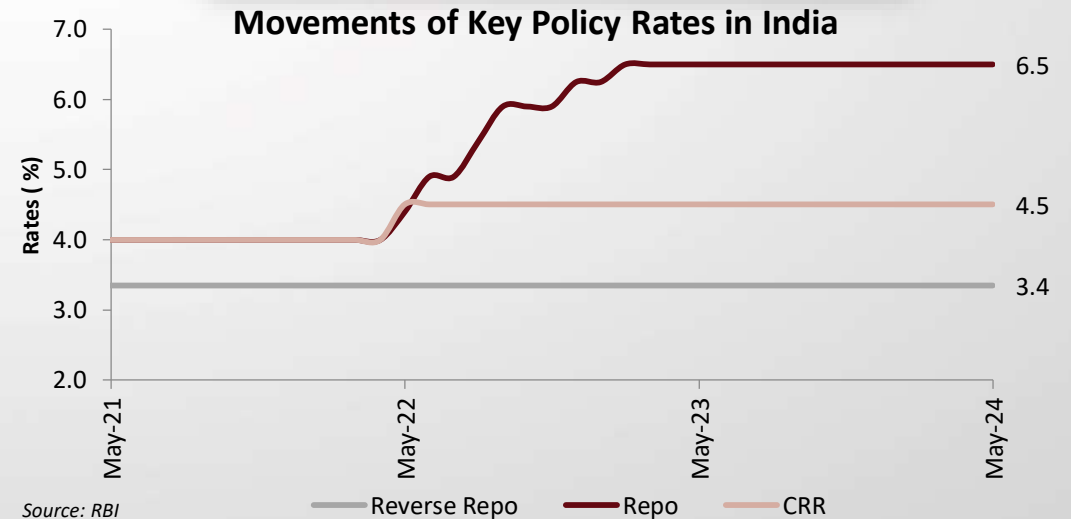
10-year benchmark G-sec yield fell 22 bps MoM in May 2024



Source: Refinitiv

Bond yields fell after the U.S. Fed maintained interest rates with less hawkish statement. Gains were extended after the RBI approved a record surplus transfer to the government for FY24.

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



Source: RBI

The MPC kept its policy rates unchanged and observed that since its previous meeting in Apr 2024, the domestic growth-inflation balance has shifted favourably.

