

# Global Navigator

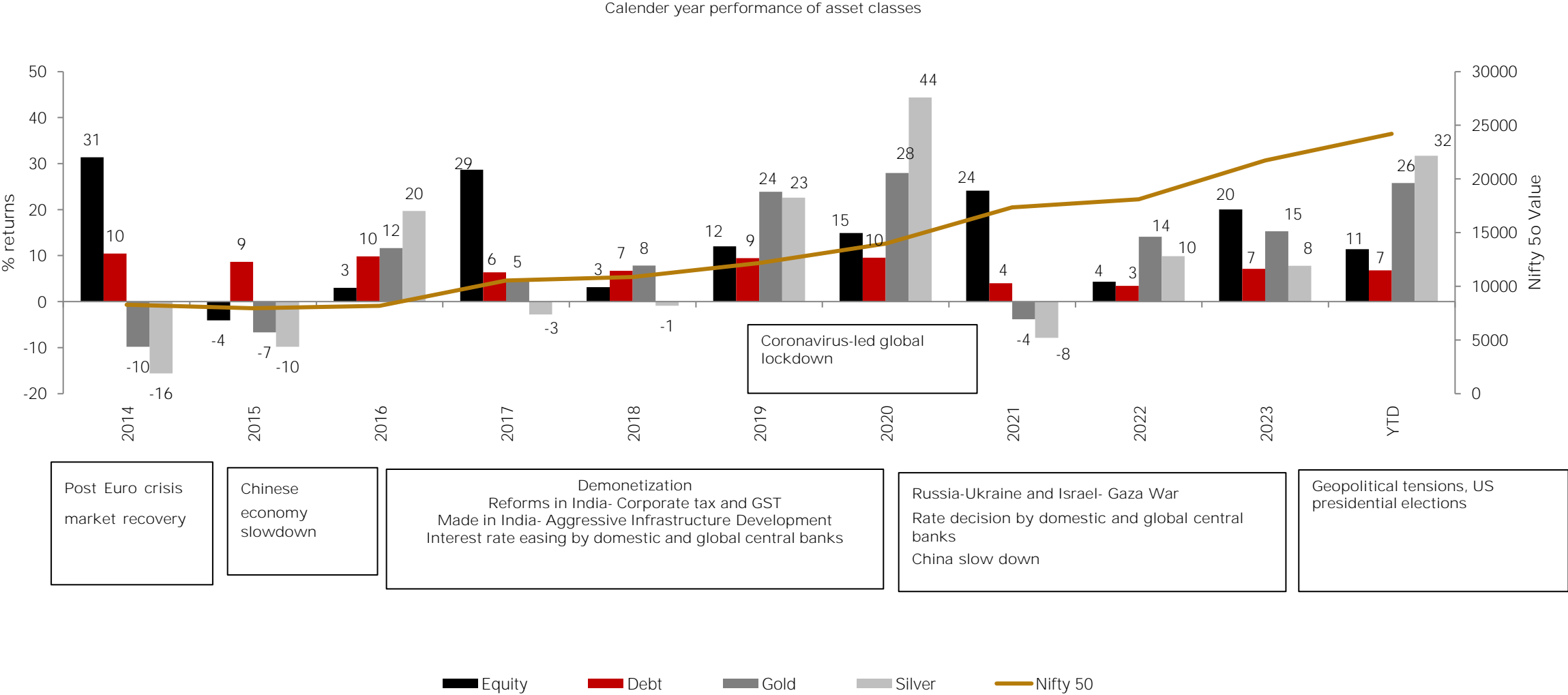
November 2024



**HSBC** Mutual Fund

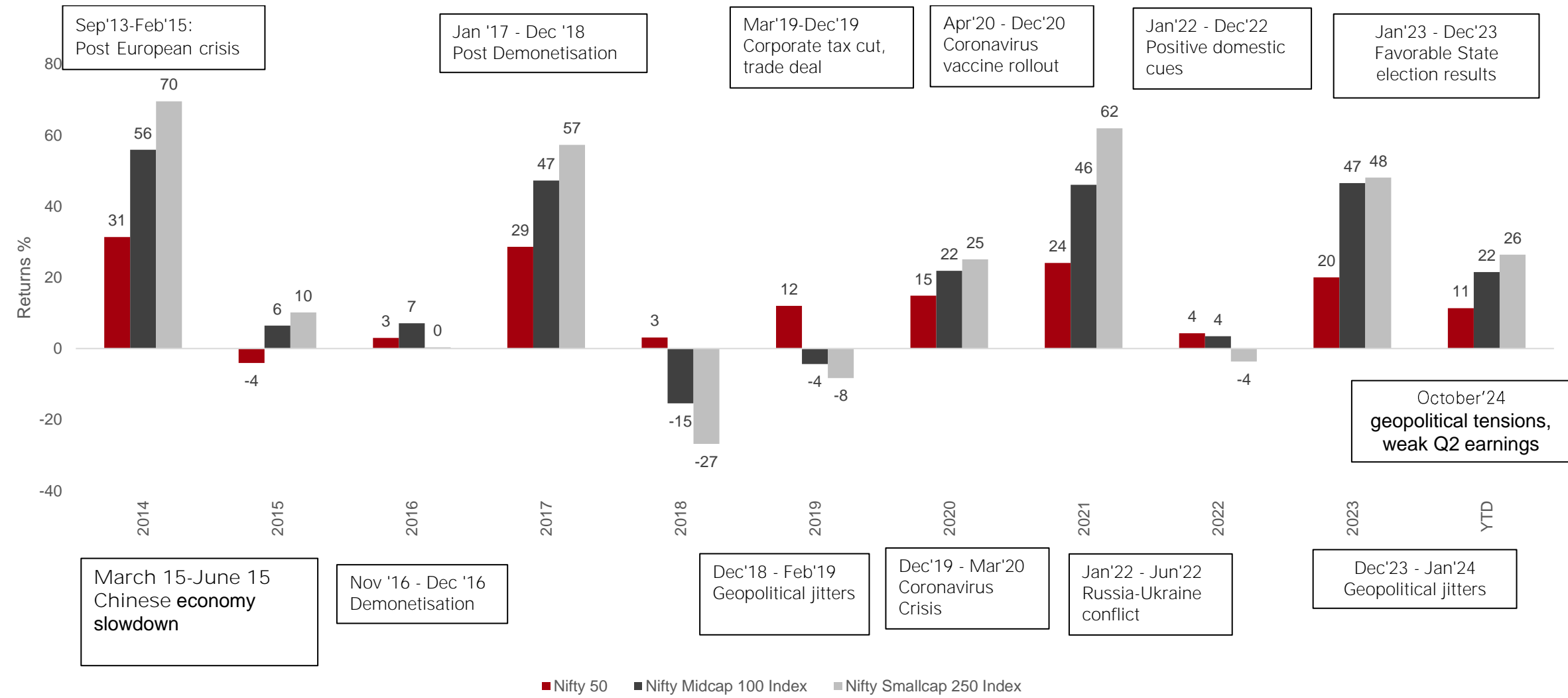
# History of asset classes through major events

## Calendar year performance of asset classes



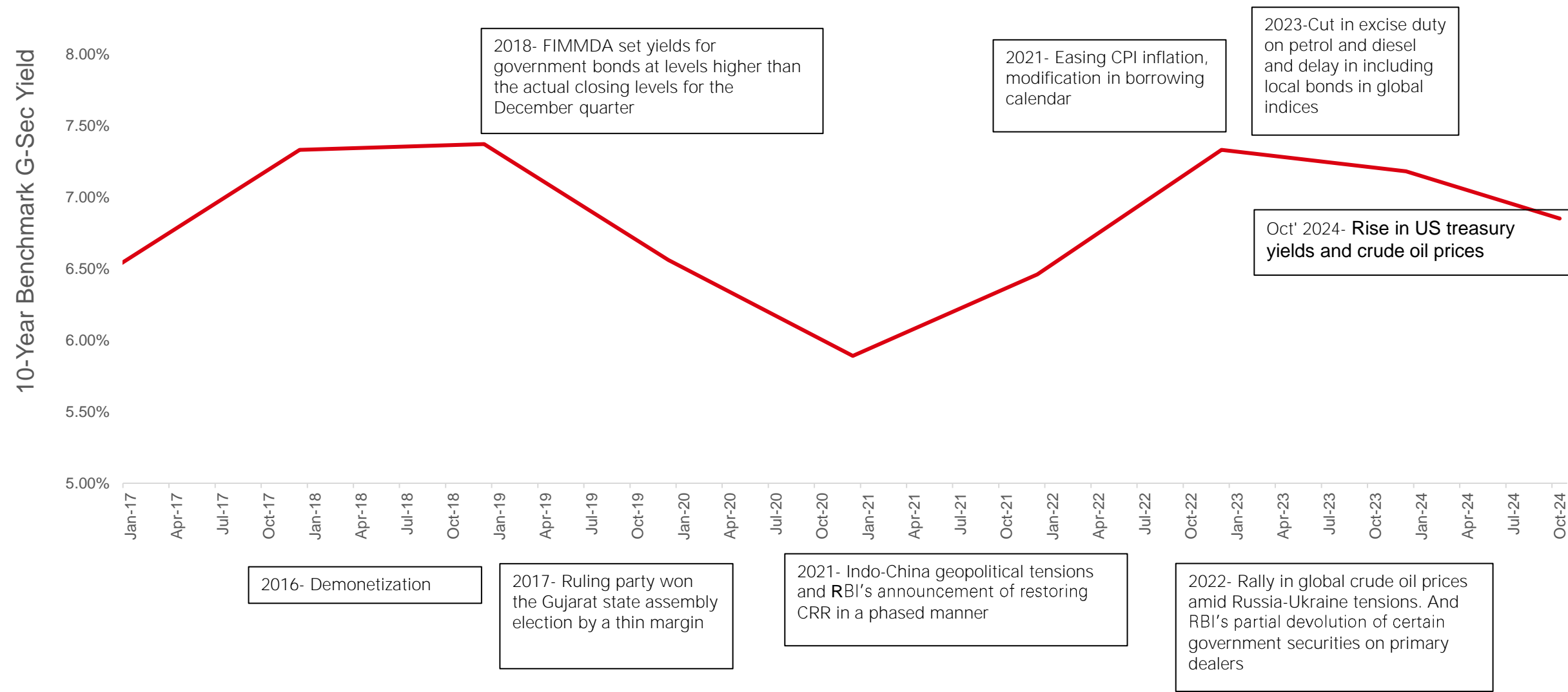
# History of Equity markets through major events

