

Global Navigator

December 2024

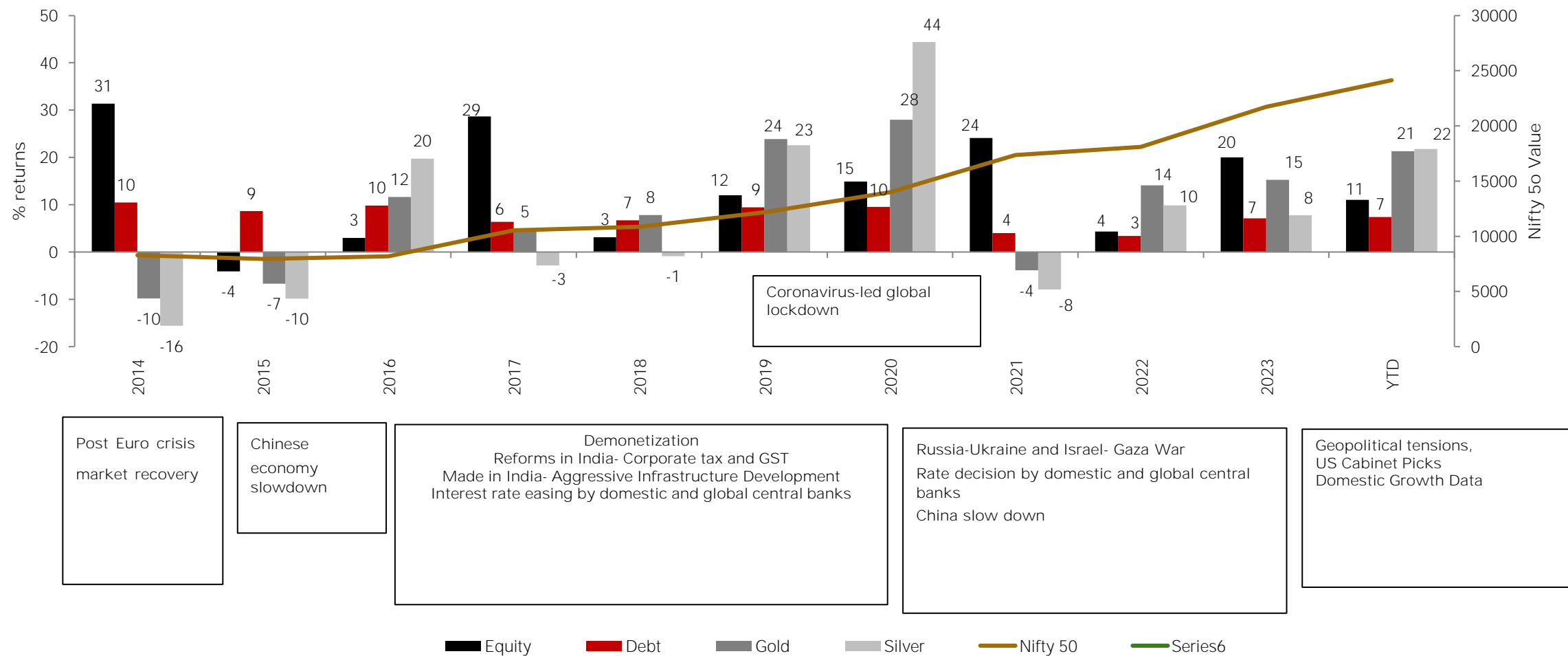


HSBC Mutual Fund

History of asset classes through major events

Calendar year performance of asset classes

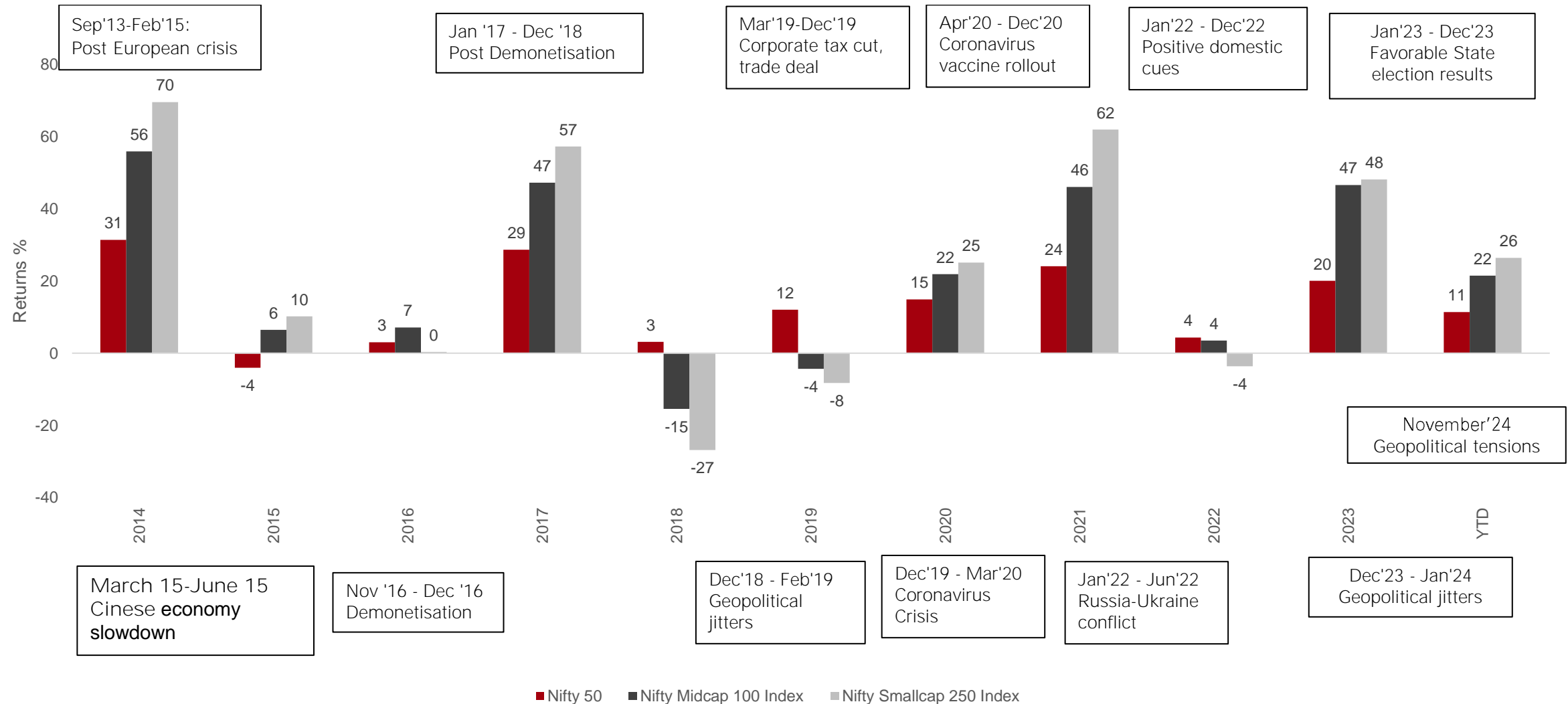
Calendar year performance of asset classes



History of Equity markets through major events

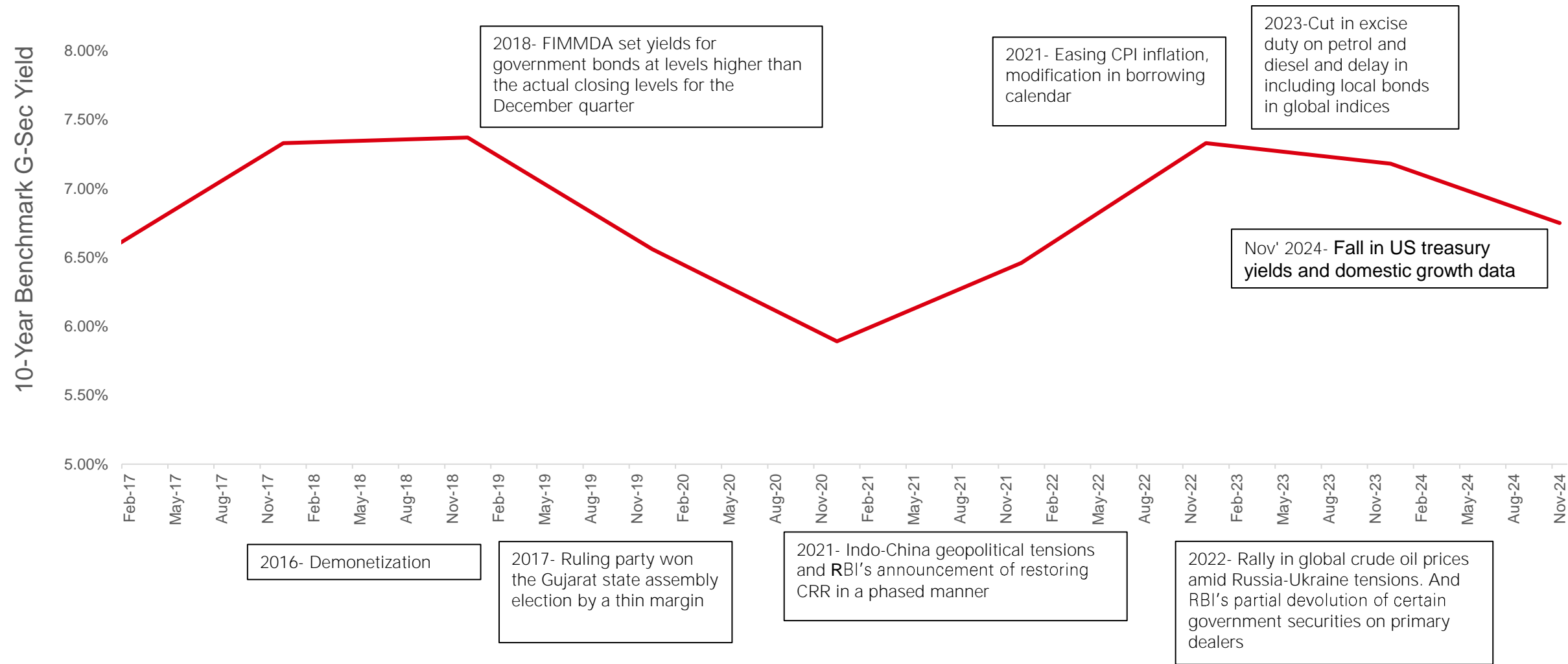
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Performance of major equity indices



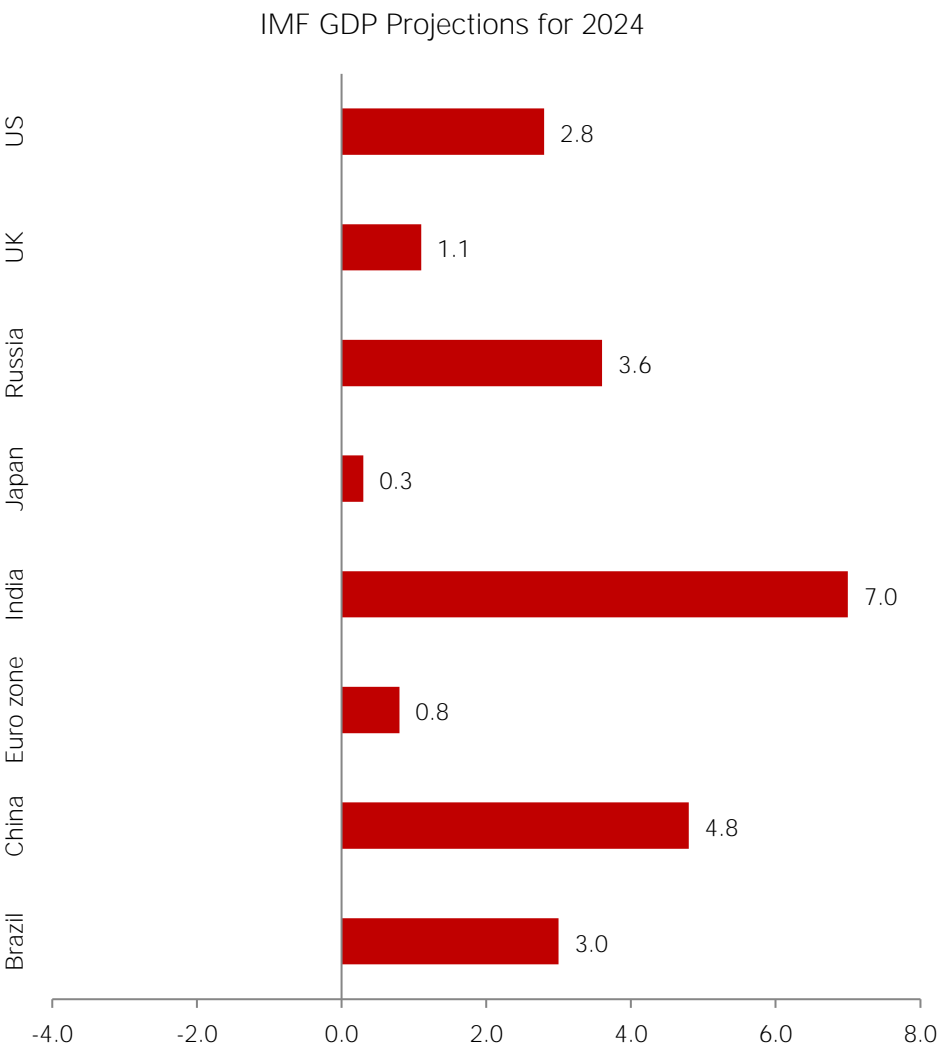
History of Debt Markets through major events