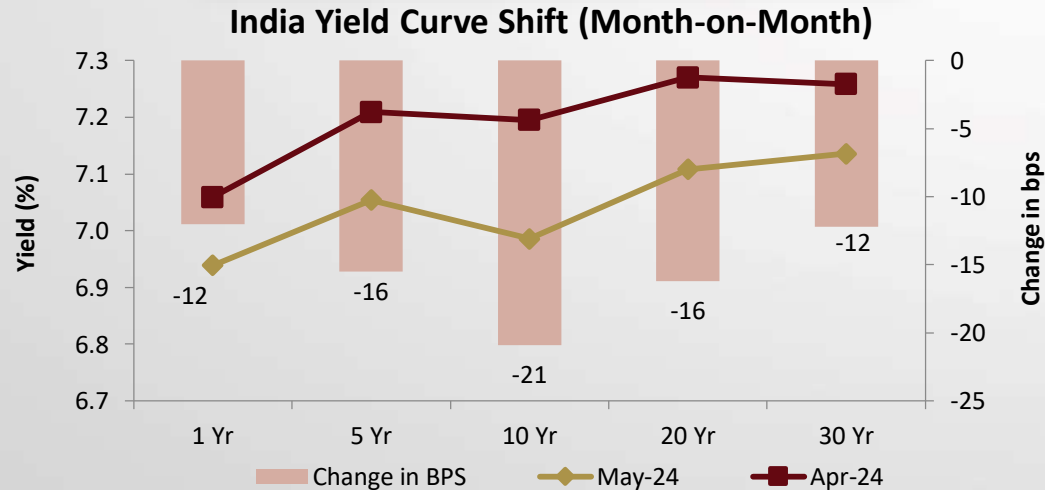
DEBT MARKET

Government Bond & Corporate Bond Yield Trend



INDIAN DEBT

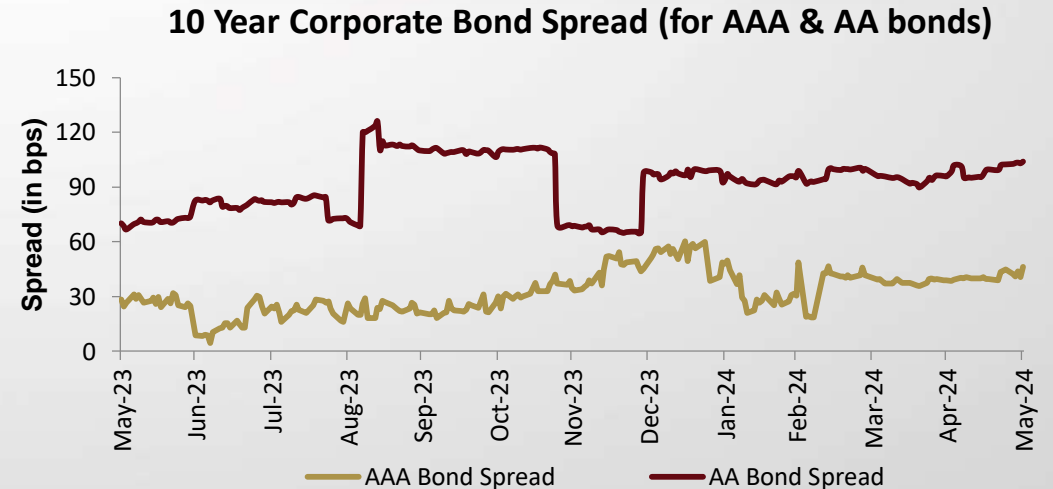
G-sec yields fell during the month



Source: Refinitiv

Yield on gilt securities fell between 12 to 22 bps across the maturities.

Corporate bond yields fell during the month



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

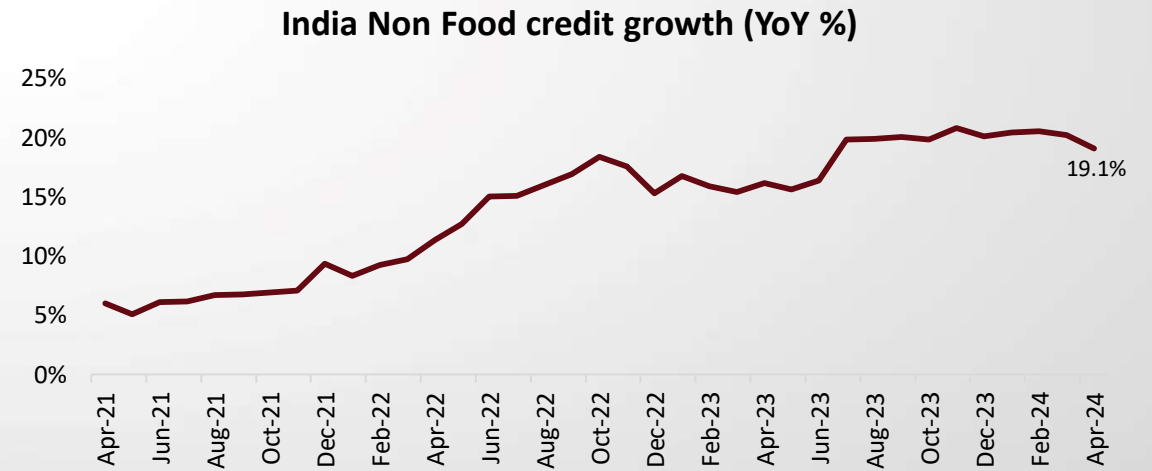
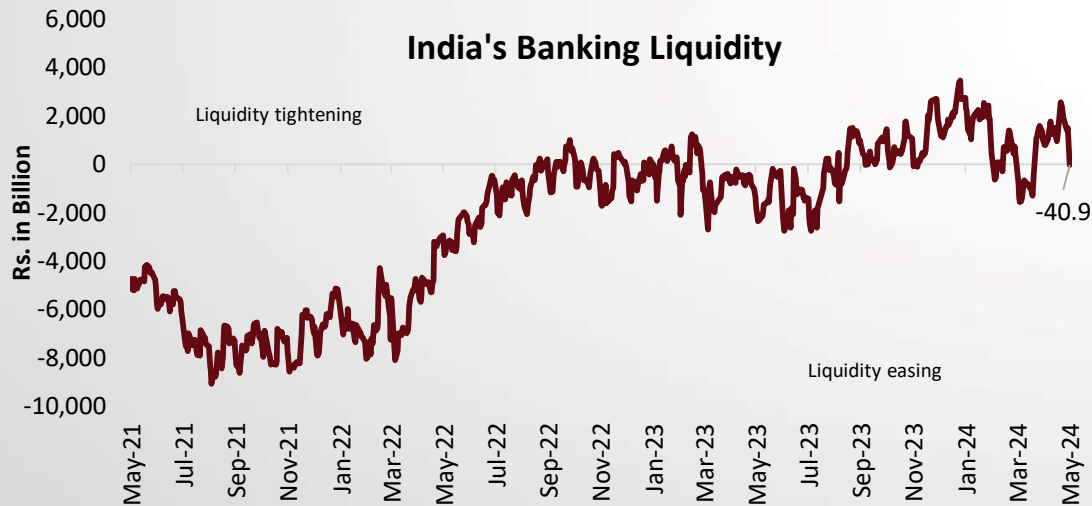
Yield on corporate bonds went down in the range of 11 to 16 bps across the curve. Yield fell the most on 1 & 6 to 8 year papers and the least on 15 year paper.