## Performance of major equity indices



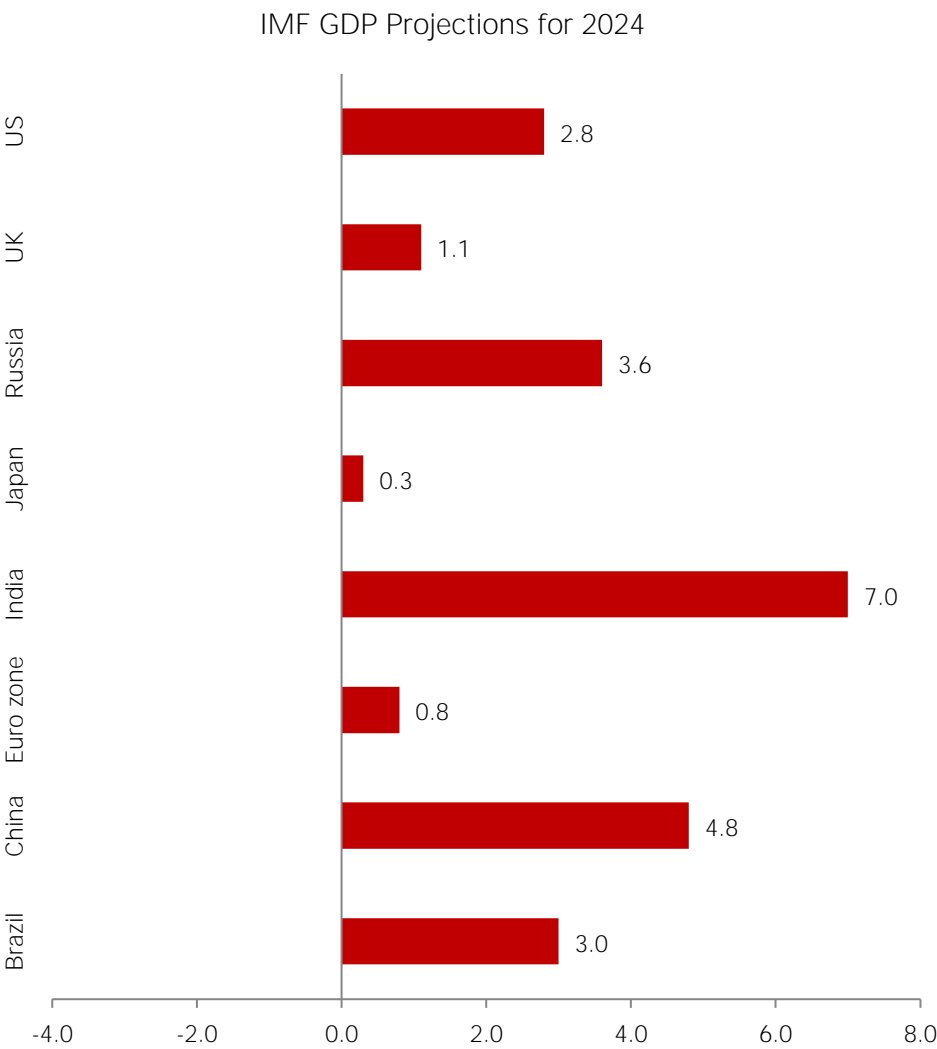
# History of Debt Markets through major events

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	2.4% Sep'24	2.5% Aug'24	0.6% Sep'24	0.2% Aug'24
Eurozone	0.9% Q3 2024	0.6% Q2 2024	1.7% Sep'24	2.2% Aug'24	0.10% Aug'24	-2.1% Jul'24
UK	1.0% Q3 2024	0.9% Q2 2024	1.7% Sep'24	2.2% Aug'24	-1.6% Aug'24	-2.2% Jul'24
China	4.6% Q3 2024	4.7% Q2 2024	0.4% Sep'24	0.6% Aug'24	5.4% Sep'24	4.5% Aug'24
Japan	2.9% Q2 2024	-2.3% Q1 2024	2.5% Sep'24	3.0% Aug'24	2.80% Sep'24	-4.90% Aug'24
India	6.7% Q1 FY25	7.8% Q4 FY24	5.49% Sep'24	3.65% Aug'24	-0.1% Aug'24	4.7% Jul'24

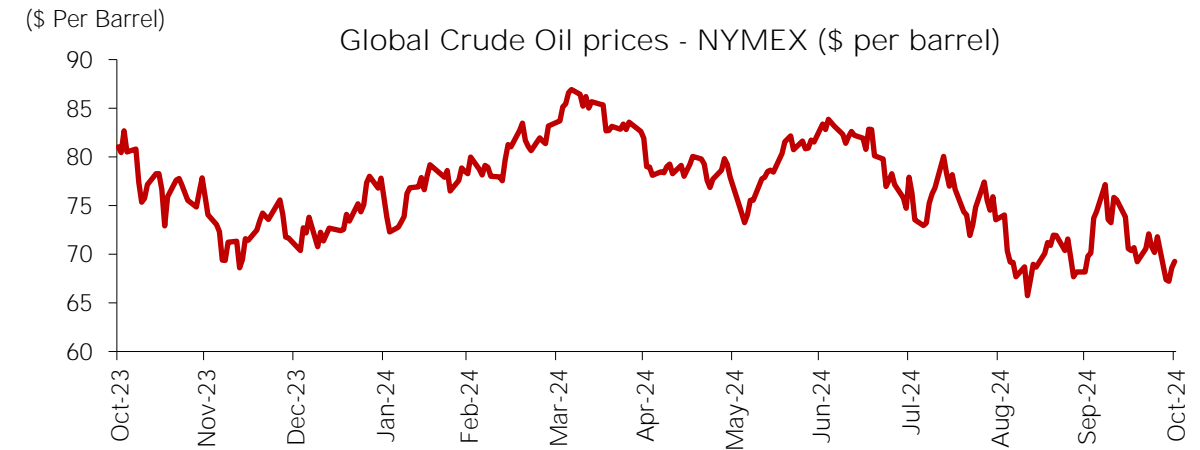
Major Global Central Bank	Latest Key Interest rate
US Federal Reserve	4.75-5.0%
Bank of England	5.00%
European Central Bank	3.40%
Bank of Japan	0.25%
India	6.50%





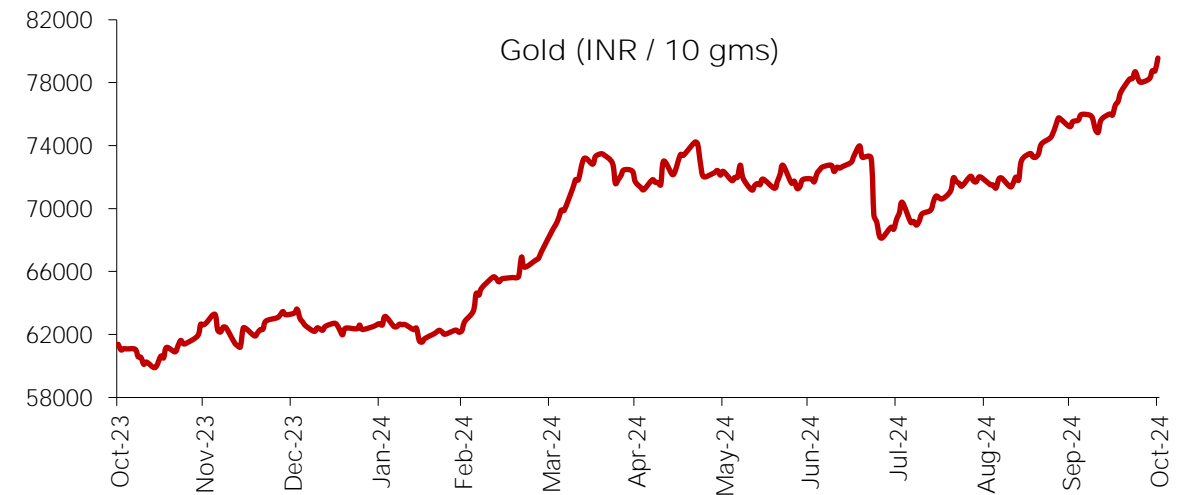
## International crude oil rose in October

- Crude oil prices on the New York Mercantile Exchange closed at \$69.26 per barrel on October 31, which was 1.6% higher vs \$68.17 per barrel on September 30, 2024.
- The rise in crude oil prices was on account of escalating geopolitical issues that triggered supply concerns.
- Supporting the rise was an agreement by the Organization of the Petroleum Exporting Countries and allies (OPEC+) to delay by a month a reduction in output planned for December.



## Gold remained up in October

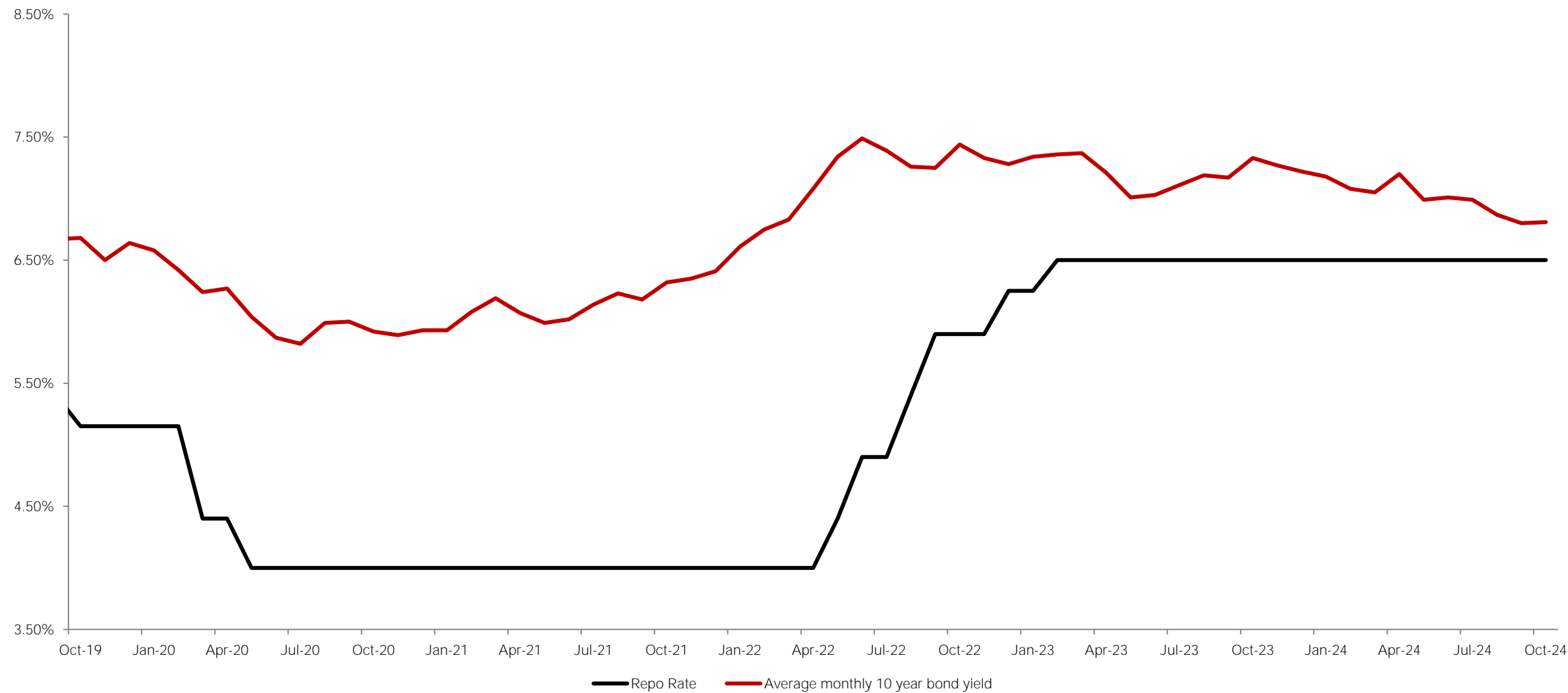
- Gold prices ended at Rs 79,557 per 10 gram on October 31 up 5.8% from Rs 75,197 on September 30, 2024, according to the India Bullion and Jewellers Association
- Gold prices remained high during the month on account of safe haven demand following escalating geopolitical tensions. Dovish comments by US Federal Reserve officials also kept prices elevated
- The yellow metal also rose due to uncertainty surrounding the US presidential elections