10-year G-Sec yield movement through major events



	GDP		Inflation		Industrial Growth	
	Current	Previous	Current	Previous	Current	Previous
US	2.8% Q3 2024	3.0% Q2 2024	2.6% Oct'24	2.4% Sep'24	-0.3% Oct'24	-0.7% Sep'24
Eurozone	0.9% Q3 2024	0.6% Q2 2024	2.3% Nov'24	2.0% Oct'24	-2.80% Sep'24	-0.10% Aug'24
UK	1.0% Q3 2024	0.9% Q2 2024	2.3% Oct'24	1.7% Sep'24	-1.8% Sep'24	-1.7% Aug'24
China	4.6% Q3 2024	4.7% Q2 2024	0.3% Oct'24	0.4% Sep'24	5.3% Oct'24	5.4% Sep'24
Japan	0.9% Q3 2024	2.2% Q2 2024	2.3% Oct'24	2.5% Sep'24	1.60% Oct'24	-2.60% Sep'24
India	5.4% Q2 FY25	6.7% Q1 FY25	6.21% Oct'24	5.49% Sep'24	3.1% Sep'24	-0.1% Aug'24

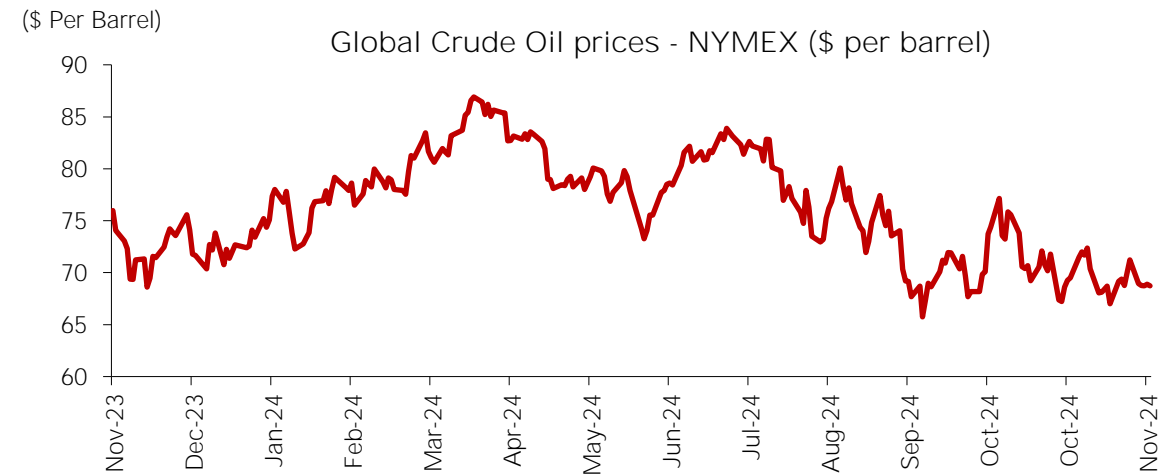
Major Global Central Bank	Latest Key Interest rate
US Federal Reserve	4.50-4.75%
Bank of England	4.75%
European Central Bank	3.40%
Bank of Japan	0.25%
India	6.50%



Source: CRISIL, Bloomberg, Respective Central Banks, IMF. Data as on 29 November 2024

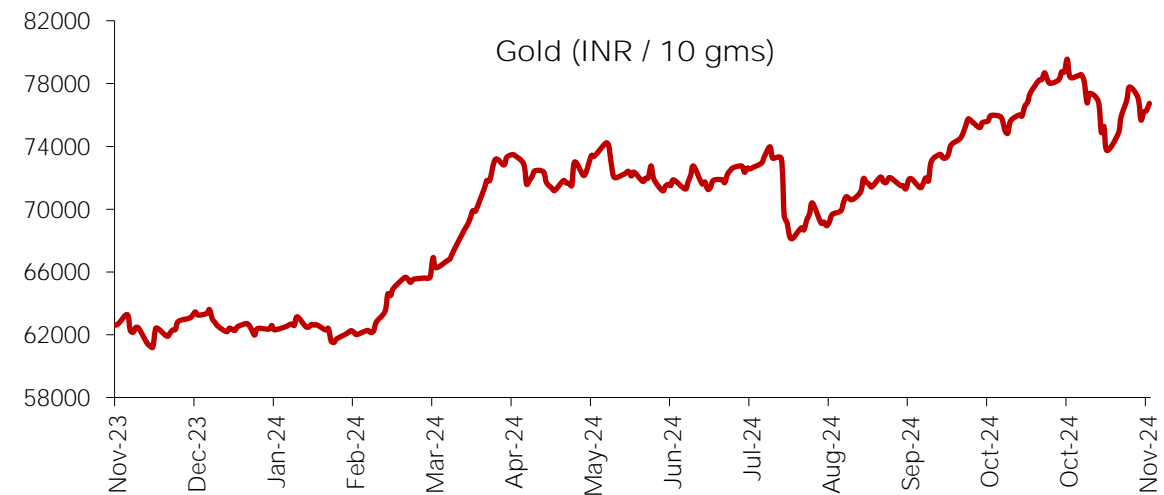
International crude oil fell in November

- Crude oil prices on the New York Mercantile Exchange closed at \$68 per barrel on November 29, down 1.8% from \$69.26 per barrel on October 31, 2024.
- Prices declined after the OPEC+ delayed its output increase by a month. They fell further due to the dollar's strength against other currencies and easing geopolitical tensions, which offset supply concerns. Additionally, weak economic data from the US and China weighed on demand and kept prices under pressure.



Gold declined in November

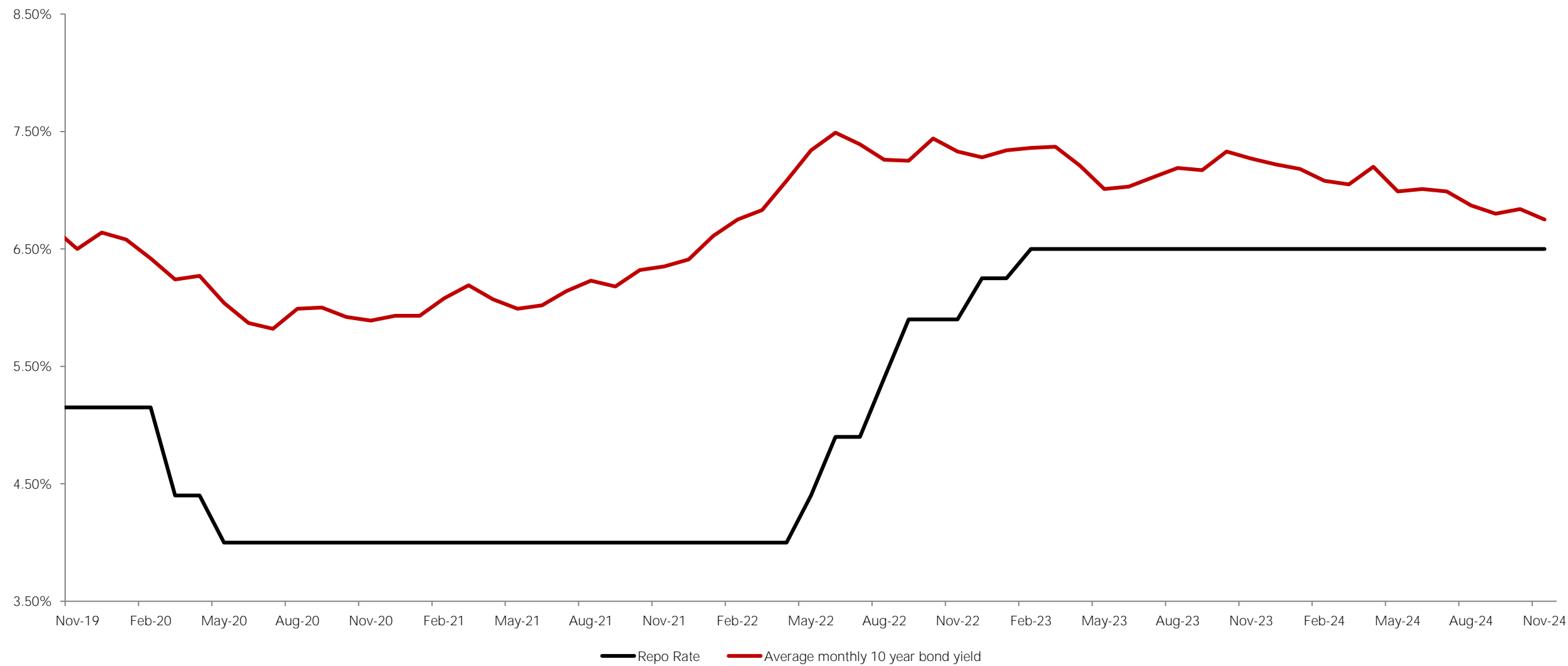
- Gold prices ended at Rs 76,740 per 10 gram on November 29, down 3.54% from Rs 79,557 on October 31, according to the India Bullion and Jewellers Association.
- Prices declined tracking weak global cues after the US Federal Reserve cut interest rates at its November meeting.
- A strong dollar, following the US election results, further drove down prices of the safe haven.
- However, some gains were witnessed as escalating geopolitical tensions raised demand for safe-haven assets.



Source – CRISIL, NYMEX. Data as on 29 November 2024

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RBI Repo Rate held at 6.50%



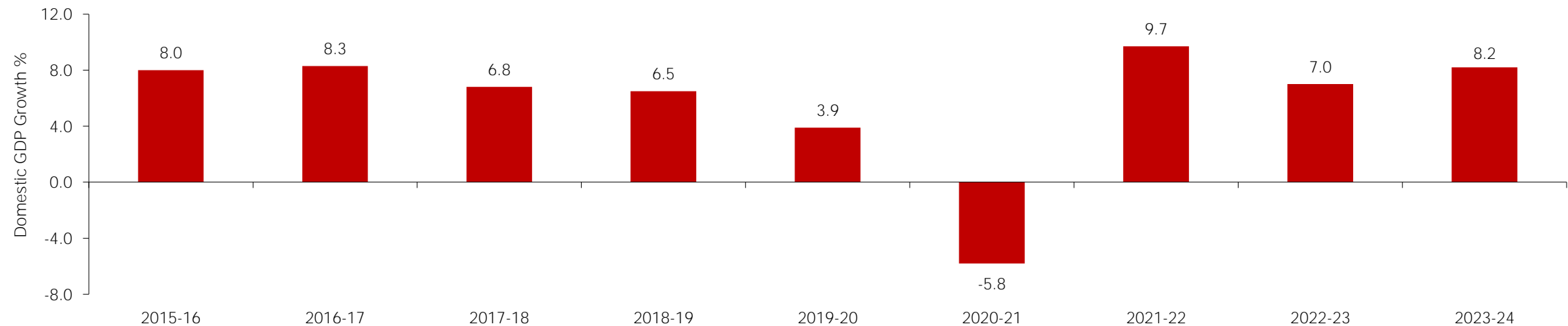
Source: RBI, CRISIL Research, Data as on 29 November 2024
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Indian Economic Environment

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Growth slows down to 5.4%, but outlook remains positive

- India's GDP growth for the second quarter of fiscal 2025 came in at 5.4% on-year the slowest in seven quarters, due to weaker consumption, subdued government spending, production slowdown, and the impact of adverse weather conditions on key industries.
- Nevertheless, while admitting that the growth rate was disappointing, Chief Economic Advisor said there was no reason to be alarmed, as the economy continued to have many bright spots, particularly agriculture and construction.
- Several global agencies and experts also expressed confidence in India's growth prospects. The International Monetary Fund (IMF), in its Regional Economic Outlook for Asia-Pacific, said India remains the world's fastest-growing economy, with investment and private consumption driving its growth.