DEBT MARKET

System Liquidity



INDIAN DEBT



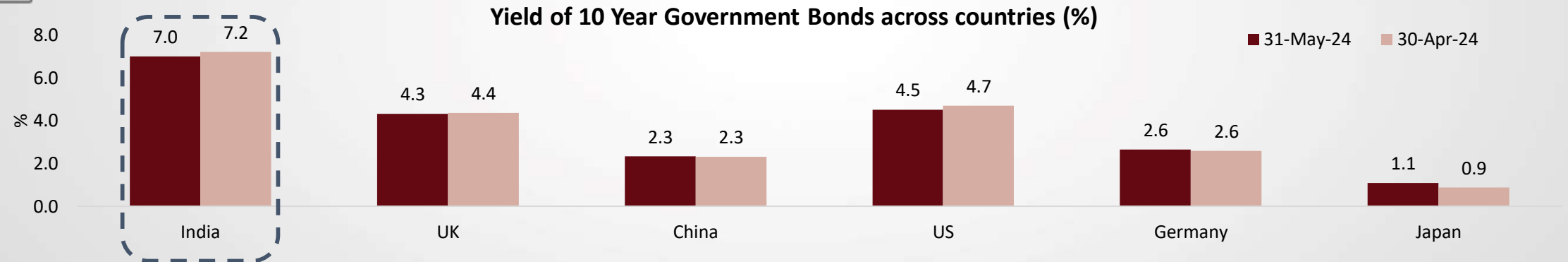
- Banking system's liquidity turned into deficit mode in May 2024 after remaining in surplus mode throughout the previous month as government spending declined due to ongoing general elections.
- In response to the banking system's tight liquidity, the RBI announced a large cutback in the government's sale of Treasury bills and unveiled a new range of bonds for the Centre's buyback operations.
- The RBI approved a dividend of Rs. 2.11 lakh crore for the central government for FY24, which has raised hopes among market participants that the government might reduce its gross borrowing for FY25 by up to Rs. 1 lakh crore.

DEBT MARKET

Global



GLOBAL DEBT



Current Yield (%)	7.0	4.3	2.3	4.5	2.6	1.1
Inflation (%)	4.8	2.3	0.3	3.4	2.2	2.2
Real Yields (%): 31-May-24	2.2	2.0	2.0	1.1	0.4	-1.1

- Globally, 10-year Sovereign yields remained mixed during the month. All above economies witnessed positive inflation adjusted returns/yields except Japan with India being the highest followed by U.K. and China.
- U.S. Treasury prices rose after data revealed that consumer price inflation in the U.S. decreased in Apr 2024, which fueled hopes the U.S. Federal Reserve will soon start lowering interest rates.