Source – CRISIL, NYMEX. Data as on 31 October 2024

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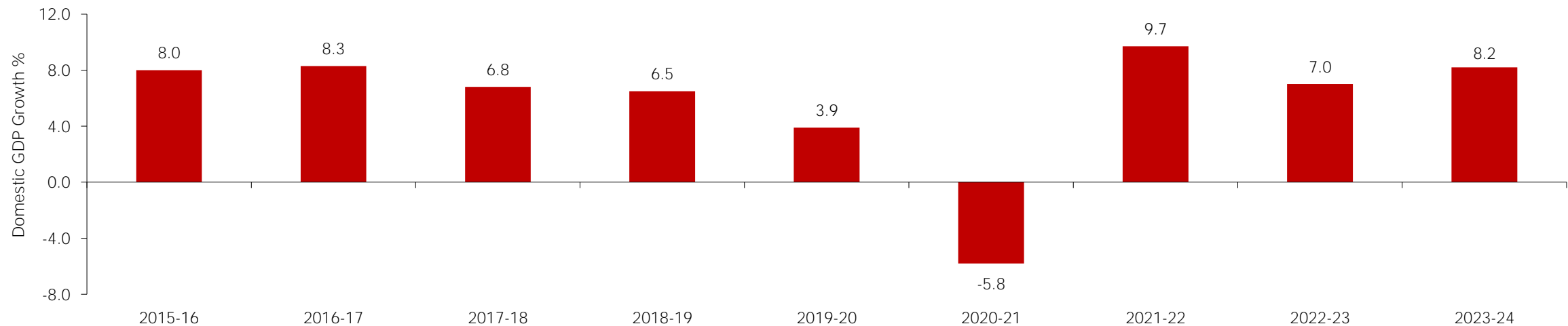
# RBI Repo Rate held at 6.50%



Source: RBI, CRISIL Research, Data as on 31 October 2024  
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Indian economy expected to remain resilient amidst global uncertainties and geopolitical risks

- The Indian economy seems poised to maintain a positive growth momentum, despite the prevailing global geopolitical uncertainties. While cautioning against potential risks, such as geopolitical and trade policy uncertainties, the government's latest monthly economic review projects a growth rate of 6.5% to 7% for fiscal 2025.
- The Reserve Bank of India (RBI) forecasts a 7.2% expansion in India's real gross domestic growth for the current fiscal and 7.3% for the first quarter of fiscal 2026, with overall risks considered evenly balanced. The growth is expected to be supported by robust domestic engines and private investment, which is showing resilience despite geopolitical uncertainties.
- India's growth story is also attracting international recognition, with the World Bank revising its growth forecast for the Indian economy to 7% for fiscal 2025, aided by a rebound in agricultural output and increased private consumption. Some speculation that the RBI may follow suit at its monetary policy meeting in October.



Source – CRISIL, Mospi, Data as on 31 October 2024

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Retail inflation ticks up to 5.49% in September

- After falling to a near five-year low of 3.65% in August, India’s retail inflation came in at a higher 5.49% on an annual basis in September.
- Meanwhile, India’s wholesale inflation eased to 1.84% in September from 1.31% in August (on an annual basis).

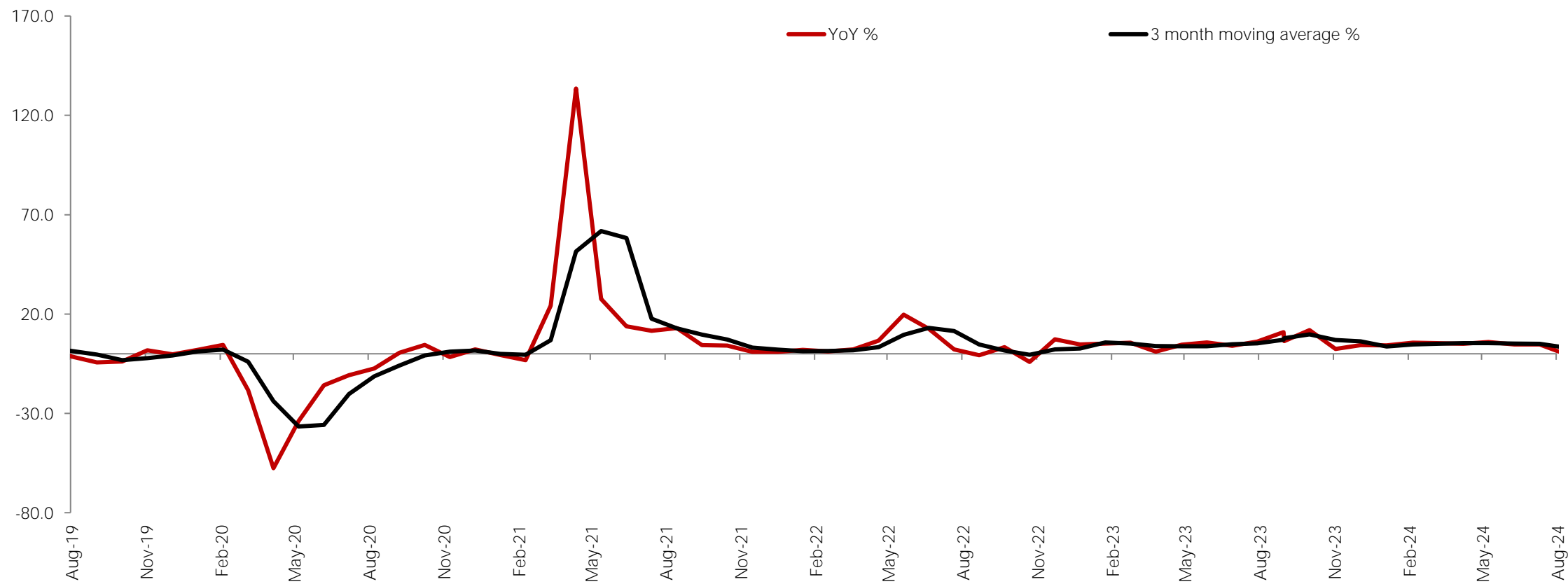
Indicators	Current	Previous
Monthly CPI Inflation	5.49% (Sep-24)	3.65% (Aug-24)
Industrial Growth	-0.1% (Aug-24)	4.7% (Jul-24)
Exports	\$213.22 bn (Apr-Sep 24)	\$211.08 bn (Apr-Sep 23)
Imports	\$350.66 bn (Apr-Sep 24)	\$330.32 bn (Apr-Sep 23)
Trade Balance	\$-54.83 bn (Apr-Sep 24)	\$-44.18 bn (Apr-Sep 23)
Gross Tax Collections	INR 1813842 cr (Apr-Sep FY25)	INR 1619271 cr (Apr-Sep FY24)

Source – Ministry of Commerce, Comptroller General of Accounts, CRISIL, Data as on 31 October 2024  
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# Index of Industrial Production - IIP

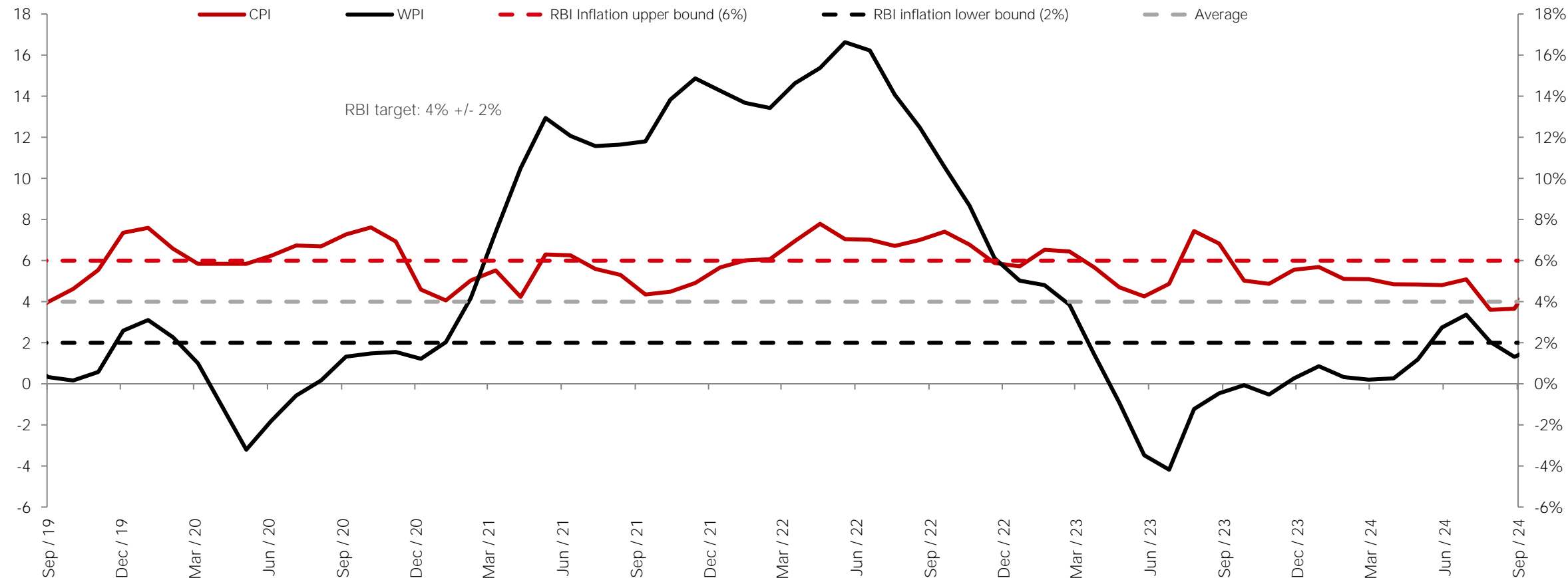
- Latest data from the Ministry of Statistics & Programme Implementation showed industrial output in the country, measured by the Index Of Industrial Production or IIP, fell -0.10% on-year in August 2024. This was slower than the 4.7% growth (revised) registered in the preceding month.



Source: CRISIL, MOSPI, Data as on 31 October 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

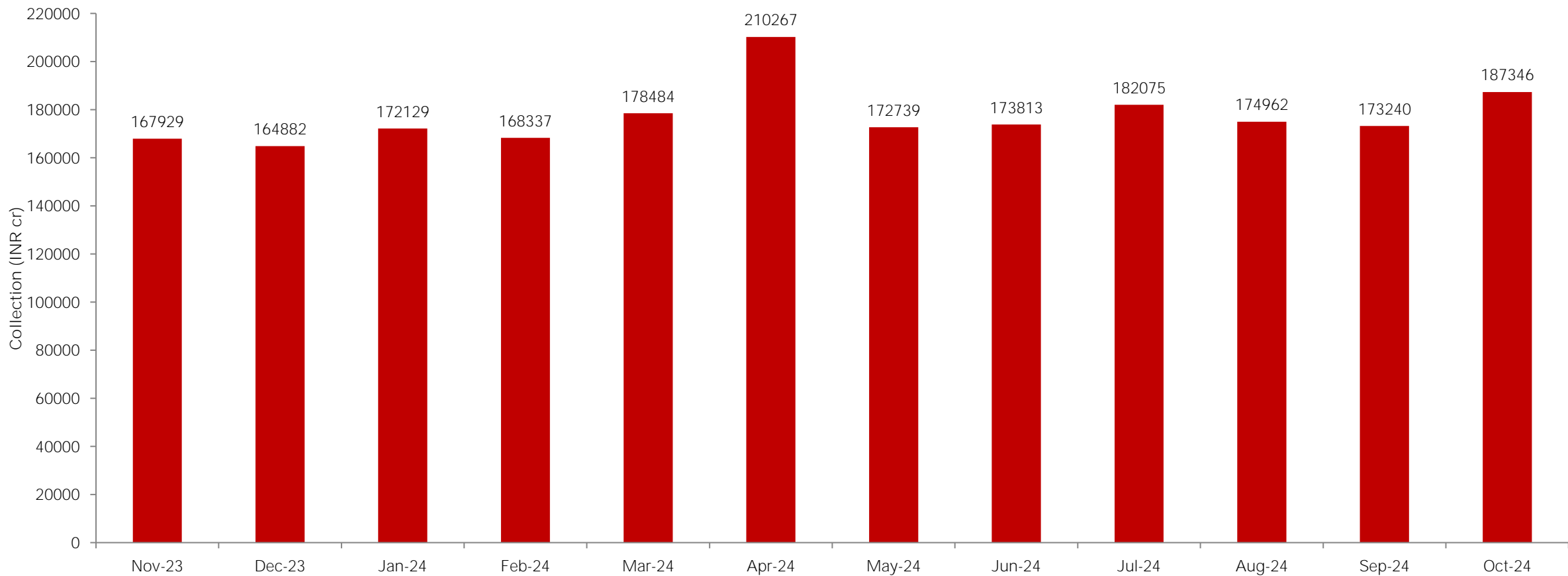
CPI inflation below the RBI's max target range