Source – CRISIL, Mospi, Data as on 29 November 2024

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Retail inflation climbs to a 14-month high of 6.2% in October

- India's Consumer Price Index (CPI)-based inflation jumped to a 14-month high of 6.21% in October 2024.
- Food inflation shot up in double digits of 10.87% (15-month high), up from 9.24% in September. Rising food prices also led to an acceleration in the Wholesale Price Index (WPI)-based inflation, from 1.84% in September to 2.36% in October.

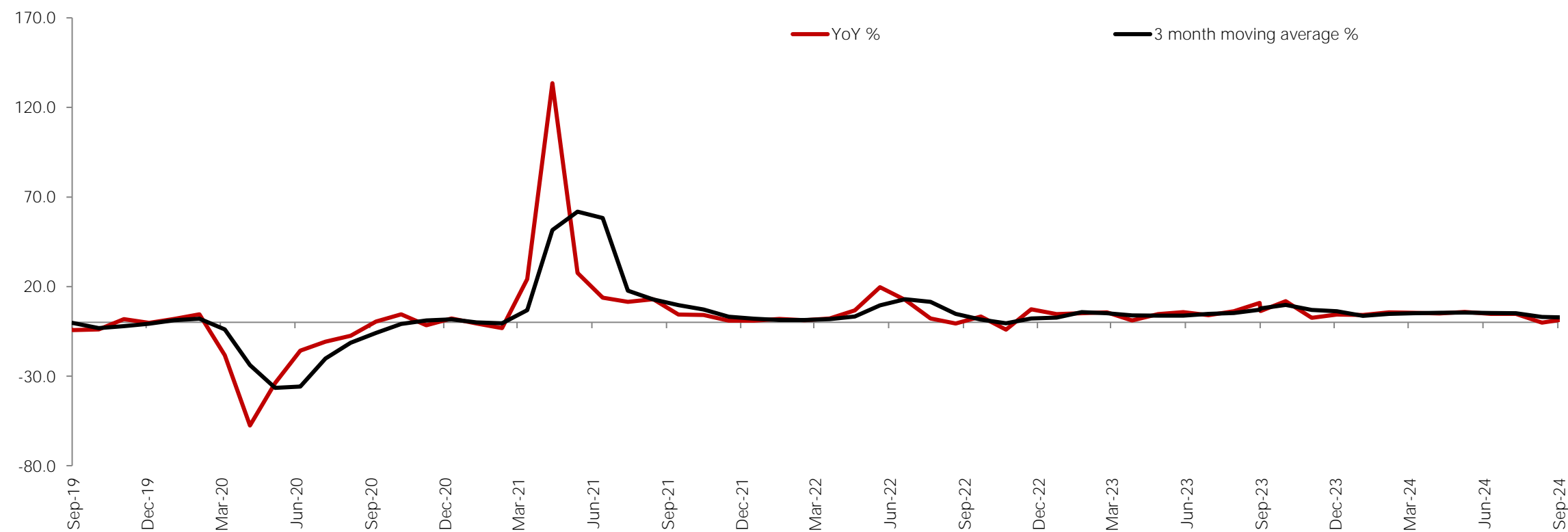
Indicators	Current	Previous
Monthly CPI Inflation	6.21% (Oct-24)	5.49% (Sep-24)
Industrial Growth	3.1% (Sep-24)	-0.1% (Aug-24)
Exports	\$252.28 bn (Apr-Oct 24)	\$244.51 bn (Apr-Oct 23)
Imports	\$416.93 bn (Apr-Oct 24)	\$394.18 bn (Apr-Oct 23)
Trade Balance	-\$63.24 bn (Apr-Oct 24)	-\$60.02 bn (Apr-Oct 23)
Gross Tax Collections	INR 2032634 cr (Apr-Oct FY25)	INR 1834518 cr (Apr-Oct FY24)

Source – Ministry of Commerce, Comptroller General of Accounts, CRISIL, Data as on 29 November 2024
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Index of Industrial Production - IIP

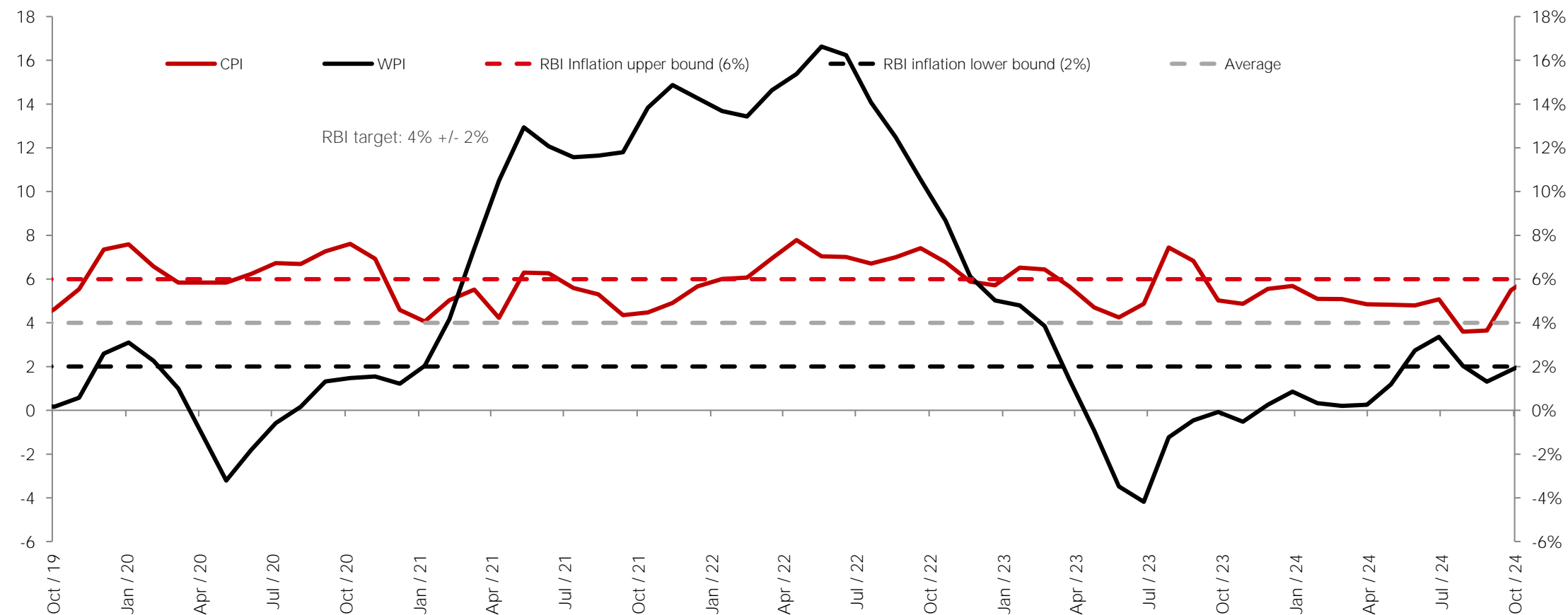
- After contracting 0.1% in August 2024, India’s industrial output growth, measured by the index of industrial production (IIP), bounced back to the positive region with a 3.1% on-year expansion in September. The rebound was primarily aided by an acceleration in manufacturing output (3.9% in September versus 1.1% in August). In terms of use-based classification, the biggest contributors to this growth were intermediate goods and consumer durables.



Source: CRISIL, MOSPI, Data as on 29 November 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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Inflation target and trend

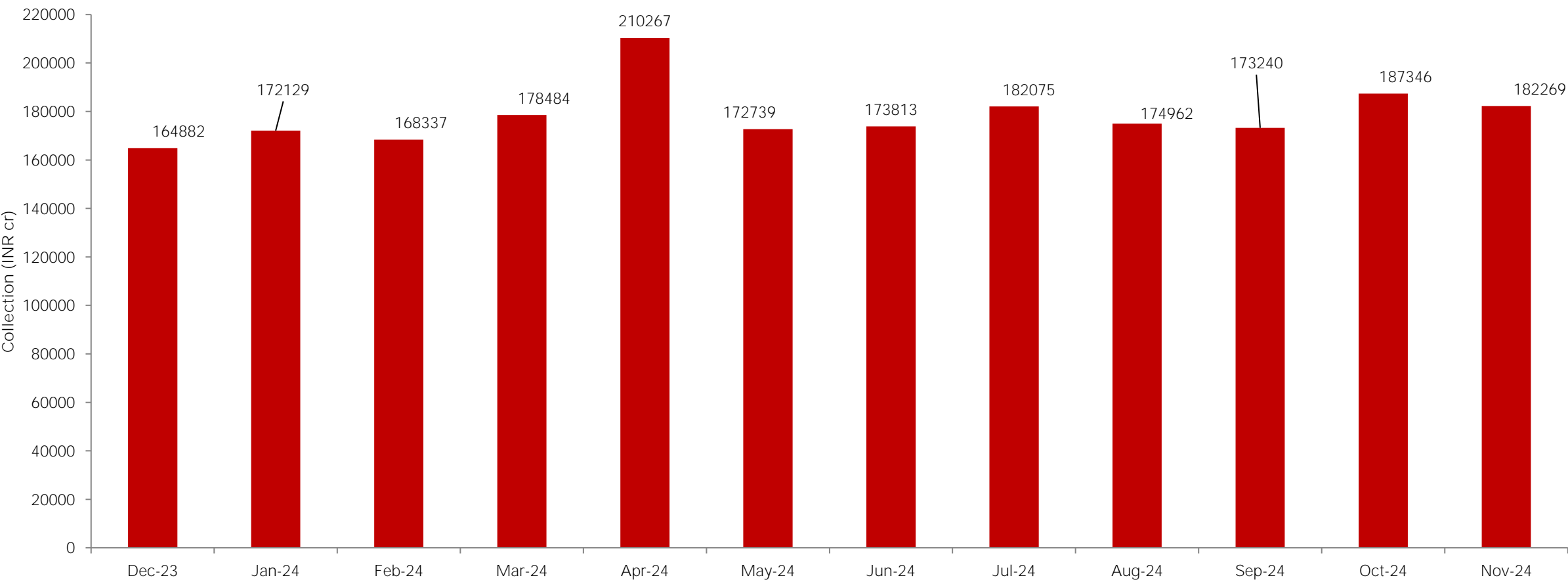
CPI inflation below the RBI's max target range



Source: CRISIL, MOSPI, RBI, Data as on 29 November 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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GST collection INR 1.82 lakh crore in November

As per reports, the government collected INR 1.82 lakh crore goods and services tax (GST) for the month of November



