

Global Navigator

May 2024

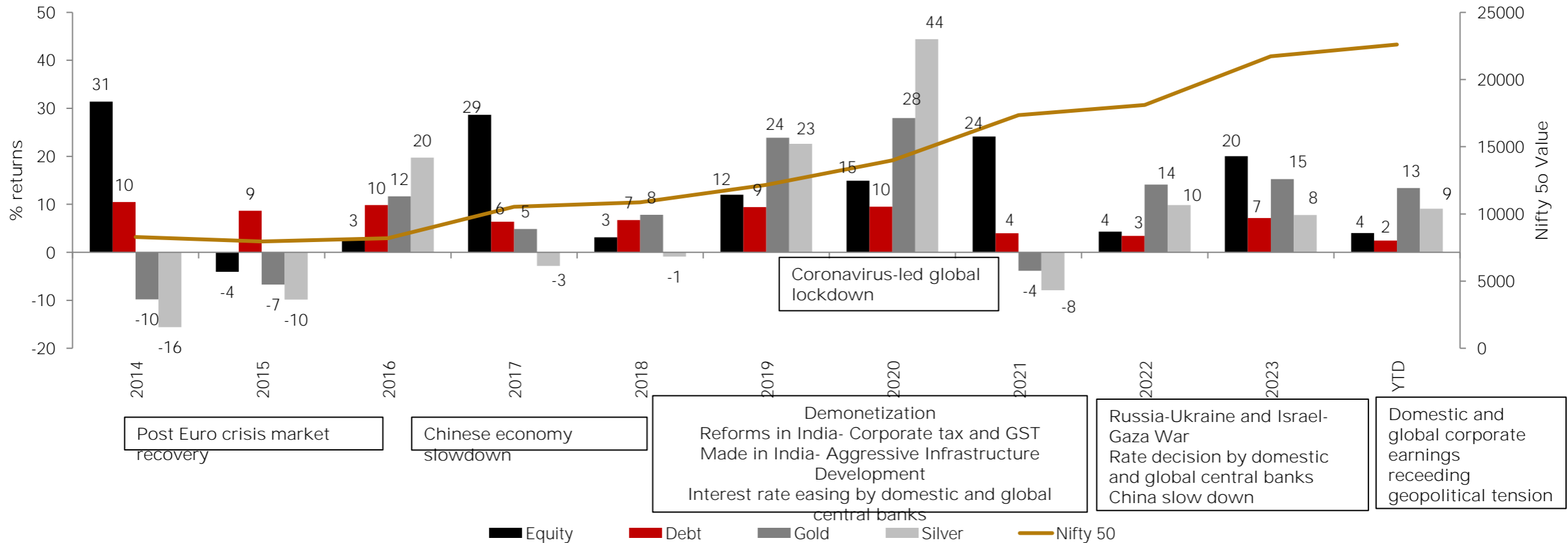


HSBC Mutual Fund

History of asset classes through major events

Different asset classes outperform each other during different market cycles and events