Source: CRISIL, MOSPI, RBI, Data as on 31 October 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 1.87 lakh crore in October

As per reports, the government collected INR 1.87 lakh crore goods and services tax (GST) for the month of October



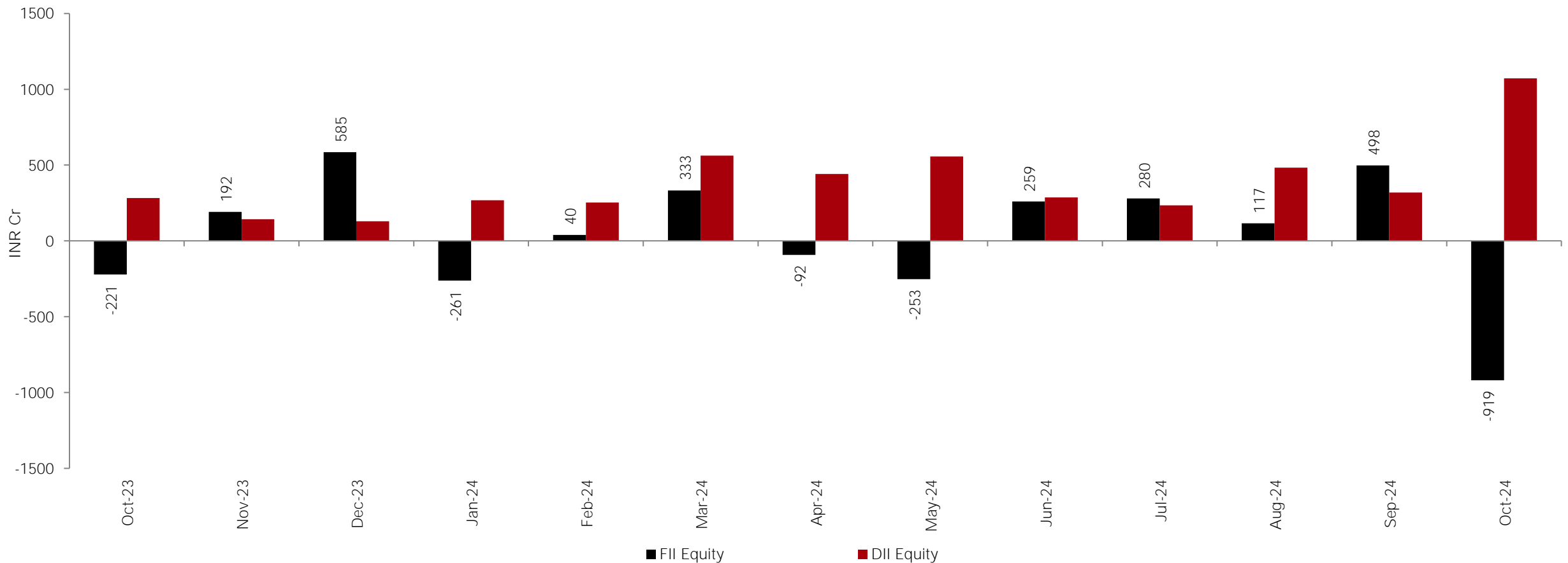
Source- CRISIL, [gst.gov.in](https://www.gst.gov.in), Data as on 31 October 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns. GST – Goods and Services Tax  
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## Indian equity indices fell in October'24

- Indian equities snapped a four-month winning streak in October 2024, logging their first monthly loss since May 2024. Heavy selling by foreign portfolio investors (FPIs), generally weak market sentiment, escalating geopolitical uncertainty, US presidential elections (November 05), and weak second-quarter earnings led to a sharp correction in the markets. The benchmark BSE Sensex and Nifty 50 indices fell 5.83% and 6.22% on-month, respectively.
- Escalation of geopolitical uncertainty at the beginning of the month led to sharp losses, leading fears about higher oil prices and stoking investor pessimism.
- Closer home, the RBI (October 09) decided to leave interest rates unchanged but changed its stance to neutral. This led to uncertainty surrounding rate cuts. Concerns about delay in rate cuts grew stronger, after the RBI revised its inflation projection higher for the third quarter and as inflation data for September 2024 came in at a nine-month high. Further, the upward revision in the third-quarter fiscal 2025 inflation estimates led to expectations about inflation remaining sticky for longer term than previously expected. All these led to profit booking in the bond market.
- Lacklustre second-quarter corporate earnings and softer-than-expected guidance by some companies weighed down on investor sentiment through the course of the month.
- Further losses were seen as foreign institutional investors (FIIs) sold equities worth Rs 94,017 crore in October so far, compared with Rs 57,724 crore in September. FPIs turned net sellers in October 2024, responding to aggressive Chinese fiscal stimulus measures and attractive valuations of Chinese stocks. A perception of elevated valuations in the Indian market also influenced the selling streak.
- Some losses were also seen after the Securities and Exchange Board of India (SEBI) tightened the norms for equity derivatives (futures and options) trading and raised the entry barrier, thereby making it more expensive for retail investors.

## BSE sectoral indices ended lower in October '24

- The decline in equities during the month was broad-based, with all key sectoral indices shedding value compared with the preceding month.
- The biggest losers for the month were the BSE Oil & Gas (13.8% fall), BSE Auto (12.3%) and BSE Consumer durables (10.4%) indices.



Source: MOSL, Data as on 31 October 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 Market Review

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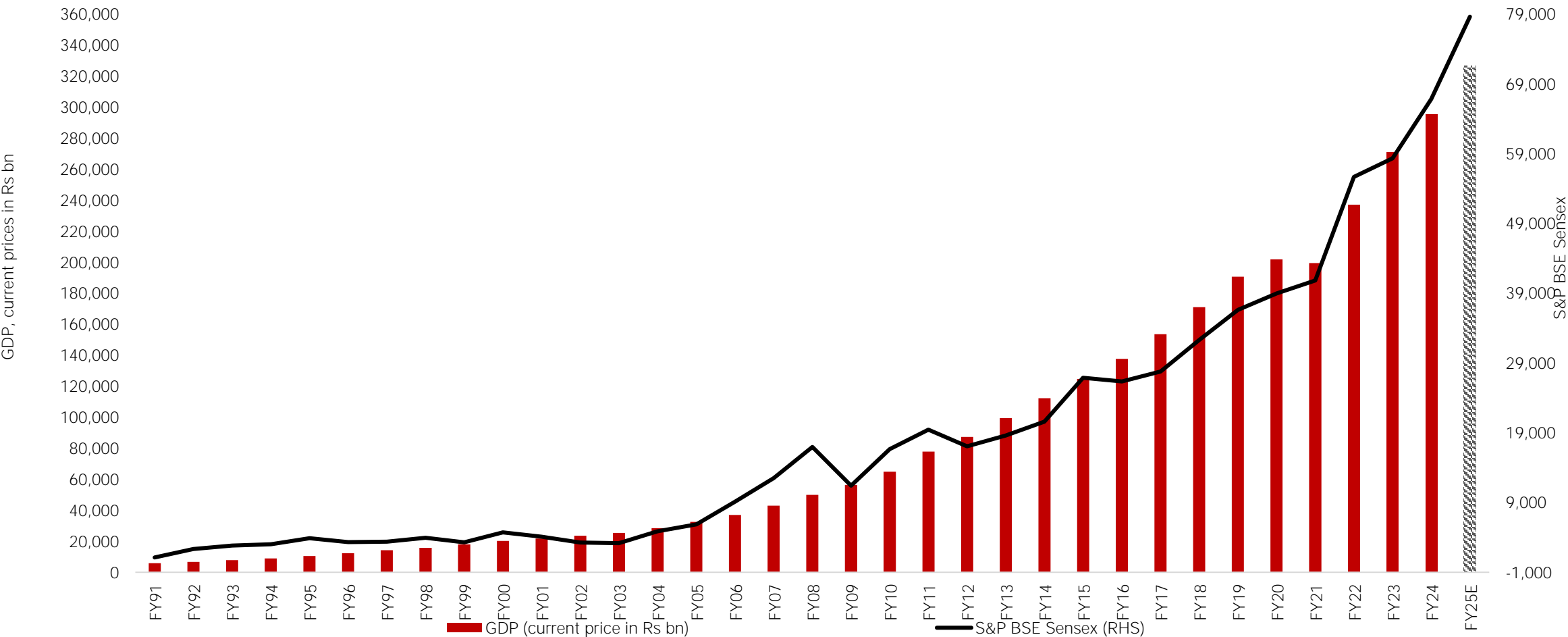
Indices	31-Oct-2024	30-Sep-2024	% Change 1 Month	% Change 1 Year	% Change YTD
Nifty 50	24205	25811	-6.22	26.87	11.38
BSE Sensex	79389	84300	-5.83	24.29	9.90
BSE Auto	53540	61051	-12.30	48.01	26.78
BSE BANKEX	58664	60038	-2.29	21.09	7.88
BSE Capital Goods	69106	73107	-5.47	50.94	24.19
BSE Consumer durables	60656	67662	-10.35	36.90	21.31
BSE FMCG	21663	23788	-8.93	16.98	5.84
BSE Healthcare	43915	44236	-0.72	61.03	39.20
BSE IT	40428	42370	-4.58	30.16	12.27
BSE Metal	31280	34609	-9.62	40.66	15.89
BSE MidCap	45967	49352	-6.86	47.12	24.78
BSE Oil & Gas	27458	31835	-13.75	50.59	19.27
BSE Power	7829	8652	-9.51	76.67	34.55
BSE PSU	19894	21402	-7.05	62.61	27.87
BSE Realty Index	7809	8593	-9.12	63.48	26.21
BSE SmallCap	54983	57131	-3.76	48.93	28.84

Source: NSE, BSE, Data as on 31, October 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 31 October 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