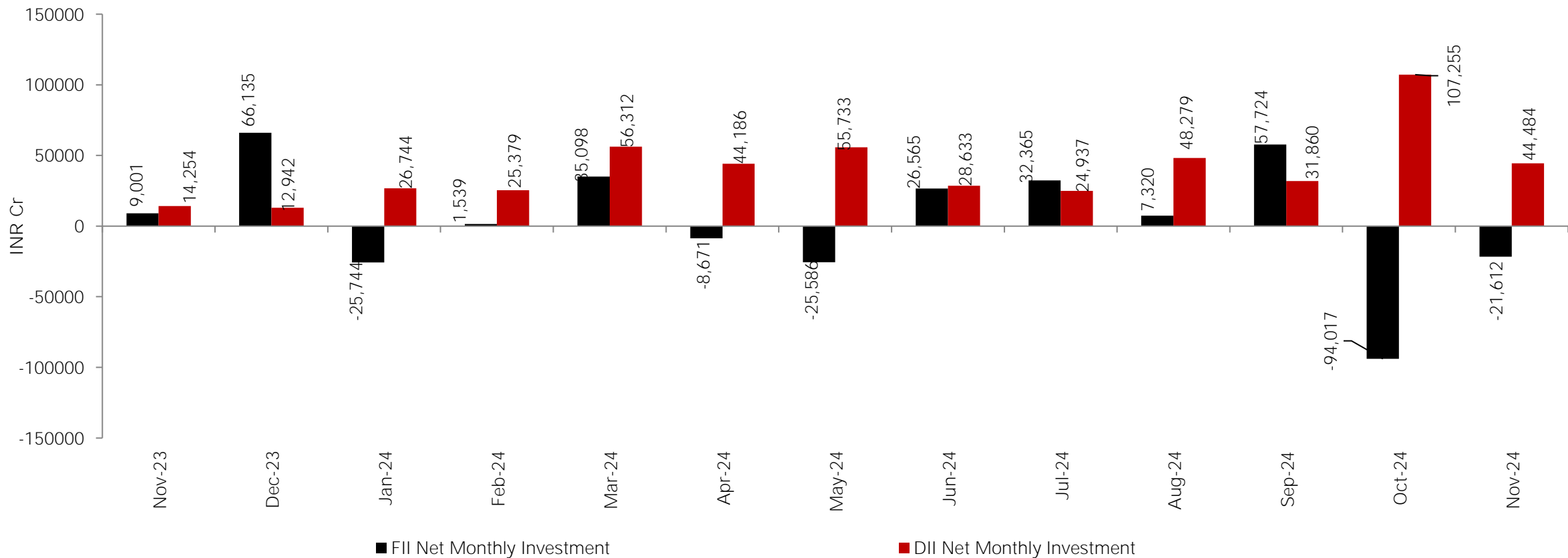
Source- CRISIL, [gst.gov.in](https://www.gst.gov.in), Data as on 29 November 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns. GST – Goods and Services Tax
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Indian equity indices mixed in November'24

- Persistent foreign fund outflows and dull corporate earnings continued to weigh down on the Indian stock markets in November 2024. Although a rally during the last few trading sessions eventually helped the BSE Sensex bounce back to the positive territory in terms of month-on-month gains, the Nifty 50 struggled to gain strength. The benchmark BSE Sensex rose 0.52% while Nifty 50 fell 0.31% on-month, respectively
- Indian stocks posted the biggest single-day rally in five months on November 22, spurred by the expectations of an improvement in corporate earnings in the second half of the fiscal year as well as the anticipation of favourable Maharashtra state election results, boosting hopes for stable government spending in the second half of fiscal 2025
- Positive global cues, including Japan's encouraging inflation data and its announcement of a stimulus package, supported the rebound
- The domestic market was supported by continued buying by domestic institutional investors (DIIs). In November, DIIs bought Rs 44,484 crore worth of equities, compared with Rs 107,255 crore in October
- In October, DIIs bought Rs 107255 crore worth of equities, compared with Rs 31,860 crore in September
- Intermittent gains in banking, financial services and IT stocks contributed to the resilience during the month
- Besides these, the Indian stock markets also witnessed a sharp decline early in the month, following the announcement of a 25-basis-point interest rate cut by the US Fed, and the declaration of US presidential election results. This was because of fears about a possible rise in US Treasury yields and the US dollar index in anticipation of a tariff hike on imports, and their impact on foreign inflows into India
- Escalating geopolitical uncertainty also exerted pressures on the markets to some extent

BSE sectoral indices ended higher in November '24

- Among the key sectoral indices, 8 indices saw a month-on-month rise compared with October-end.
- The biggest gainers for the month were the BSE IT (5.8%), BSE Teck (4.9%) and BSE Consumer durables (3.0%) indices.



Equity Market Review

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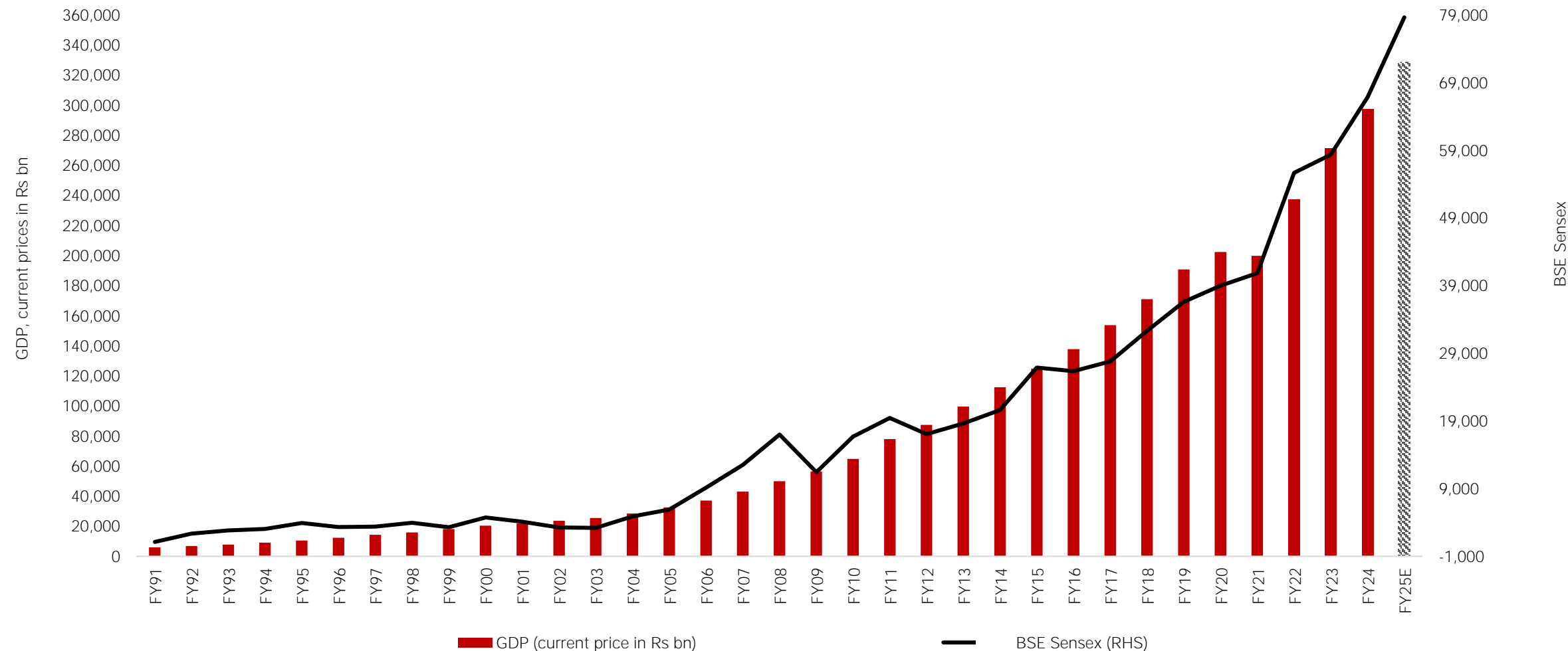
Indices	29-Nov-2024	31-Oct-2024	% Change 1 Month	% Change 1 Year	% Change YTD
Nifty 50	24131	24205	-0.31	19.86	11.04
BSE Sensex	79803	79389	0.52	19.13	10.47
BSE Auto	52898	53540	-1.20	32.07	25.26
BSE BANKEX	59298	58664	1.08	17.91	9.05
BSE Capital Goods	70700	69106	2.31	41.43	27.06
BSE Consumer durables	62469	60656	2.99	32.57	24.94
BSE FMCG	21213	21663	-2.08	10.73	3.64
BSE Healthcare	43666	43915	-0.57	43.76	38.40
BSE IT	42783	40428	5.83	28.76	18.81
BSE Metal	30537	31280	-2.38	25.98	13.14
BSE MidCap	46071	45967	0.23	34.49	25.06
BSE Oil & Gas	26813	27458	-2.35	30.47	16.47
BSE Power	7490	7829	-4.34	52.20	28.72
BSE PSU	19896	19894	0.01	47.50	27.88
BSE Realty Index	7960	7809	1.93	40.71	28.66
BSE SmallCap	55200	54983	0.39	36.73	29.35

Source: NSE, BSE, Data as on 29, November 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

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Equity mirrors economic growth in the long term

GDP - The Indian economy is expected to carry the momentum of last year’s GDP growth into the current fiscal year as well



Source: CRISIL, Bloomberg, BSE, IMF, The GDP projection for fiscal year 2025 is shown shaded in this graph is for illustration purposes only and is not guaranteed, Data as on 30 November 2024, Past Performance may or may not be sustained in future. Investors should not consider the same as investment advice GDP – Gross Domestic Product. Note-The details provided above is as per the information available in public domain at this moment and subject to change. Please consult your financial advisor for any investment decisions.

Sectoral performance long term trends

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Sectoral returns – Sectoral indices post positive performance over the 10-year period

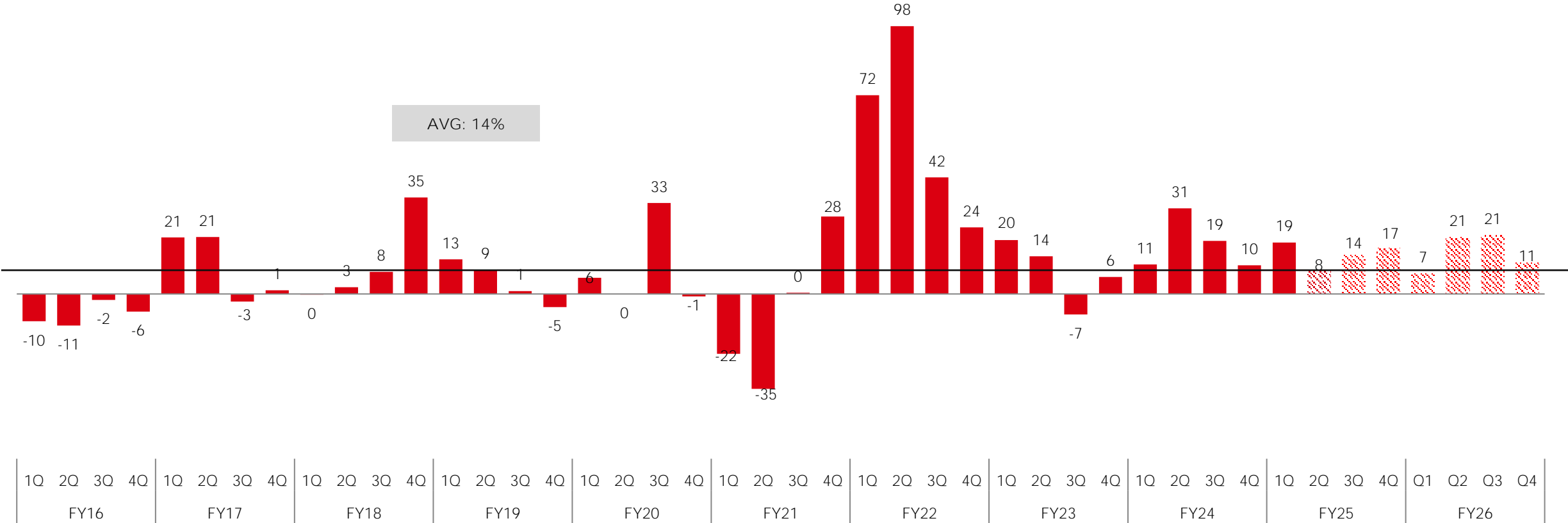
Sectoral indices	% Change										
	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24*	10-year CAGR*
Nifty 50	-4.06	3.01	28.65	3.15	12.02	14.90	24.12	4.33	11.20	11.04	10.87
BSE Sensex	-5.03	1.95	27.91	5.91	14.38	15.75	21.99	4.44	10.10	10.47	10.76
BSE Auto	-0.60	9.39	32.06	-22.12	-11.27	12.59	15.27	16.54	38.48	25.26	10.64
BSE BANKEX	-9.92	7.35	39.08	5.27	20.72	-2.14	13.63	21.03	2.83	9.05	10.81
BSE CG	-8.51	-3.28	40.03	-1.63	-9.97	10.63	43.47	15.97	49.93	27.06	15.73
BSE CD	24.02	-6.34	101.92	-8.79	20.86	21.52	41.81	-11.27	18.62	24.94	20.51
BSE FMCG	1.36	3.29	31.54	10.60	-3.58	10.55	8.57	-10.93	19.17	3.64	10.60
BSE Healthcare	15.06	-12.88	0.49	-5.92	-3.55	61.45	17.62	16.62	31.87	38.40	11.30
BSE IT	4.51	-8.00	10.83	24.93	9.84	56.68	41.79	-12.10	15.89	18.81	14.32
BSE Metal	-31.20	36.65	47.78	-20.75	-11.92	11.23	57.06	-24.24	16.23	13.14	10.43
BSE Oil & Gas	-3.43	27.17	34.00	-15.57	7.25	-4.44	24.22	8.36	0.70	16.47	9.39
BSE Power	-6.44	1.53	19.83	-16.06	-3.65	7.05	67.62	16.57	12.32	28.72	13.19
BSE PSU	-17.18	12.88	19.27	-21.11	-3.88	-16.88	41.01	25.84	34.65	27.88	8.98
BSE Realty	-13.55	-5.98	106.36	-31.07	26.85	8.66	53.34	-10.26	64.11	28.66	16.79