Calendar year performance of asset classes



Equity- Nifty 50, Debt- CRISIL short duration debt index

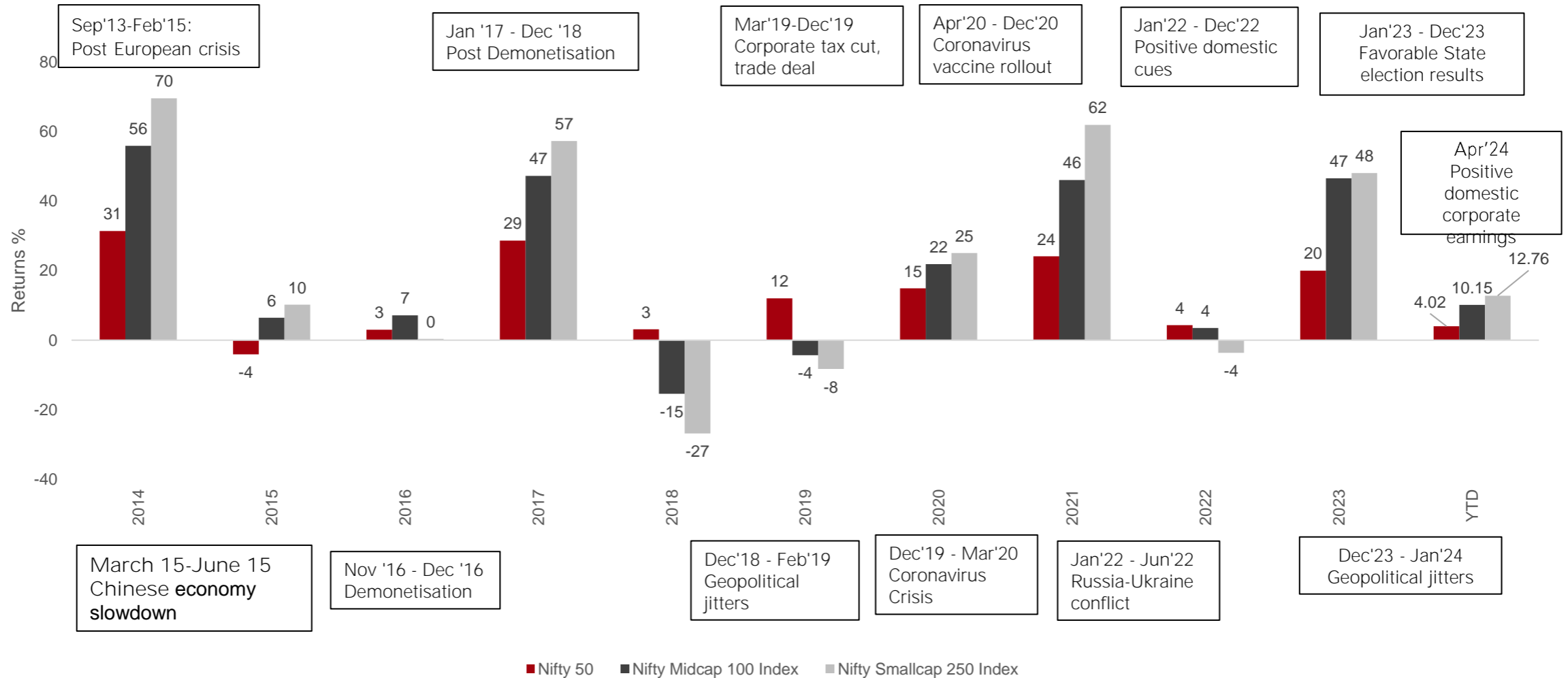
Gold and silver returns are based on spot rates from India Bullion and Jewellers Association (IBJA) and MCX

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

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History of Equity markets through major events

Equity has performed strongly during positive market situation, but corrected sharply during major slow down events