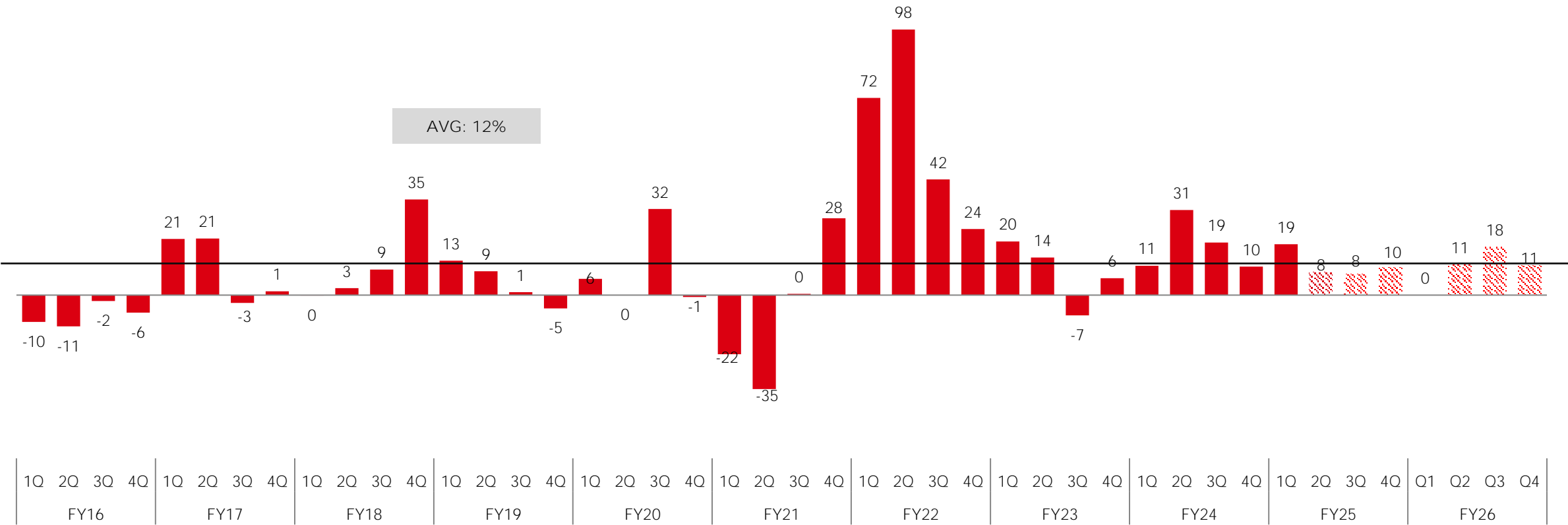
Sectoral indices	% Change										
	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24*	10-year CAGR*
Nifty 50	-4.06	3.01	28.65	3.15	12.02	14.90	24.12	4.33	11.20	11.38	11.26
S&P BSE Sensex	-5.03	1.95	27.91	5.91	14.38	15.75	21.99	4.44	10.10	9.90	11.03
S&P BSE Auto	-0.60	9.39	32.06	-22.12	-11.27	12.59	15.27	16.54	38.48	26.78	11.15
S&P BSE BANKEX	-9.92	7.35	39.08	5.27	20.72	-2.14	13.63	21.03	2.83	7.88	11.63
S&P BSE CG	-8.51	-3.28	40.03	-1.63	-9.97	10.63	43.47	15.97	49.93	24.19	15.80
S&P BSE CD	24.02	-6.34	101.92	-8.79	20.86	21.52	41.81	-11.27	18.62	21.31	19.89
S&P BSE FMCG	1.36	3.29	31.54	10.60	-3.58	10.55	8.57	-10.93	19.17	5.84	11.18
S&P BSE Healthcare	15.06	-12.88	0.49	-5.92	-3.55	61.45	17.62	16.62	31.87	39.20	11.82
S&P BSE IT	4.51	-8.00	10.83	24.93	9.84	56.68	41.79	-12.10	15.89	12.27	14.20
S&P BSE Metal	-31.20	36.65	47.78	-20.75	-11.92	11.23	57.06	-24.24	16.23	15.89	10.18
S&P BSE Oil & Gas	-3.43	27.17	34.00	-15.57	7.25	-4.44	24.22	8.36	0.70	19.27	9.41
S&P BSE Power	-6.44	1.53	19.83	-16.06	-3.65	7.05	67.62	16.57	12.32	34.55	13.70
S&P BSE PSU	-17.18	12.88	19.27	-21.11	-3.88	-16.88	41.01	25.84	34.65	27.87	9.07
S&P BSE Realty	-13.55	-5.98	106.36	-31.07	26.85	8.66	53.34	-10.26	64.11	26.21	17.51

Source: CRISIL, BSE, Figures in red indicate negative returns in that period. \*10-year CAGR, Data as on 31 October 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

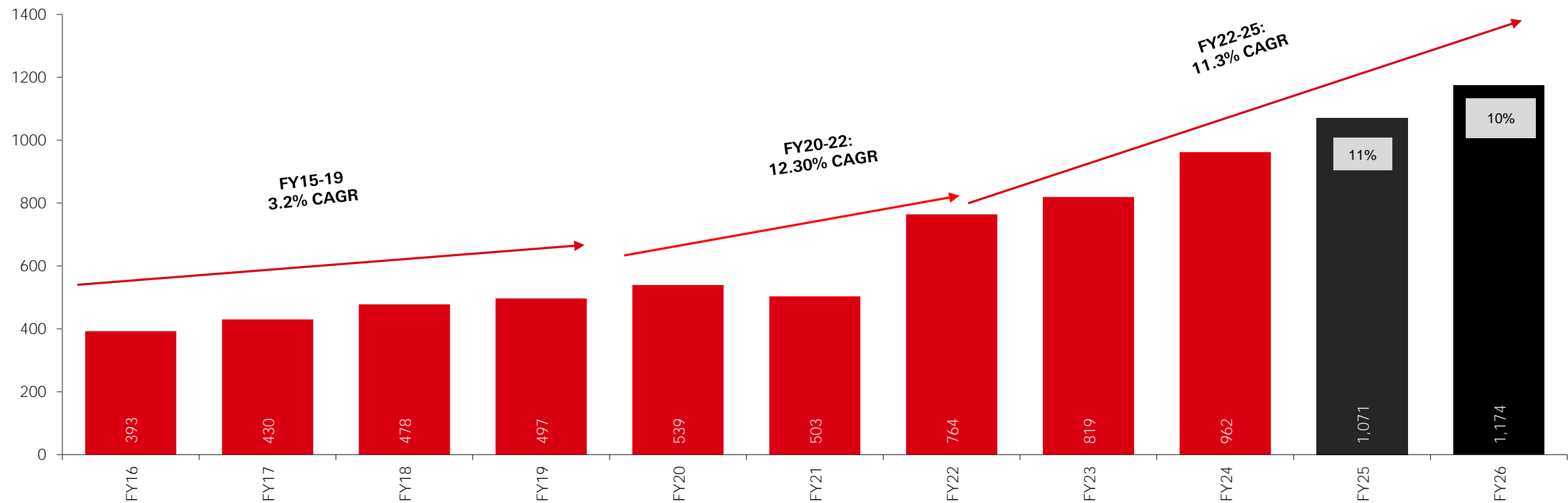


## Nifty 50 EPS Growth (Y-o-Y)

Source: CRISIL, Bloomberg, Data as on 31 October 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)

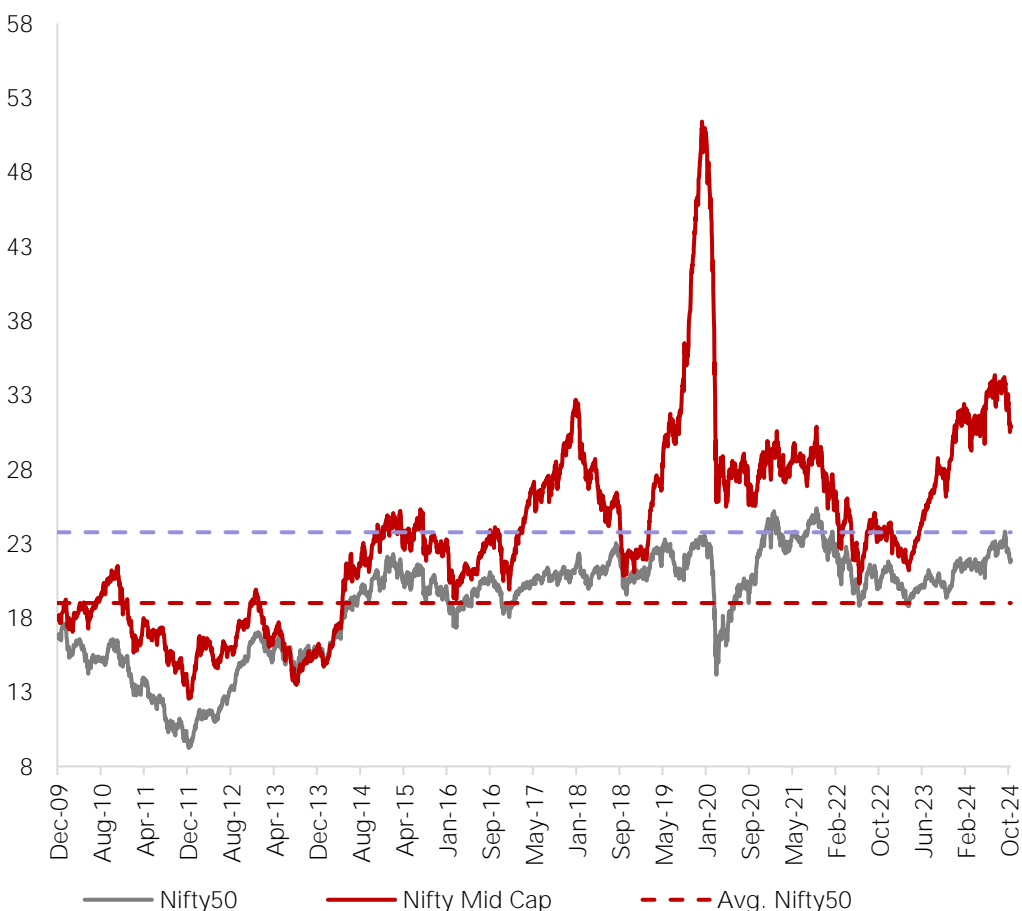


Note: Trailing 12M EPS (Earnings Per Share)  
Black shaded columns are estimates of FY25 and FY26  
Data for FY 26 is for only three quarters

Source: CRISIL, Bloomberg, Data as on 31 October 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns.  
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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)