Source: CRISIL, BSE, Figures in red indicate negative returns in that period. *10-year CAGR, Data as on 29 November 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

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Earnings growth – quarterly trend

Nifty 50 earnings retreated Q2 FY22 onwards

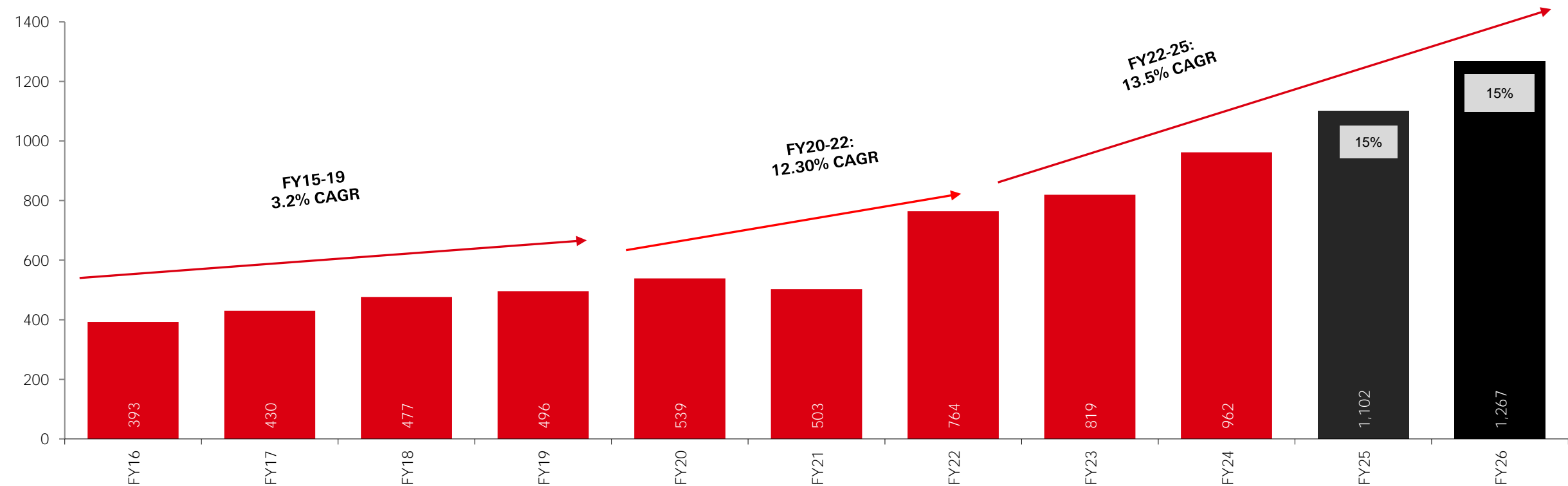


Nifty 50 EPS Growth (Y-o-Y)

Source: CRISIL, Bloomberg, Data as on 30 November 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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Earnings trend

India - Equity earnings (Nifty 50 EPS)

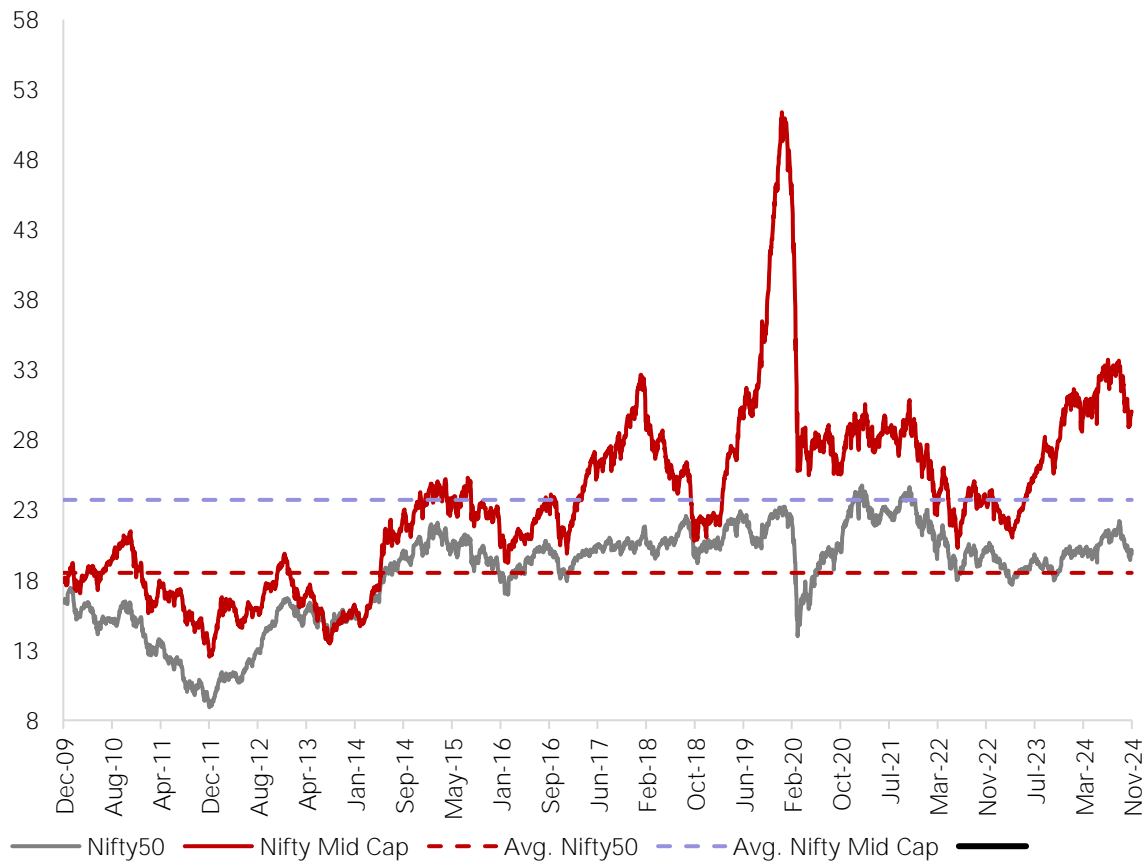


Note: Trailing 12M EPS (Earnings Per Share)
Black shaded columns are estimates of FY25 and FY26
Data for FY 26 is for only three quarters

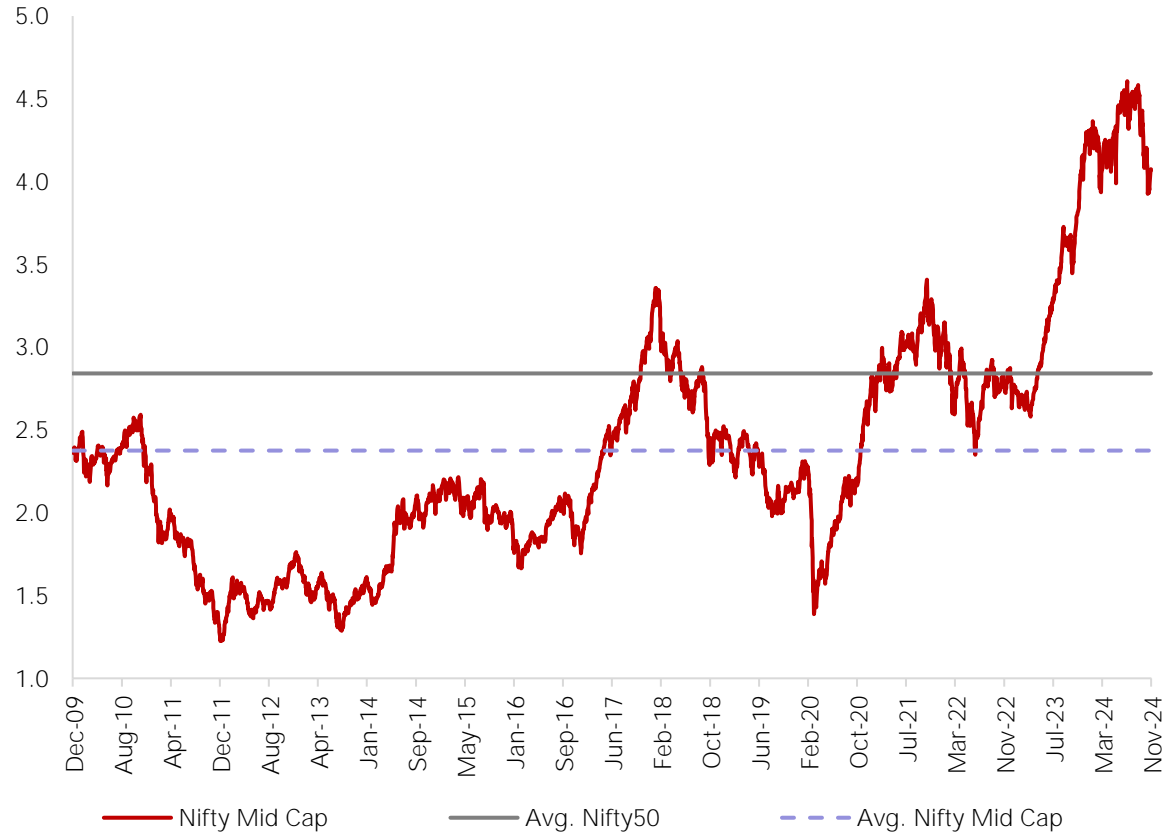
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Market valuations – Nifty 50 and Nifty Midcap 100

Large and Mid Cap - Price to Earnings (PE)



Large and Mid Cap - Price to Book (PB)