CATEGORY PERFORMANCE

Debt Mutual Funds



CATEGORY

MF Category	Absolute Returns (%)			CAGR (%)		
	1 month	3 months	6 months	1 year	3 years	5 years
Overnight Fund	0.55	1.64	3.29	6.70	5.26	4.68
Liquid Fund	0.59	1.84	3.64	7.15	5.56	5.09
Ultra Short Term Fund	0.56	1.81	3.51	6.81	5.37	5.36
Low Duration Fund	0.59	1.85	3.61	6.91	5.42	5.38
Money Market Fund	0.59	1.89	3.67	7.13	5.59	5.72
Arbitrage Fund	0.57	1.83	3.83	7.41	5.35	4.95
ICRA Liquid Index	0.63	1.93	3.86	7.55	5.98	5.47
Short Term Bond Fund	0.77	1.65	3.63	6.23	5.49	5.74
Medium Duration Fund	0.93	1.72	4.03	6.31	5.89	5.45
Banking and PSU Fund	0.82	1.74	3.86	6.51	5.12	6.47
Corporate Bond Fund	0.85	1.81	3.91	6.61	5.10	6.33
Credit Risk Fund	0.79	1.82	3.87	7.59	9.23	5.12
Nifty Short Duration Debt Index	0.79	1.86	3.88	7.02	5.51	6.66
Dynamic Bond Fund	1.45	1.72	4.80	6.64	5.38	6.17
Medium to Long Duration Fund	1.39	1.74	4.64	6.00	5.04	5.69
ICRA Composite Bond Fund Index	1.16	2.03	5.03	6.76	5.63	7.55
Gilt Fund	1.64	1.82	5.21	6.87	5.10	6.47
ICRA Composite Gilt Index	1.56	1.88	5.69	6.75	5.68	7.28

- Credit Risk Funds, Arbitrage Funds, and Liquid Funds are the top performing categories over the past year, generating around 7% returns.

DEBT MARKET

Sensitivity Analysis



INDIAN DEBT

Sensitivity Analysis				Interest Rate Scenario's					
				Increases			Decreases		
MF Category	Avg YTM (%)	Avg Maturity (Years)	Avg Mod duration (Years)	0.25%	0.50%	1.00%	0.25%	0.50%	1.00%
Overnight Fund	6.48	0.00 Years	0.01 Years	6.48%	6.48%	6.47%	6.48%	6.49%	6.49%
Liquid Funds	7.16	0.03 Years	0.10 Years	7.13%	7.11%	7.06%	7.18%	7.21%	7.26%
Ultra Short Term Fund	7.51	0.21 Years	0.41 Years	7.41%	7.31%	7.10%	7.61%	7.72%	7.92%
Money Market Fund	7.51	0.23 Years	0.62 Years	7.35%	7.20%	6.89%	7.66%	7.82%	8.13%
Low Duration Fund	7.74	0.75 Years	0.88 Years	7.52%	7.30%	6.86%	7.96%	8.18%	8.62%
Short Term Bond Fund	7.63	3.51 Years	2.60 Years	6.98%	6.33%	5.03%	8.28%	8.93%	10.23%
Corporate Bond Fund	7.65	4.35 Years	3.17 Years	6.85%	6.06%	4.48%	8.44%	9.23%	10.82%
Banking and PSU Fund	7.59	4.71 Years	3.11 Years	6.81%	6.03%	4.48%	8.36%	9.14%	10.70%
Credit Risk Funds	8.33	2.94 Years	2.13 Years	7.80%	7.26%	6.20%	8.86%	9.39%	10.46%
Medium Duration Fund	7.86	4.88 Years	3.53 Years	6.98%	6.10%	4.33%	8.74%	9.63%	11.39%
Dynamic Bond Fund	7.37	11.17 Years	6.05 Years	5.86%	4.35%	1.32%	8.89%	10.40%	13.42%
Medium to Long Duration Fund	7.43	9.57 Years	5.90 Years	5.96%	4.48%	1.53%	8.91%	10.38%	13.33%
Gilt Fund	7.27	13.53 Years	7.16 Years	5.48%	3.69%	0.11%	9.06%	10.85%	14.43%

- Credit Risk funds, Medium Duration funds and Low Duration funds offer higher YTM's.

DEBT MARKET ROUNDUP

Key Takeaways & Outlook



INDIAN DEBT

Domestic & Global factors that played out for the Indian markets:

- **Bond yields fell in tandem with the U.S. Treasury yields after the U.S. Federal Reserve maintained interest rates as expected but sounded less hawkish than anticipated** in its monetary policy concluded on May 1, 2024. Yields fell further as the Indian government decided to continue pumping money into the banking system in the upcoming weeks after reducing the supply of Treasury bills for the first quarter of FY25.
- **Gains were extended after the RBI approved a record surplus transfer of Rs. 2.11 lakh crore to the government for the fiscal year ended on Mar 31, 2024.** However, gains were restricted following increase in U.S. Treasury yields that rose back toward the 4.50% mark.