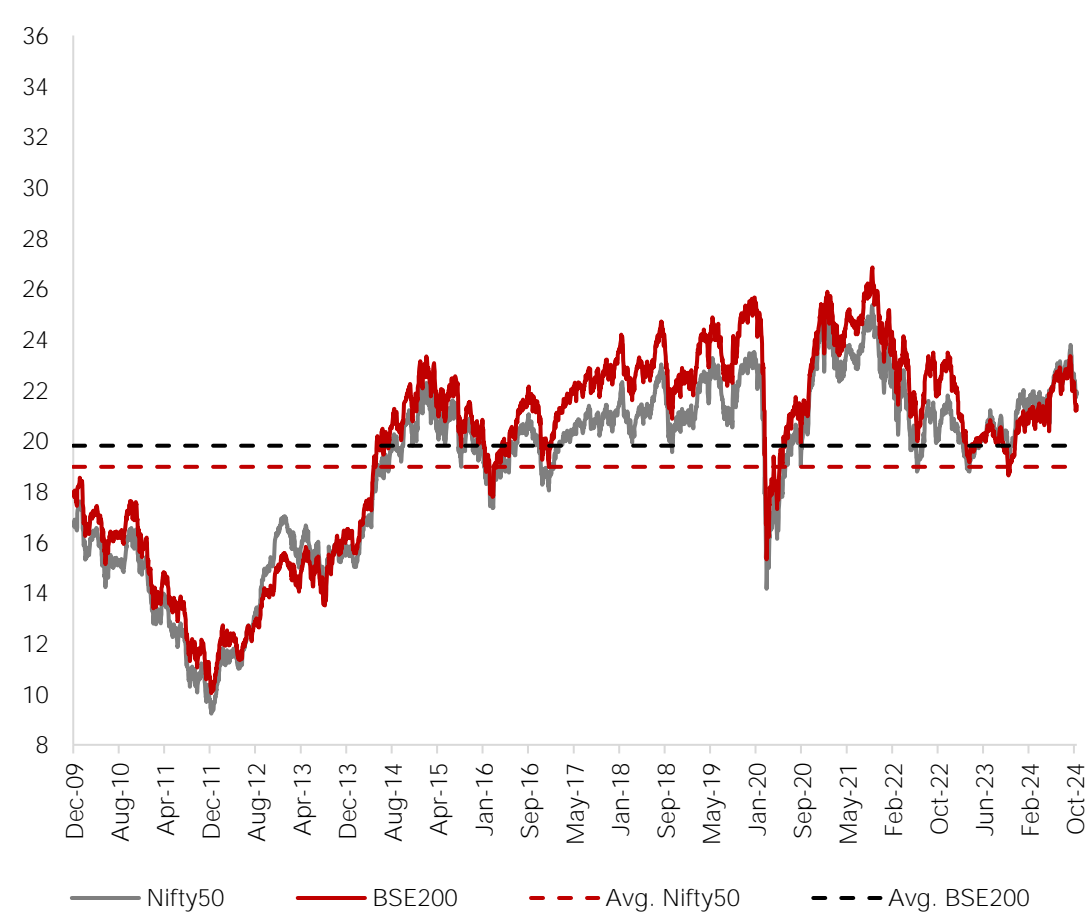
Source: CRISIL, Bloomberg

Data as on 31 October 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

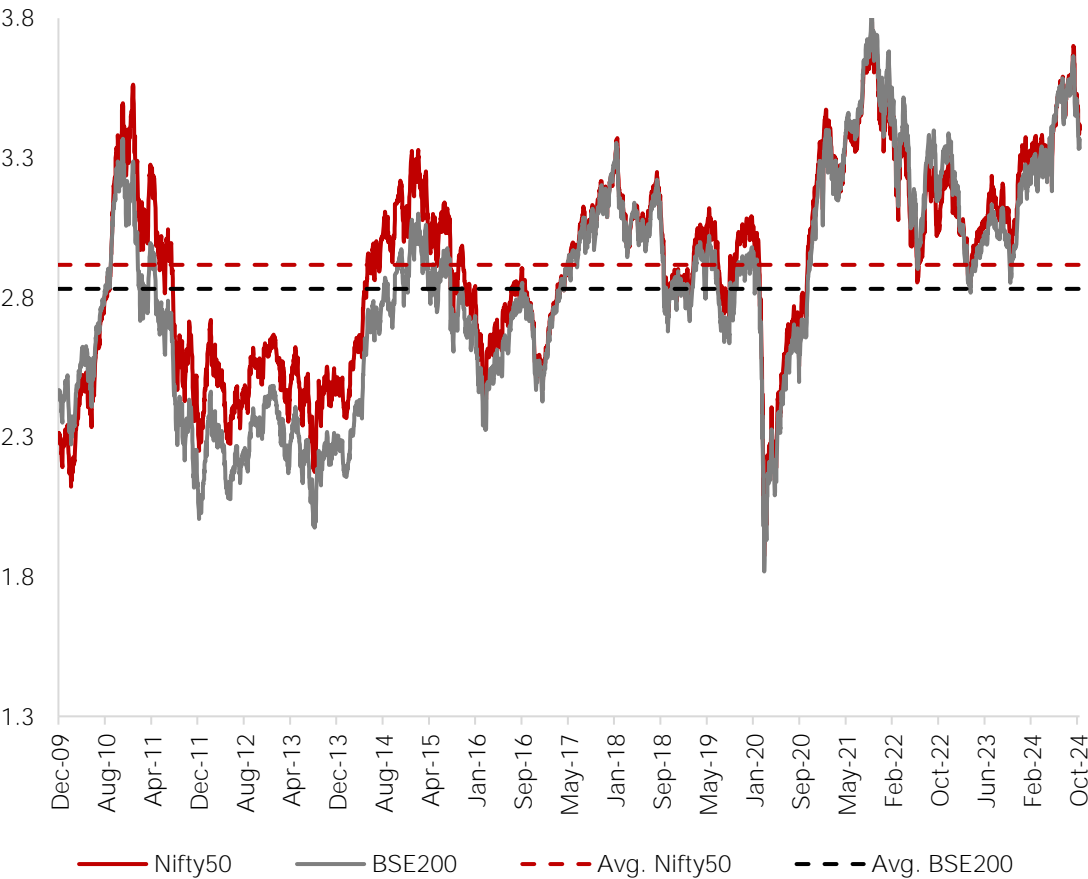
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Large and S&P BSE 200 - Price to Earnings (PE)



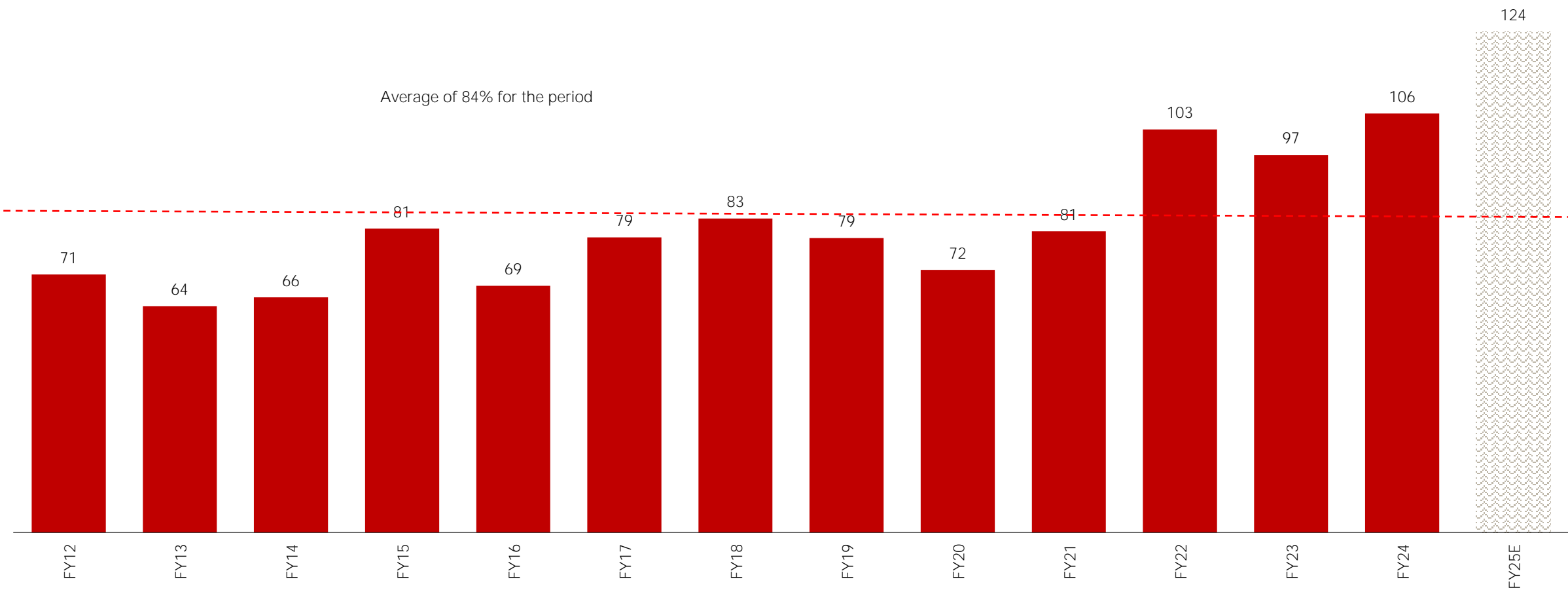
Large and S&P BSE 200 - Price to Book (PB)



Source: CRISIL, Bloomberg, BSE, Data as on 31 October 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

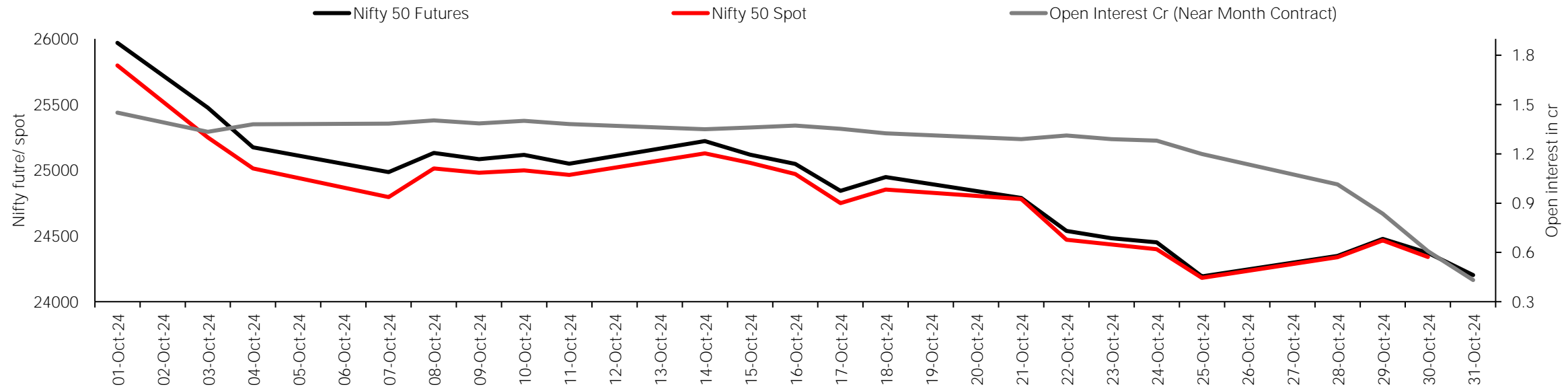


Shaded area are Estimates (E) – FY25  
Source: CRISIL, MOSPI, Bloomberg, CRISIL estimates;  
Data as on 31 October 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns. GDP- Gross Domestic Product  
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- MSCI World index also corrected 2% in October. It was driven by a 1% decline in the US (S&P 500) while MSCI Europe saw a sharp decline of 6% and MSCI Japan lost 3.9%. MSCI EM was also down 4.4% led by a 6% drop in MSCI China. US Fed rate cut and Chinese government stimulus measures should be positive for the global economy.
- Indian equities saw the biggest single month of FII outflow at US\$10.9 bn in October more than reversing the high inflow of US\$5.9 bn in September. DII's more than offset the same with MFs investing US\$10.9 bn deploying a significant amount of their cash holding.
- CPI surged to 5.5% YoY in September from 3.7% YoY in August due to much higher food price inflation.
- While consensus earnings estimates have been revised down sharply by 8% for FY25/26 in October as the ongoing Q2FY25 result season has generally been below expectations. However, the index also suffered a sharp correction during the month, Nifty therefore now trades on 21.8x 1-year forward PE more than 20% above its 10-year average and 10% above its 5-year average. Valuations in Mid Cap and Small Cap space are much more elevated.
- India's GDP growth remained strong in Q1FY25 at 6.7% YoY, the impact of slowdown in government spending due to elections in H1FY25 and lower economic activity due to heavier rains in August and September has led to a more visible slowdown in Q2FY25.
- Consumer demand has also been weaker than expected. Most companies have pointed to slowdown in urban demand while rural demand is showing an improving trend.
- Government spending is expected to accelerate in H2FY25 to help support growth.
- 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, several of these positives are getting discounted by the high valuations currently prevailing in the equity market.