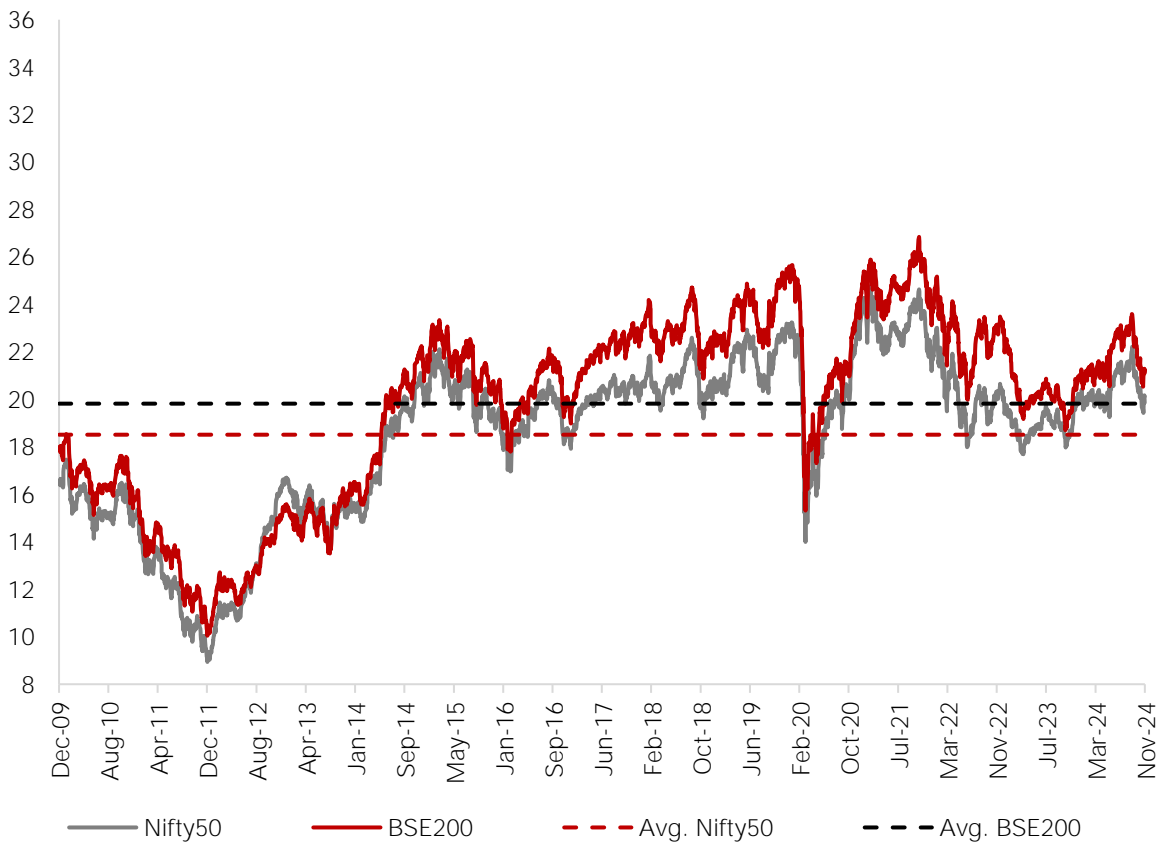


Source: CRISIL, Bloomberg

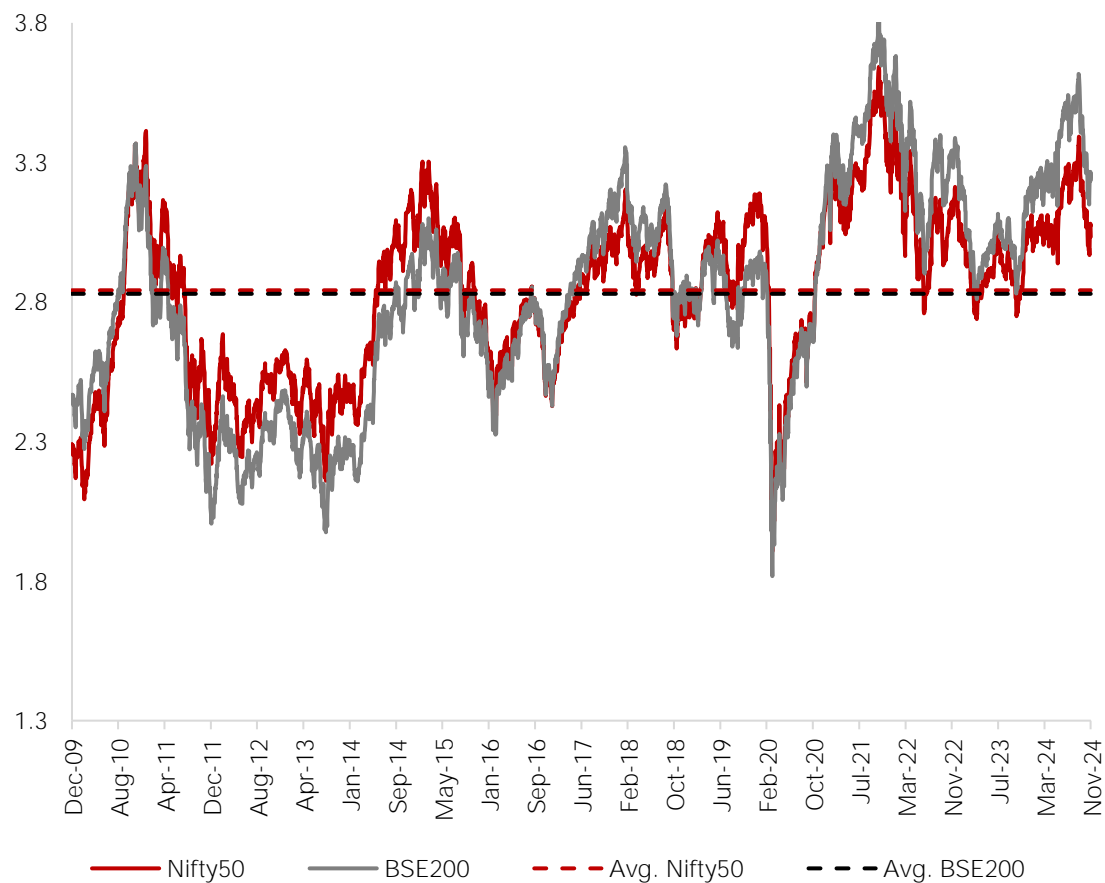
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Large and BSE 200 - Price to Earnings (PE)



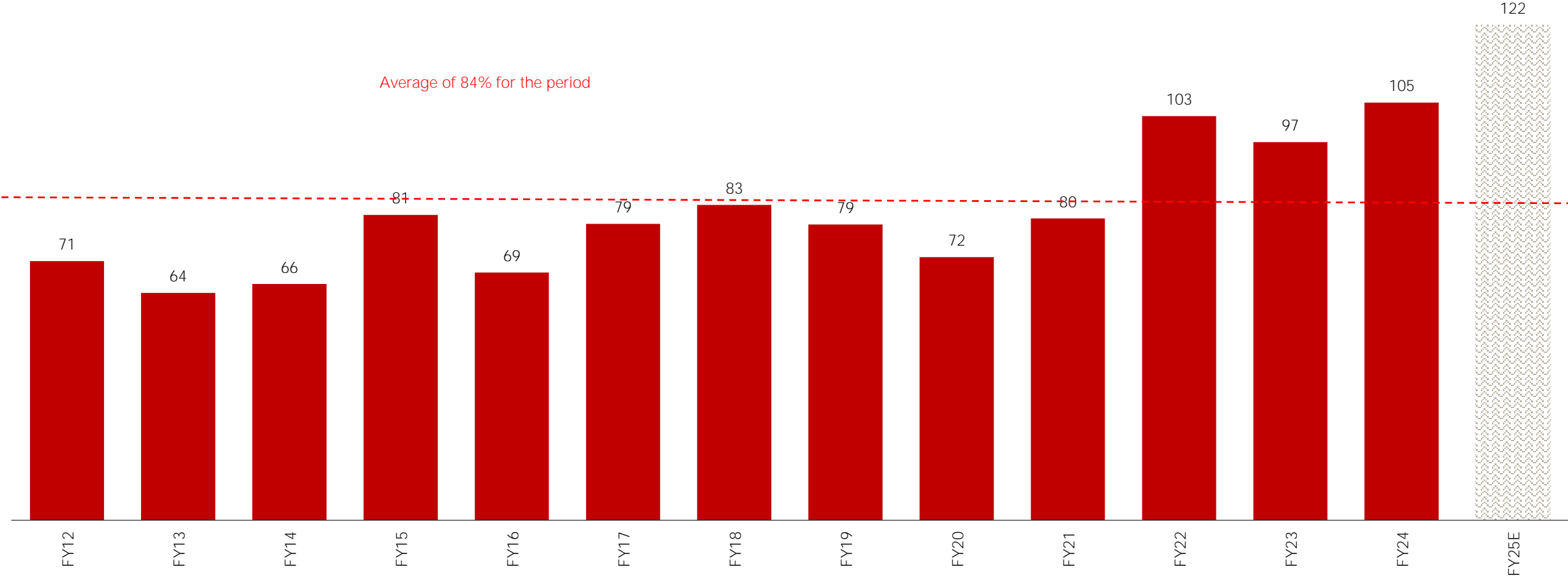
Large and BSE 200 - Price to Book (PB)



Source: CRISIL, Bloomberg, BSE, Data as on 30 November 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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India Market cap to GDP (%)

Market cap as a % of GDP



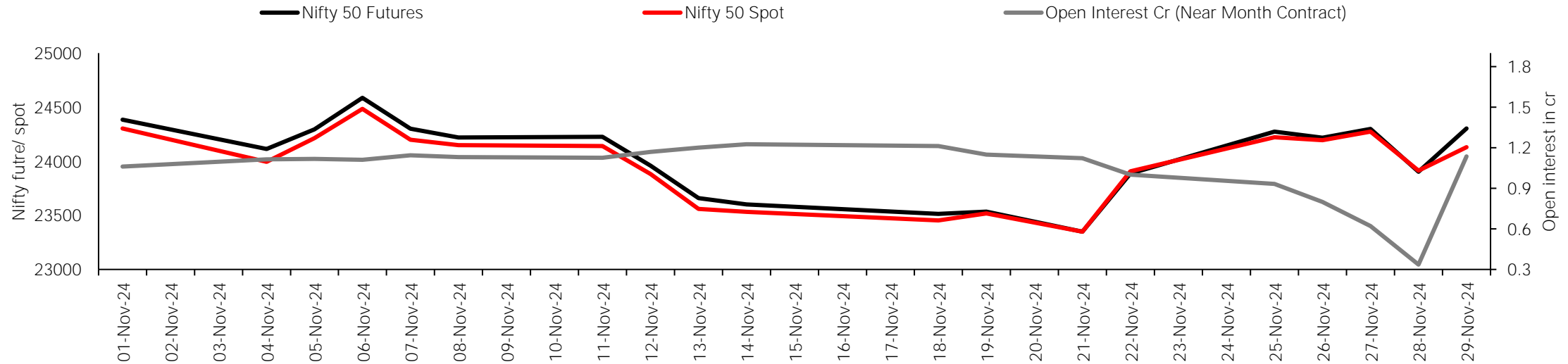
Shaded area are Estimates (E) – FY25
Source: CRISIL, MOSPI, Bloomberg, CRISIL estimates;
Data as on 30 November 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns. GDP- Gross Domestic Product
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- MSCI World index saw a sharp up move of 4.5% in November driven by the election of Donald Trump as the next President of the USA. US (500) rose 5.7%. MSCI EM was down 3.7% led by a 4.5% drop in MSCI China.
- FIIs continued to withdraw money from Indian equities with an outflow of US\$2.2 bn in November. DII's more than offset the same with MFs investing US\$3.8 bn while insurance invested US\$1.5 bn during the month.
- Real GDP for Q2FY25 (September quarter) grew only 5.4% (YoY) significantly below economist expectations. Slowdown was driven by weaker industry growth while consumption and services held up.
- CPI surged to 6.2% (YoY) in October from 5.5% (YoY) in September due to much higher food price inflation.
- While consensus Nifty EPS estimates for CY24/25 have largely maintained in Nov. Nifty therefore now trades on 20x 1 year forward PE inline with its 5-year average and only 10% above its 10-year average. Valuations in Mid Cap and Small Cap space are more elevated.
- In our view, global macro environment remains challenging with heightened geo-political and economic uncertainties. US Fed rate cut and Chinese government stimulus measures should be positive for the global economy.
- For India, GDP growth has faltered in Q2FY25 at 5.4% (YoY), under the impact of slowdown in government spending due to elections in H1FY25 and lower economic activity due to heavier rains in August and September.
- In the near term, there is a certain level of slowdown in India's growth momentum, however we believe longer term outlook remains strong.
- India's investment cycle to be on a medium-term uptrend supported by rising government investment in infrastructure and recovery in real estate cycle.
- Higher private investments in renewable energy and related supply chain, localization of higher-end technology components, and India becoming a more meaningful part of global supply chains to support faster growth. However, in our view several of these positives are getting discounted by the high valuations currently prevailing in the equity market.
- While we remain constructive on Indian equities supported by the more robust medium term growth outlook we would caution against high return expectations.

Source: HSBC Asset Management, India, Data as on 30 November 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns. Note-The details provided above is as per the information available in public domain at this moment and subject to change. Please consult your financial advisor for any investment decisions.

Nifty futures

- The Nifty 50 near-month future contract of November declined marginally on the rollover day (November 28) versus spot.
- The new near-month contract (December 26) ended 201 points higher on November 29.
- The rollover of the new near-month contract (December 26) was 73% up on the expiry day compared to 66% in the previous expiry.
- Volatility of the Nifty 50 index, as measured by India VIX moved in a narrow range during the month, came in at 15.21 on November 29 compared to 15.55 on October 31 (rollover date) and ended the month at 14.23.
- Nifty futures saw trading volume of around Rs 3.8 lakh crore, arising out of 64 lakh contracts, with an open interest of around 26 crore during the month



Source – NSE, CRISIL, Data as on 30 November 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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Nifty options

- On November 29, Nifty 25,000 call option witnessed the highest open interest of around 167 lakh, while Nifty 24,100 call contract garnered the maximum number of contracts of around 42 lakhs.
- Nifty 23,000 put option witnessed the highest open interest of around 168 lakh on November 29 and the Nifty 24,000 put contract garnered the maximum number of contracts of around 60 lakh.