Outlook:

- Market participants will now look forward to the union budget and how does the government pave the way for fiscal consolidation. A weaker majority in coalition government at the Centre may increase welfare spending but not result in additional borrowing, limiting a rise in bond yields.
- Globally, the US Fed is expected to carry out fewer-than-expected rate cuts in 2024 while other major central banks initiate their respective easing cycles. While, Canada and ECB (European Central Bank) have joined ranks with Sweden and Switzerland, breaking ranks from the US, and deciding to cut key policy rates by 25 bps in early June.
- **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 can generate capital gains when interest rates cuts by central banks happen in future.**

ECONOMIC CALENDAR

Upcoming Key Events for the Month



DOMESTIC

Events for June 2024	
Event	Date
Industrial Production YoY Apr 2024	12-Jun-24
CPI Inflation YoY May 2024	12-Jun-24
Passenger Vehicles Sales YoY May 2024	13-Jun-24
WPI Inflation YoY May 2024	14-Jun-24
Balance of Trade May 2024	14-Jun-24
Infrastructure Output YoY May 2024	28-Jun-24
Current Account Q4 of FY24	28-Jun-24



GLOBAL

Events for June 2024	
Event	Date
U.K. GDP Estimate YoY Apr 2024	12-Jun-24
China CPI YoY May 2024	12-Jun-24
U.S. CPI YoY, NSA May 2024	12-Jun-24
U.S. Federal Reserve Funds Target Rate	12-Jun-24
U.K. CPI YoY May 2024	19-Jun-24
U.K. Bank of England Bank Rate Jun 2024	20-Jun-24
Japan CPI, Overall Nationwide May 2024	20-Jun-24
China Loan Prime Rate 1Y Jun 2024	20-Jun-24

MUTUAL FUND DASHBOARD

Category Performance

MUTUAL FUND DASHBOARD

Category Performance



CATEGORY PERFORMANCE

MF Equity Category:	1 Yr	3 Yr	5 Yr	10 Yr
Large Cap	30.99	15.37	15.05	13.50
Large & Mid Cap	40.19	20.21	19.14	16.41
Multi Cap	43.06	21.74	20.96	17.14
Flexi Cap	35.77	17.63	17.27	15.27
Mid Cap	48.56	23.80	23.24	18.97
Small Cap	45.21	25.32	26.40	20.64
Focused	33.98	17.11	16.56	15.04
Value	45.02	21.55	19.27	16.46
Hybrid Category:				
Conservative Hybrid	11.83	8.41	7.99	8.23
Balanced Advantage	22.92	11.60	11.48	10.60
Multi Asset Allocation	27.09	15.41	17.24	12.59
Aggressive Hybrid	28.09	14.92	14.69	13.01

MF Debt Category	3 Mths	6 Mths	1 Yr	3 Yr
Money Market:				
Overnight	1.64	3.29	6.70	5.26
Liquid	1.84	3.64	7.15	5.56
Ultra Short Duration	1.81	3.51	6.81	5.37
Low Duration	1.85	3.61	6.91	5.42
Money Market	1.89	3.67	7.13	5.59
Accrual:				
Short Duration	1.65	3.63	6.23	5.49
Medium Duration	1.72	4.03	6.31	5.89
Banking & PSU Debt	1.74	3.86	6.51	5.12
Corporate Bond	1.81	3.91	6.61	5.10
Floating Rate	2.02	3.93	7.53	5.64
Credit Risk	1.82	3.87	7.59	9.23
Duration:				
Medium to Long Duration	1.74	4.64	6.00	5.04
Long Duration	1.94	6.94	6.94	5.17
Dynamic Bond	1.72	4.80	6.64	5.38
Gilt	1.82	5.21	6.87	5.10
Gilt Fund with 10 year constant duration	1.95	5.14	6.35	4.58

Note: <1 year return are absolute and ≥ 1 year returns are CAGR. MF Category average performance as on 31st May 2024. Performance is for regular plan growth option. Source: MFI 360 Explorer

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