## Nifty futures

- The Nifty 50 near-month future contract of October declined marginally on the rollover day (October 31) versus spot.
- The new near-month contract (November 28) ended 183 points higher on October 31.
- The rollover of the new near-month contract (October) was 66% up on the expiry day compared to 74% 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 15.55 on October 31 compared to 12 on September 26 (rollover date) and ended the month at 15.55.
- Nifty futures saw trading volume of around Rs 4.3 lakh crore, arising out of 68 lakh contracts, with an open interest of around 34 crore during the month



Source – NSE, CRISIL, Data as on 31 October 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 October 31, Nifty 24,200 call option witnessed the highest open interest of around 197 lakh, while Nifty 24,200 call contract garnered the maximum number of contracts of around 455 lakhs.
- Nifty 24,200 put option witnessed the highest open interest of around 224 lakh on October 31 and the Nifty 24,200 put contract garnered the maximum number of contracts of around 650 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)		
	31-Oct	30-Sep	Change %
Index futures	761,217.63	712,659.23	7%
Stock futures	3,343,153.19	3,414,779.18	-2%
Index options	860,158,771.41	809,748,226.92	6%
Stock options	12,468,853.77	12,883,956.62	-3%
Total	876,731,996.00	826,759,621.95	6%

Source – CRISIL, NSE. Data as on 31 October 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 October 31, FIIs’ open interest was Rs 7.05 lakh crore (~100 lakh contracts). The details of FII derivatives trades for October 1 to 31 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	1297232	87364	1773072	118860	0.14	0.13	0.19	0.18
Index Options	927181188	63290119	926076593	63225506	96.88	96.42	96.79	96.33
Stock Futures	12602378	979423	12475421	969392	1.32	1.49	1.30	1.48
Stock Options	15994949	1282275	16477970	1321677	1.67	1.95	1.72	2.01
Total	957075747	65639181	956803056	65635436	100.00	100.00	100.00	100.00

Source – CRISIL, NSDL. Data as on 31 October 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 close to RBI repo rate in October

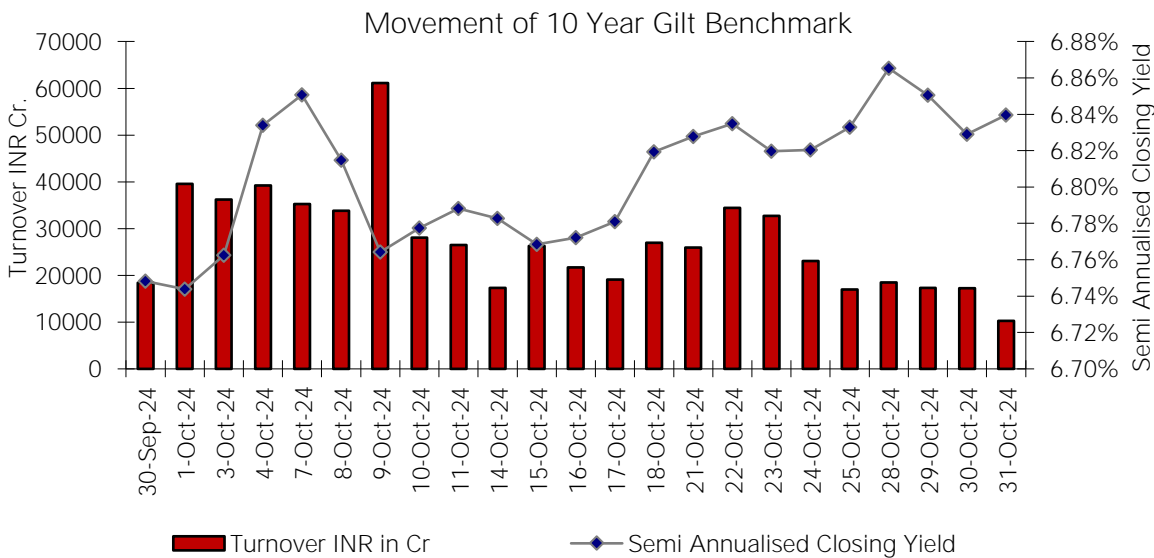
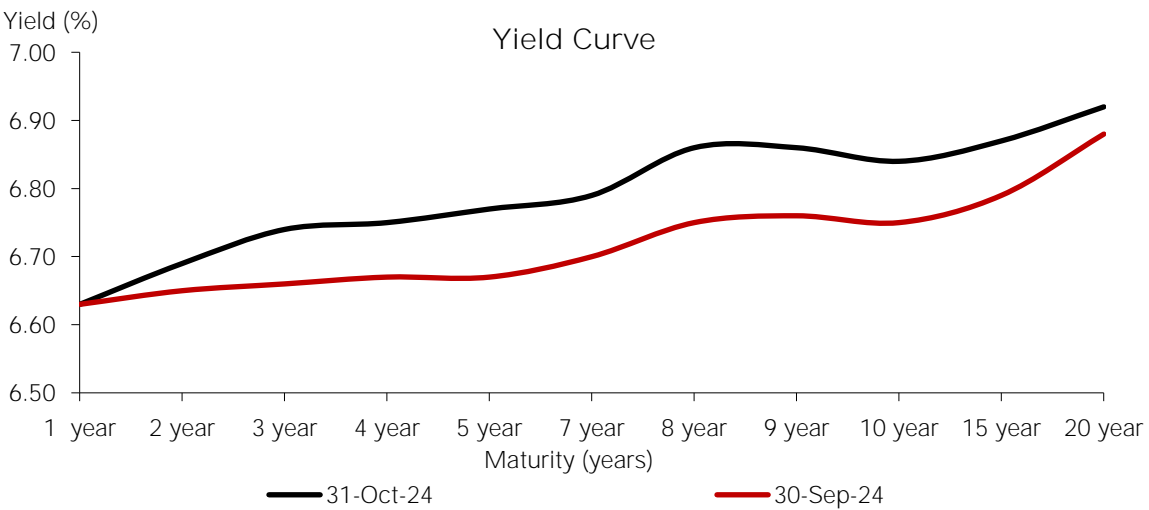
- Liquidity in the Indian banking system remained in surplus for most of October, in line with previous three months. As the month ends, the variable rate repo (VRR) auction conducted by the Reserve Bank of India (RBI), aligned the interbank weighted-average call rate (WACR) for October with the repo rate at 6.50%

Bond prices ended lower in October

- After remaining lower in September, Indian government bond yields gained in October. The yield ended at 6.84% on October 31, as against 6.75% on September 30.
- Bond yields began rising from the start of the month, tracking a spike in US treasury yields, as stable labour market data led to hopes of slower rate cuts by the United States Federal Reserve
- Yield rose further after minutes of the US Federal Open Market Committee (FOMC) meeting suggested that a "substantial majority" of Fed officials at the September meeting backed the 50-basis-point rate cut. The minutes emphasised that it was important to convey that the decision should not be seen as a sign of a more negative economic outlook
- On the domestic front, yields rose after the RBI Governor Shaktikanta Das said talking about rate cuts at the current juncture would be premature and risky. Das, at a media forum said, "Rate cut at this stage will be very premature and can be extremely risky. When your inflation is at 5.5% and the next print is also expected to be high, you can't be cutting rates at that point. More so, if your growth is also performing well"
- However, in the middle of the month, bond prices rose mainly after FTSE Russell's decision to include India's sovereign bonds in the Emerging Markets Government Bond Index supported market sentiment
- Yields also fell after the RBI in its bi-monthly monetary policy review meeting left the repo rate unchanged but shifted the policy stance to 'neutral' from 'withdrawal of accommodation'. Bond prices gained further after the central bank decided to cut short its secondary market debt sales and announced a second debt buyback in two weeks of October. Higher-than-expected domestic inflation also supported bond prices

Source: CRISIL, Data as on 31 October 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  
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.

Debt Market Indicators	31-Oct-24	30-Sep-24
Call Rate	6.50%	6.24%
3-mth CP rate	7.50%	7.45%
5 yr Corp Bond	7.32%	7.30%
10 Yr Gilt	6.84%	6.75%
Repo	6.50%	6.50%
SDF	6.25%	6.25%
CRR	4.50%	4.50%
1-Month CD	7.03%	7.10%
3-mth CD rate	7.17%	7.18%
6-Month CD	7.40%	7.32%

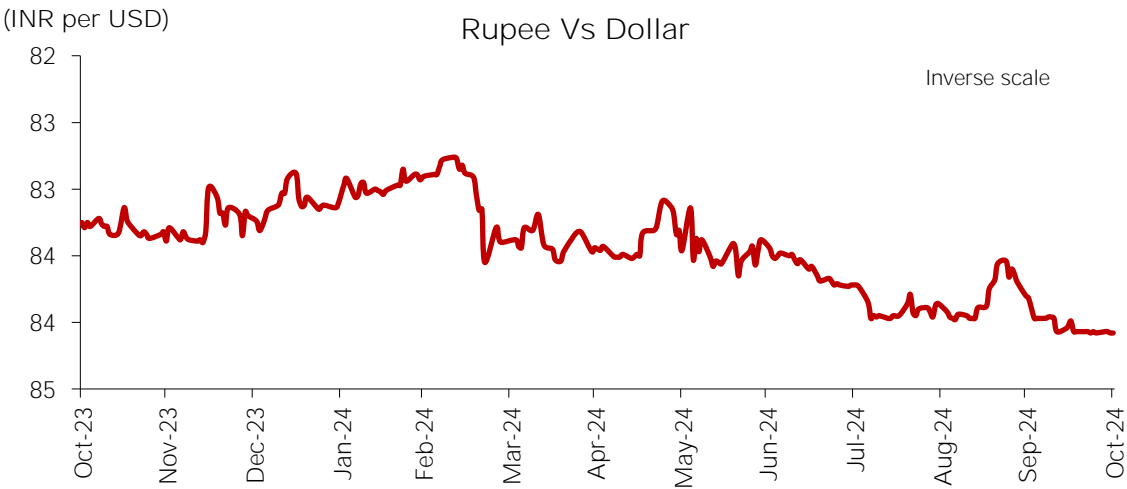


- The US FOMC minutes for the September policy indicated that the decision to cut rates by 50 bps (instead of 25 bps expected by most Economists) was largely deliberated between the members, and what possibly tilted the FOMC to ease by 50 bps was the weak labour market data.
- The US markets are now pricing in (as of Oct 31, 2024) close to 2 rate cuts in 2024 (similar to dot plot), 3 rate cuts in 2025 and pretty much nothing thereafter (against 4 rate cuts in 2025 and 2 rate cuts in 2026 as per the dot plot). This would result in a terminal rate close to 3.5% (significantly higher than what was getting priced in a month back).
- India's Gross Tax Revenue saw a 12% (YoY) increase at INR 18.1 trn in H1 F20Y25. Direct tax collections grew at 14% y-o-y and Income tax revenue rose at an impressive 25% (YoY).
- Corporate tax growth, however, was subdued at 2% (YoY). This is probably due to slightly weaker corporate results impacting profitability and tax collections. Indirect tax collections were in line with budget targets of 10% (YoY) growth led by robust GST collections. Non-tax revenue saw significant growth due to a bumper RBI transfer of INR 2.1 trn to the Government in May 2024.
- Liquidity remained positive during the month, ending at INR 1.54 trn as of Oct 31, 2024 and is expected to increase further as month end Government spending picks up.
- The RBI MPC decided to look through the near-term inflation volatility while changing the policy stance to neutral, as they expect food prices to cool off from Q4. Although a December cut is getting priced out, the Q2 growth number before the Dec MPC meeting and expected CPI print for Nov, can tilt the MPC either side depending on how the data evolves
- Indian bond markets are much better placed than other emerging market economies to absorb any sudden shocks. Growth inflation dynamics is also flipping as is evident from some of the commentary from MPC members. With inflation expected to ease after some near time spikes and growth increasingly likely to disappoint, we believe there is room to cut rates by 75-100 bps.
- longer end of the curve is likely to remain supported as end investor demand might remain strong. Hence, we believe that any further corrections, can be looked at as an opportunity to cautiously add duration.

## Indian rupee ended lower in October

- The Indian rupee fell substantially month-on-month against the US dollar in October 2024, driven by a massive pullout of funds by foreign portfolio investors (FPI) from the Indian equity and debt markets . The domestic unit hit a new all-time intraday low of Rs 84.11 during the month before eventually settling at Rs 84.08 per dollar on October 31, 0.3% lower than at September-end (Rs 83.80 per dollar).
- An intermittent spike in crude oil prices amid escalating geopolitical tensions in the Middle East also put the rupee under pressure.
- Nonetheless, several interventions by the Reserve Bank of India (RBI) at critical junctures contained a further fall in the rupee. The central bank has been trying to defend the 84 level for over two months, according to analysts.