NSE F&O turnover

- Turnover on the NSE’s derivative segment came in positive in the month. The average put-call ratio was at 0.92 in October unchanged from September.

Instrument	Monthly turnover summary (Figures in INR crore)		
	30-Nov	31-Oct	Change %
Index futures	634,368.00	761,217.63	-17%
Stock futures	2,604,339.39	3,343,153.19	-22%
Index options	624,485,162.94	860,158,771.41	-27%
Stock options	9,052,598.32	12,468,853.77	-27%
Total	636,776,468.65	876,731,996.00	-27%

Source – CRISIL, NSE. Data as on 30 November 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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FII segment

On November 29, FIIs’ open interest was Rs 6.63 lakh crore (~101 lakh contracts). The details of FII derivatives trades for November 1 to 29 are as follows:

	BUY		SELL		BUY %		SELL %	
	No. of contracts	Amount in INR Cr	No. of contracts	Amount in INR Cr	No. of contracts	Amount in INR Cr	No. of contracts	Amount in INR Cr
Index Futures	1288816	84658	1287652	83820	0.16	0.16	0.16	0.16
Index Options	769149864	50610820	772254523	50835717	96.35	96.29	96.35	96.29
Stock Futures	11983772	796995	11895374	788173	1.50	1.52	1.48	1.49
Stock Options	15824976	1070501	16088453	1087298	1.98	2.04	2.01	2.06
Total	798247428	52562974	801526002	52795008	100.00	100.00	100.00	100.00

Source – CRISIL, NSDL. Data as on 30 November 2024 , Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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Average inter-bank call money rates averaged marginally higher than RBI repo rate in November

- Liquidity in the Indian banking system remained in surplus for almost the entirety of November 2024, prompting the RBI to conduct multiple variable rate reverse repo (VRRR) auctions to mop up the excess liquidity. However, the liquidity eventually fell into deficit.
- Accordingly, overnight borrowing rates were pushed slightly above the policy repo rate of 6.50% as the month drew toward a close. The interbank weighted average call rate (WACR) for the month came in at 6.53%.

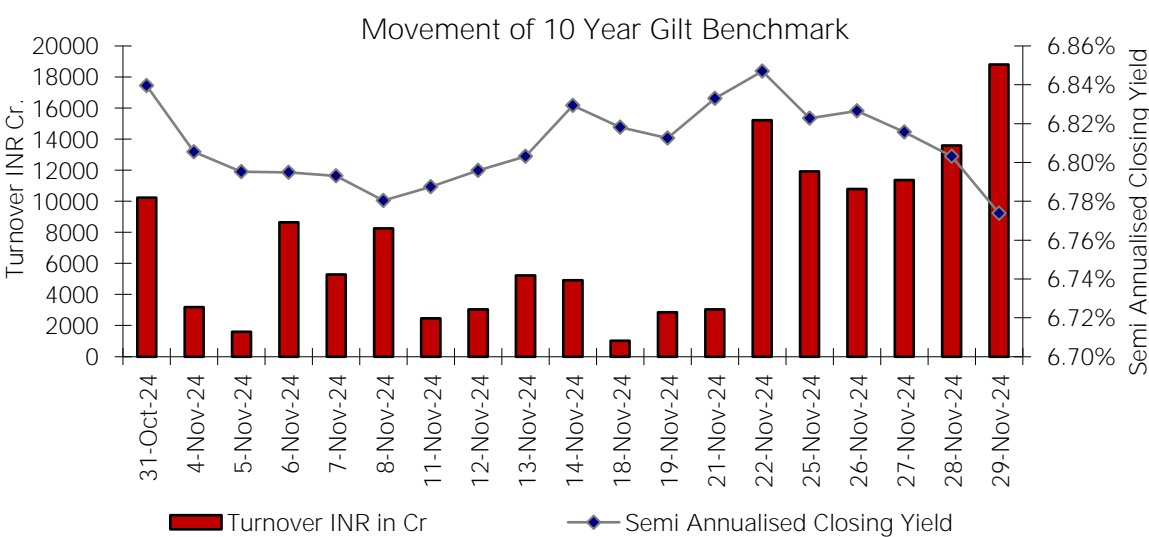
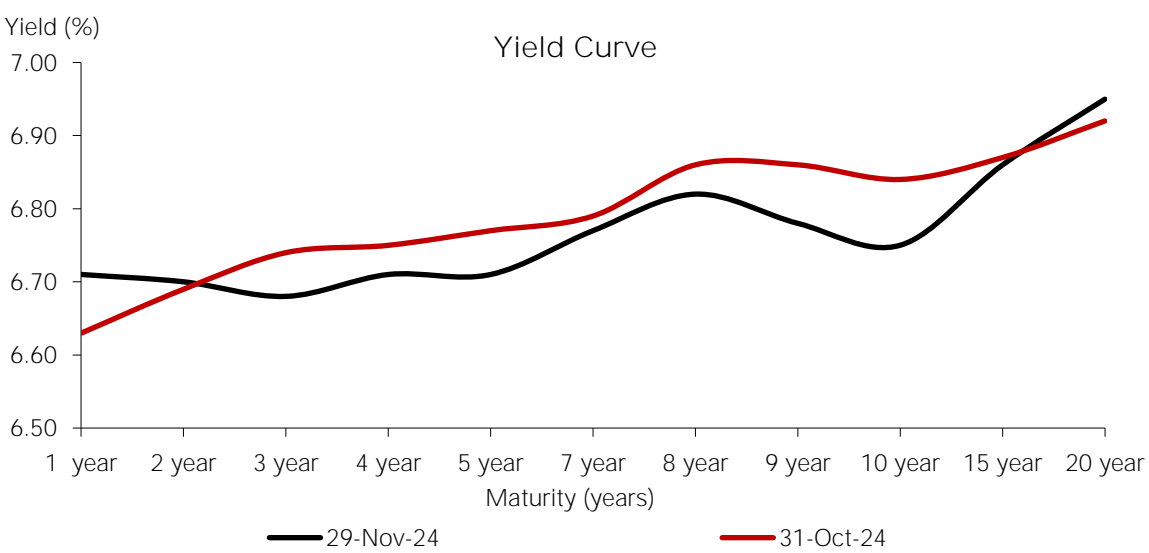
Bond prices ended higher in November

- Prices of government securities (G-secs) closed higher in November, with the yield on the new 10-year benchmark 6.79% 2034 paper settling at 6.74% on November 29, 2024, compared with 6.84% on October 31, 2024.
- Early on during the month, Indian government bond yields declined, tracking a fall in the US Treasury yields, because of US Fed rate cut in its November meeting.
- Domestic bond prices rose further after Finance Minister Nirmala Sitharaman said economic growth requires far more affordable bank interest rates
- Further fall in the bond yield was witnessed after the government data showed that domestic economic growth numbers came in weaker than expected, triggering speculations that RBI may cut rates sooner than expected.
- However, the latest US inflation data led to hopes for another rate cut by the US Fed in December and an intermittent spike in the US treasury yields cut short further gains in domestic bond prices
- On the domestic front, bond prices declined after the RBI Governor's comments on the need to realign inflation with the legally mandated 4% goal on a durable basis dashed expectations of a rate cut in the near future. Higher supply of bonds through weekly debt sales also kept bond prices under pressure
- Nonetheless, a wait-and-watch approach by investors ahead of domestic and US data prints kept prices stable towards the month-end

Source: CRISIL, Data as on 30 November 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns. US- United States RBI- Reserve Bank of India
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Debt Market Review

Debt Market Indicators	29-Nov-24	31-Oct-24
Call Rate	6.70%	6.50%
3-mth CP rate	7.50%	7.50%
5 yr Corp Bond	7.26%	7.32%
10 Yr Gilt	6.75%	6.84%
Repo	6.50%	6.50%
SDF	6.25%	6.25%
CRR	4.50%	4.50%
1-Month CD	6.92%	7.03%
3-mth CD rate	7.15%	7.17%
6-Month CD	7.43%	7.40%

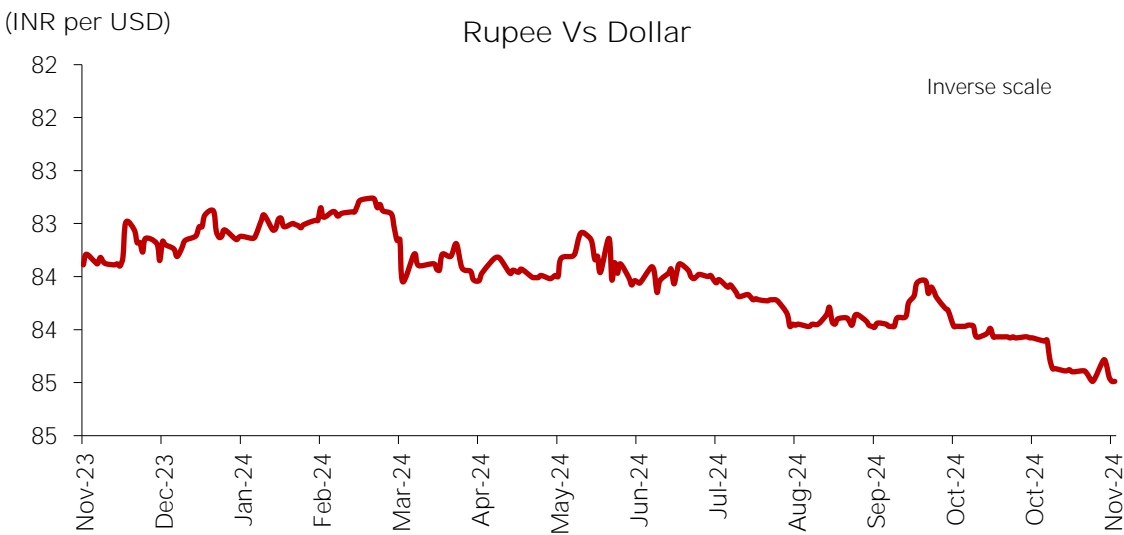


- The key event during the month was the outcome of the US elections, which resulted in the return of the Red wave with the Republicans sweeping the election mandate.
- All asset classes responded to the election results, with USD strengthening accompanied with a weakening bias across all EM currencies. Risk assets in the US rallied while US Treasury yields saw a sell-off as fears of tax cuts and fiscal expansionary policies put pressure on bond yields.
- While India remained better placed than most other emerging market economies, Rupee still had to bear the brunt moving from 84.10 to 84.50 during the month, with RBI having to strongly intervene in the FX markets to keep volatility in currency to a low.
- Post the indirect tax outflows, liquidity moved into deficit which resulted in overnight rates moving to the higher end of the interest rate corridor. Going ahead, liquidity might remain neutral to tight unless RBI intervenes to bring liquidity back to positive.
- Inflation for Oct 2024 surprised on the upside with headline CPI printing at a 14 month high of 6.21%, driven by a sequential pick up in food inflation on account of higher vegetable and edible oil prices.
- India's GDP data for Q2 FY2025 came in as a negative surprise printing at 5.4%, significantly lower than market and RBI estimates.
- Although Government spending has picked up pace (evident from the low Government cash balance) and rural demand is expected to pick up, there is a significant catch up required to be even close to the full year growth estimates and markets are now expecting the full year growth number to massively undershoot RBI estimates.
- Although some volatility might unfold in G-Sec rates over the next few months, the longer end of the curve is likely to remain supported as end investor demand might remain strong. Hence, any further corrections, can be looked at as an opportunity to cautiously add duration.
- With liquidity expected to remain comfortable and expectations of rate cuts getting priced in going forward, the corporate bond spread compressions story is there to be captured.

Indian rupee ended lower in November

- The Indian rupee logged its weakest performance in eight months in November because of massive foreign fund outflows for the second month in a row. This was compounded by a rally in the US dollar and US bond yields following Donald Trump's victory in the US presidential elections. The domestic unit fell to as low as Rs 84.50 to the dollar on November 22, before closing the month at Rs 84.49 on November 29.
- The greenback has witnessed a rally of ~7% since October, spurred by expectations surrounding Trump's economic policies and their potential impact on the US Federal Reserve's monetary stance.
- The dollar firmed up considerably in the latter half of the month following strong signals of imminent trade restrictions, including the imposition of heavy tariffs on imports.

Rupee Movement V/s Global Currencies				
	29-Nov-24	31-Oct-24	Change	% Change
USD	84.49	84.08	0.41	0.49
GBP	107.25	109.16	-1.92	-1.76
EURO	89.22	91.39	-2.17	-2.37
100 YEN	56.27	55.11	1.16	2.10



Rupee declined due to massive pullout of funds by FPIs

Source: RBI, CRISIL. Data as on 30 November 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns. US- United States
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Global Economic Update

US economy grows at 2.8% in the third quarter of 2024; FOMC lowers the federal funds rate by 0.25% in the November meeting

- The US economy expanded an annualised 2.8% in the third quarter of 2024, below 3% in the second quarter.
- The Federal Open Market Committee (FOMC) lowered the federal funds rate by 0.25% to 4.5-4.75% in the November meeting, following a larger cut in September, to balance inflation control with economic growth.
- Donald Trump, who won the presidential elections 2024 alongside vice president-elect JD Vance, will officially take office on January 21, 2025.

Key economic indicators

- The US economy added 12,000 jobs in October, significantly down from the 223,000 jobs added in September.
- Annual inflation accelerated to 2.6% in October 2024, up from 2.4% in September, while the annual core inflation rate stood at a three-month high of 3.3% remaining unchanged from the previous month

Eurozone economy grew at 0.9% in the third quarter

- The Eurozone GDP expanded 0.4% in the third quarter, following a 0.2% rise in the second quarter, while it expanded 0.9% on-year compared with a 0.6% growth.
- European Central Bank (ECB) policymakers said that eurozone interest rates would continue to fall as inflation wanes and weak economic growth becomes a growing concern, exacerbated by potential US trade tariffs.

Key Eurozone economic indicators

- The annual inflation increased to 2.3% in November compared with 2% in October, while the core inflation data remained unchanged in November
- Industrial production decreased 2.80% on-year in September compared with a drop of 0.1% in the previous month

Source : CRISIL, Data as on 29 November 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

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UK growth expands 1% in September; BoE lowers interest rates by 0.25% to 4.75%

- The UK GDP expanded 1% on-year in September compared with 1.1% in August.
- The Bank of England lowered interest rates by 0.25% to 4.75%, marking the second cut since August, after rates cuts had been held at a 16-year-high for about a year.

Key UK economic indicators

- Annual inflation rate rose to 2.3% in October compared with 1.7% in September, while annual core inflation rate edged up to 3.3% from 3.2%
- Industrial production decreased 1.8% in September compared with 1.7% in August, while manufacturing production fell 0.7% from -0.3%

PBoC retains its key lending rates

- The People's Bank of China (PBoC) retained its key lending rates at the November fixing. The one-year loan prime rate, the benchmark for most corporate and household loans, was maintained at 3.1% and the five-year loan prime rate remained unchanged at 3.60%.
- PBoC injected a total of CNY 900 billion into financial institutions through a one-year medium-term lending facility at an unchanged rate of 2.0%.

Key Chinese economic indicators

- The trade surplus accelerated to \$95.27 billion in October from \$56.13 billion in the same period a year earlier
- Industrial production expanded 5.3% in October compared with September's four-month high of 5.4%

Japan economy expands 0.2% on-quarter

- The Japan economy expanded 0.2% on-quarter in the third quarter moderating from a downwardly revised 0.5% increase in the second quarter and expanded 0.9% on an annualised basis, indicating a notable slowdown from a downwardly revised 2.2% growth.

Key Japanese economic indicators

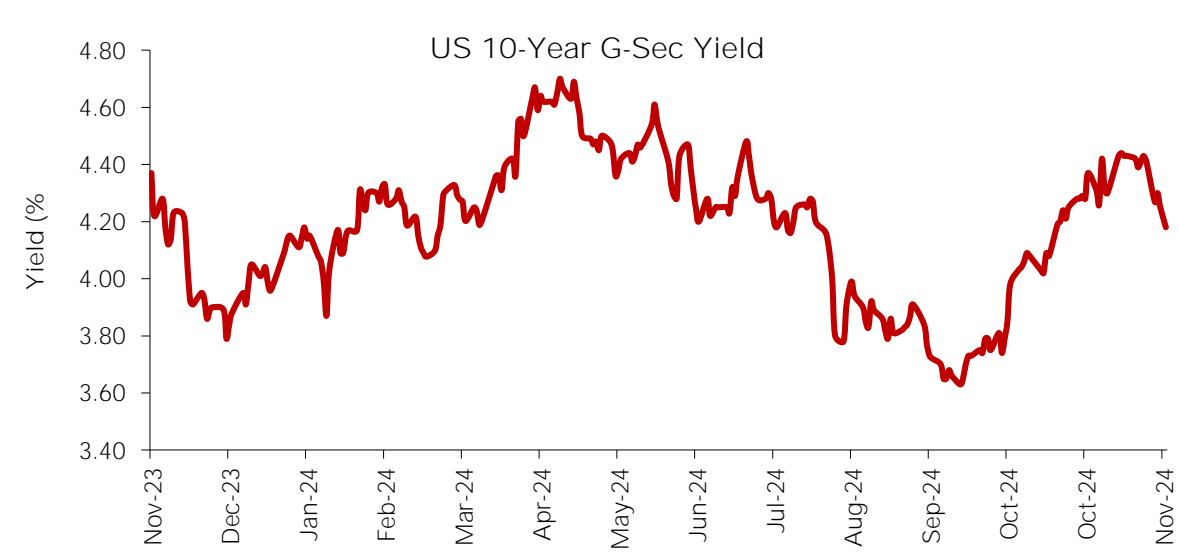
- The country's trade deficit in Japan plunged to JPY 461.25 billion in October compared with JPY 702.86 in the same month a year earlier, as exports rose much faster than imports
- The annual inflation rate eased to 2.3% in October from 2.5% in September, while the core inflation fell by 2.3% from 2.4%
- Industrial production decreased 2.6% in September compared with -4.9% in August

Source: CRISIL, Data as on 29 November 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

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US treasury prices rose in November

- US Treasury prices rose in November. The yield on the 10-year Treasury settled at 4.18% on November 29, 2024, compared with 4.28% on October 31, 2024.
- Bond prices rose after the central bank cut the key interest rates by 25 bps in its November policy meet. it rose further amid escalating geopolitical tensions and a mixed set of domestic economic data that spurred safe-haven demand for bonds.
- At the end of the month bond prices witnessed more gains after US President-elect Donald Trump tapped prominent investor Scott Bessent for the position of US Treasury Secretary.



Global bond yields			
	29-Nov	31-Oct	Change
US 10-Year (%)	4.18	4.28	-0.10
UK 10-Year (%)	4.24	4.45	-0.11
German 10-Year (%)	2.09	2.39	-0.30
Japan10-Year (%)	1.04	0.94	0.11

Source: CRISIL, Bloomberg, Data as on 30 November 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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Economic Events Calendar

Date	Indicators	Previous
04-December-24	US ISM Services PMI, November	56
	US ADP Employment Change, November	233,000
	India HSBC Composite/Services PMI, November	58.5
06-December-24	Eurozone GDP Growth Rate, Q3	0.6%
	India RBI Interest Rate Decision	6.5%
09-December-24	China Inflation Rate, November	0.3%
	Japan GDP Growth Rate, Q3	2.9%
11-December-24	US Inflation, November	2.6%
12-December-24	Eurozone ECB Interest Rate Decision	3.4%
	UK GDP, October	1%
	India Inflation Rate, November	6.21%
	India Industrial Production, October	3.1%
16-December-24	India WPI inflation/manufacturing, November	2.36%
	India HSBC Manufacturing PMI Flash, December	56.5

Source: CRISIL, Data as on 29 November 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

US- United States, UK- United Kingdom, GDP- Gross Domestic Product, WPI- Wholesale Price Index

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Economic Events Calendar (cont'd)

Date	Indicators	Previous
18-December-24	Eurozone Inflation Rate, November	2.0%
	UK Inflation Rate, November	0.6%
19-December-24	US Fed Interest Rate Decision	4.75%
	US GDP Growth Rate Q3	3.0%
	UK BoE Interest Rate Decision	4.75%
	Japan BoJ Interest Rate Decision	0.25%
20-December-24	China Loan Prime Rate 1Y/5Y, December	3.1%/3.6%
	Japan Inflation Rate, November	2.3%
31-December-24	India Government Budget Value November	INR-7508.2B
	India Infrastructure Output, November	3.1%

Source: CRISIL, Data as on 29 November 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

US- United States, UK- United Kingdom, GDP- Gross Domestic Product, PCE – Personal Consumption Expenditure

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Annexure Indian Economic Environment

Other major developments

- The Union Cabinet approved the 'One Nation One Subscription' scheme seeking democratisation of the access to academic resources by providing country-wide access to scholarly research articles and journal publications
- The Cabinet approved three major multi-tracking projects across Indian Railways, totalling an investment of Rs 7,927 crore. The projects, spread across seven districts in Maharashtra, Madhya Pradesh and Uttar Pradesh, seek to improve connectivity, enhance travel convenience, reduce logistics costs, minimise oil imports, and lower CO2 emissions
- The Cabinet approved a proposal to waive off bank-guarantee (BG) requirement for securitisation of deferred spectrum instalments for auctions conducted from 2012 onwards
- The Union Cabinet approved the continuation of the Atal Innovation Mission (AIM), under the aegis of NITI Aayog, with an enhanced scope of work and an allocated budget of Rs 2,750 crore for the period until March 31, 2028
- The Cabinet approved the launch of the National Mission on Natural Farming (NMNF) to promote natural farming in mission mode as a standalone Centrally Sponsored Scheme under the Ministry of Agriculture & Farmers' Welfare
- The Union Cabinet cleared the PM-Vidyalaxmi scheme that seeks to provide financial support in the form of collateral-free and guarantor-free education loans to meritorious students, who secure admission in quality higher education institutions (QHEIs)
- The Cabinet Committee on Economic Affairs (CCEA), chaired by the Prime Minister, approved an equity infusion of Rs 10,700 crore in Food Corporation of India (FCI) by means of a conversion of its 'Ways and Means Advance' to equity. This was to help the company meet its working capital requirements for fiscal 2025
- The CCEA approved investments worth Rs 3,689 crore for the construction of two hydropower projects in Arunachal Pradesh
- The CCEA approved the PAN 2.0 project of the Income Tax department with a budget of Rs 1,435 crore. The project involves providing a free upgrade to PAN cards with QR codes to enhance the digital experience of taxpayers.

Source –CRISIL, Data as on 30 November 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

RBI- Reserve Bank of India GDP- Gross Domestic Product

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Regulatory developments in the month

- The RBI made changes to the Master Direction on Know Your Customer (KYC) norms to align them with recent amendments carried out in the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, and also revised certain existing instructions.
- The RBI and the Securities and Exchange Board of India (SEBI) issued new guidelines directing foreign portfolio investors (FPIs) to secure necessary approvals from the government and concurrence from investee companies in case they seek to acquire equity stakes exceeding the prescribed limits
- The central bank issued a clarification stating that customers can complete the re-KYC process through self-declaration, if there is no change in their KYC information
- The RBI placed the supply-chain offerings of non-banking financial companies (NBFCs) under closer scrutiny to address concerns about inadequate regulation and potentially heightened risks for both NBFCs and their borrowers

Key economic indicators released in the month

- Growth in the core sectors, represented by the combined Index of Eight Core Industries (ICI), came in at 3.1% in October 2024. While this was much slower than the 12.7% on-year growth reported in the corresponding month a year ago, it marked the second consecutive month of positive growth after contracting 1.6% in August. This was supported by the coal, refinery products, and steel sectors.
- India's merchandise trade deficit narrowed to \$27.14 billion in October 2024, down from \$33.43 billion in the corresponding month a year ago, because of a 17.2% on-year rise in merchandise exports.
- According to the latest data from the Controller General of Accounts (CGA), India's fiscal deficit for April-October 2024 was Rs 7.51 trillion, reflecting 46.5% of the annual estimate for fiscal 2025 (Rs 16.1 trillion), marginally wider than the 45% fiscal deficit during the corresponding period a year ago.

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RBI- Reserve Bank of India GDP- Gross Domestic Product

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^- Sources- <https://www.rbi.org.in/>

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