Rupee Movement V/s Global Currencies				
	31-Oct-24	30-Sep-24	Change	% Change
USD	84.08	83.80	-0.28	-0.33
GBP	109.16	112.24	3.08	2.7
EURO	91.39	93.77	2.38	2.5
100 YEN	55.11	58.78	3.67	6.2



Rupee declined due to massive pullout of funds by FPIs

Source: RBI, CRISIL. Data as on 31 October 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

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US economy grows at 2.8% in Q3 2024; Fed rate decision on November 8th

- The US economy expanded at an annualized 2.8% in the third quarter of 2024, below 3% in the second quarter.
- The latest FOMC minutes revealed that a "substantial majority" of Federal Reserve officials at the September meeting had supported a 50-bps rate cut, aiming to convey that this action was not an indicator of a more pessimistic economic outlook.
- Three policymakers, citing economic resilience and uncertainty, had preferred a 'modest' and 'gradual' approach to further cuts. The Fed's next decision is expected at the policy meeting on 8th November.

Key economic indicators

- The economy added 143,000 workers to their payrolls in September 2024, the most in three months, following an upwardly revised 103,000 in August
- Inflation rate eased to 2.4% in September, compared with 2.5% in August, while core inflation rose marginally to 3.3% from 3.2%

Eurozone economy grew 0.9% in the third quarter; ECB lowered marginal lending facility

- The Eurozone GDP expanded 0.9% on-year in the third quarter of 2024, compared with a 0.6% rise in the previous quarter.
- In October 2024, the European Central Bank lowered its three key interest rates by 25 basis points, in line with expectations and following similar reductions in September and June. The new rates for the deposit facility, main refinancing operations, and marginal lending facility are now 3.25%, 3.40% and 3.65%, respectively.

Key Eurozone economic indicators

- The annual inflation rate eased to 1.7% in September, compared with 2.2% in August, while the core inflation rate edged down to 2.7% from 2.8%
- Industrial production increased 0.10% in August from a revised 2.1% fall in July

Source : CRISIL, Data as on 31 October 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.



## UK growth expands 1% in Q3

- The British economy expanded 1% on year in August, following a downwardly revised 0.9% rise in July.
- UK Chancellor Rachel Reeves announced a GBP 40 billion tax hike, the largest in 30 years, to tackle a fiscal shortfall left by the previous government.

## Key UK economic indicators

- Inflation fell to 1.7% in September, the lowest since April 2021, compared with 2.2% in each of the previous two months, while core inflation rate fell to 3.2% from 3.6% in the previous months
- Industrial production declined 1.60% on year in August, compared with a revised 2.2% fall in the previous month

## Chinese economy expanded 4.6% on year in Q3

- The Chinese economy expanded 4.6% on-year in the third quarter of 2024, compared with a 4.7% rise in the second quarter.
- The People's Bank of China slashed its key lending rates to new low, at the October meeting, to support a weak economy. The one-year loan prime rate (LPR) was cut by 25bps to 3.1%, while the 5-year loan prime rate was reduced to 3.60% in October from 3.85% in September.
- The People's Bank of China (PBoC) injected a total of CNY 700 billion into financial institutions through a one-year medium-term lending facility (MLF), while maintaining the interest rate at 2.0%.

## Key Chinese economic indicators

- The trade surplus widened to USD 81.71 billion in September 2024 from USD 75.5 billion in the same period a year earlier
- Industrial production rose 5.4% on-year in September compared with a 4.5% increase in August

Source: CRISIL, Data as on 31 October 2024, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

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## Bank of Japan maintains short-term interest rates

- The Bank of Japan (BoJ) unanimously maintained its key short-term interest rate at around 0.25% during its October meeting, leaving it at the highest level since 2008.
- Japanese voters ended the ruling Liberal Democratic Party's 15-year lower-house majority, driven by discontent over inflation, living costs, and a major funding scandal, creating rare political uncertainty in Japan.

## Key Japanese economic indicators

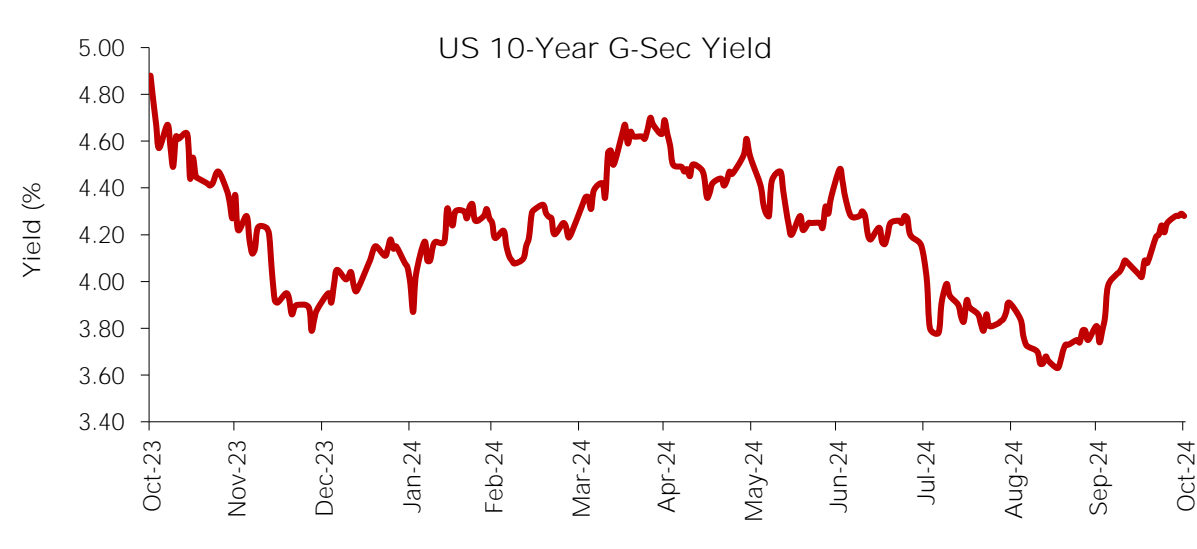
- The country's trade deficit decreased to 294.24 billion yen in September 2024 compared with a surplus of 60.56 billion yen in the same month a year earlier
- The annual inflation rate eased to 2.5% in September compared with 3.0% in August, while core inflation to 2.4% from 2.8%

Source: CRISIL, Data as on 31 October 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 declined in October

- The yield on the 10-year US Treasury settled at 4.28% on October 31, 2024, compared with 3.81% on September 30, 2024
- Bond prices declined after the US Federal Reserve Chair Jerome Powell said during a speech at National Association for Business Economics conference, that further rate cuts could lie ahead, but that the central bank was not on a predetermined path
- Bond prices declined further after the US government data showed that the federal budget deficit grew to \$1.833 trillion for fiscal year ended September 30, 2024 – the deficit is the widest outside of the Covid-19 period 2020.



Global bond yields			
	31-Oct	30-Sep	Change
US 10-Year (%)	4.28	3.81	0.47
UK 10-Year (%)	4.45	4.01	0.44
German 10-Year (%)	2.39	2.13	0.26
Japan10-Year (%)	0.94	0.86	0.08

Source: CRISIL, Bloomberg, Data as on 31 October 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
05-November-24	US Presidential Election	NA
07-November-24	UK BoE Interest Rate Decision	5%
08-November-24	US Fed Interest Rate Decision	5%
09-November-24	China Inflation Rate, October	0.4%
12-November-24	India Industrial/manufacturing Production, September	-0.1%/1%
	India Inflation Rate, October	5.49%
13-November-24	US Inflation, October	2.4%
14-November-24	Eurozone GDP Growth Rate, Q3	0.9%
	UK GDP, September	1%
	India WPI inflation, October	1.84%
15-November-24	China PBoC 1-Year MLF Announcement	2.0%
	Japan GDP Growth Rate, Q3	0.8%
	India Balance of Trade, October	\$-20.8B

Source: CRISIL, Data as on 31 October 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
19-November-24	Eurozone Inflation Rate, October	1.7%
20-November-24	UK Inflation Rate, October	1.7%
	China Loan Prime Rate 1Y/5Y, November	3.1%/3.6%
22-November-24	Japan Inflation Rate, October	2.5%
27-November-24	US GDP Growth Rate, Q3	2.8%
29-November-24	India Government Budget Value October	Rs 4745200
	India GDP Growth Rate Q3	6.7%
	India Infrastructure Output, October	2%

Source: CRISIL, Data as on 31 October 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

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## Other major developments

- The Asian Development Bank (ADB) approved a loan of \$162 million to support sustainable and inclusive tourism development projects in Himachal Pradesh
- The ADB approved a loan of \$42 million to support the Maharashtra Sustainable Climate-Resilient Coastal Protection and Management Project, which seeks to strengthen the state's coastal and riverbank protection systems
- The ADB approved a loan of \$241 million to support the West Bengal government's Revamped Distribution Sector Scheme, which seeks to improve electricity distribution
- The ADB approved a loan of \$434.25 million to increase RE capacity and improve energy security in Assam
- The Centre released tax devolution of Rs 1,78,173 crore to states, as against the monthly devolution of Rs 89,086.5 crore. This included an advance instalment, in view of the festive season and to enable states to accelerate their capital spending and finance their development/welfare-related expenditure
- The Centre released the first instalment of the 15th Finance Commission grants for 2024-25 to Rural Local Bodies in Andhra Pradesh and Rajasthan
- The National Bank for Agriculture and Rural Development sanctioned financial assistance of Rs 770 crore for the construction of two irrigation projects in Jharkhand approved under the Rural Infrastructure Development Fund for fiscal 2025
- The Centre notified Offshore Areas Operating Right Rules, 2024, aimed at regulating the exploration and production of minerals in offshore regions
- The finance minister approved the creation of chief general manager posts below the Board level for five more nationalised banks. The step is aimed at enhancing the administrative structure and efficiency of these banks
- The Minister of Road Transport and Highways sanctioned funds for road infrastructure projects worth Rs 2,200 crore in Maharashtra, Andhra Pradesh, Telangana and Goa.

Source –CRISIL, Data as on 31 October 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 raised the transaction cap for UPI123Pay to Rs 10,000 from Rs 5,000 at its Monetary Policy Committee meeting held in October. It also hiked the per transaction limit on UPI Lite to Rs 1,000 from Rs 500. Furthermore, the central bank also enhanced the UPI Lite wallet limit to Rs 5,000 from Rs 2,000. These decisions were aimed at making digital payments easier, encouraging wider adoption of UPI
- The RBI proposed a beneficiary account name look-up facility to enable remitters to verify the name of the beneficiary account holder before executing payments or transferring funds via the RTGS and NEFT mode
- The RBI announced plans to form a data depository on climate change, named the Reserve Bank-Climate Risk Information System
- The RBI instructed all banks and non-bank payment system providers to review and modify their digital payment systems to ensure better accessibility to persons with disabilities
- The RBI proposed to broaden the scope of the guidelines prohibiting the levy of foreclosure charges or prepayment penalties on floating rate term loans sanctioned to individual borrowers for non-business purposes to include loans sanctioned to micro and small enterprises

## Key economic indicators released in the month

- India's industrial production, as measured by the Index of Industrial Production, experienced an on-year contraction of 0.1% in August 2024, marking the first decline in 22 months.
- In September 2024, the output of the country's eight core sectors, indicated by the combined Index of Eight Core Industries, showed a 2% growth on-year
- According to the latest data released by the Ministry of Commerce and Industry, India's merchandise trade deficit widened to \$20.78 billion in September, up from \$20.08 billion in the year-ago period
- India was able to restrict its fiscal deficit for the first half of the current fiscal (April-September) to Rs 4.75 trillion, which was equivalent to ~29.4% of the budgeted target of Rs 16.1 trillion.

Source –CRISIL, RBI Policy Statement, Data as on 30 September 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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