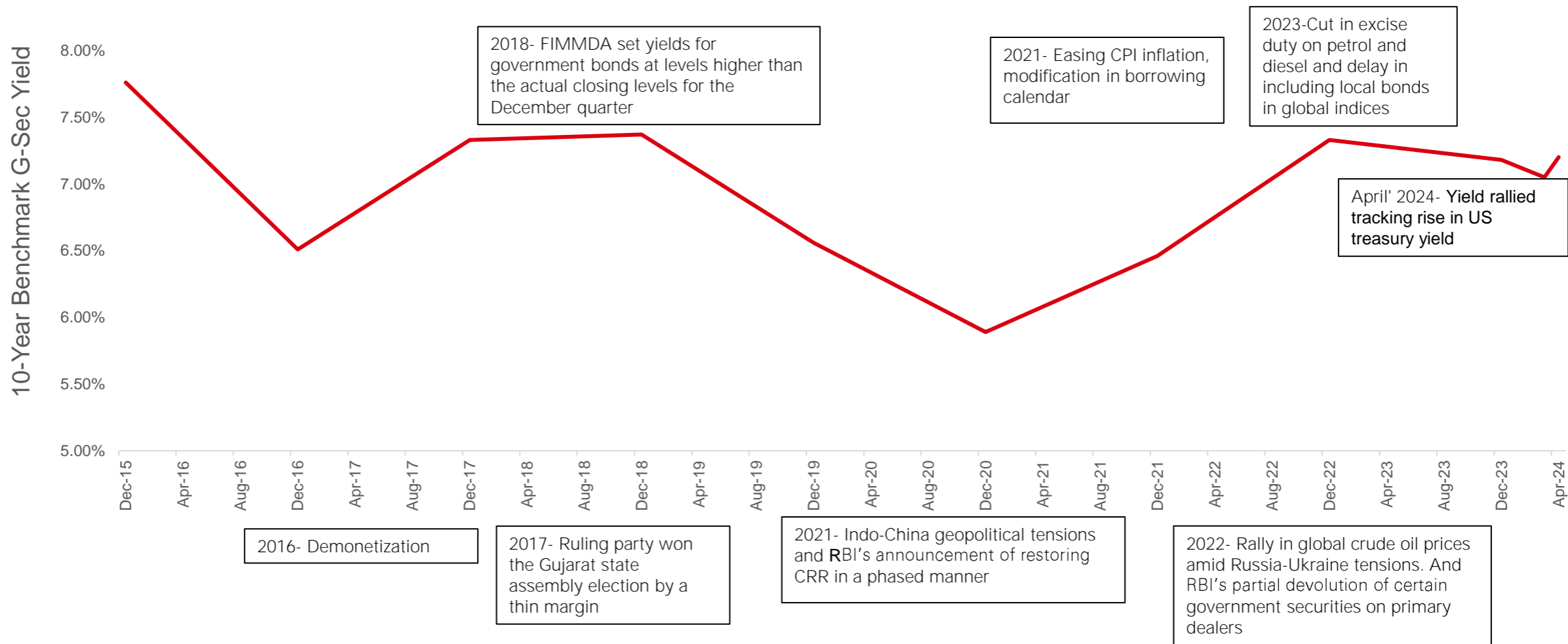


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History of Debt Markets through major events

10-year G-Sec yield movement through major events



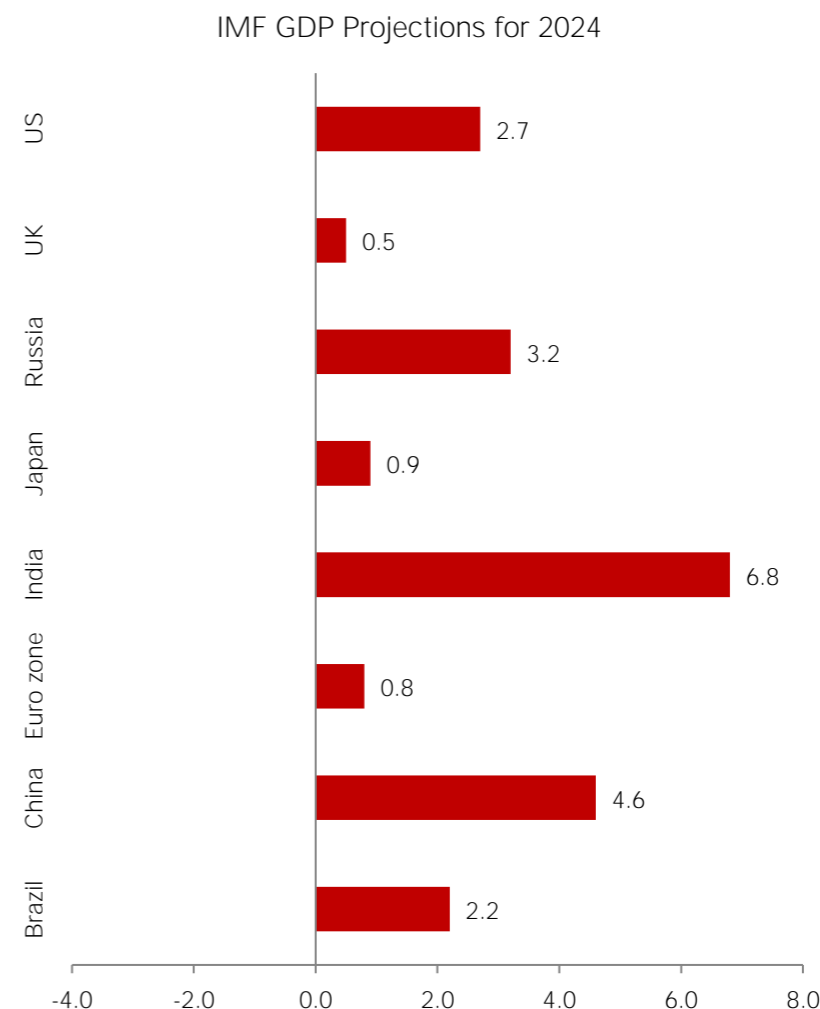
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Global Economic Update

	GDP		Inflation		Industrial Growth	
	Current	Previous	Current	Previous	Current	Previous
US	1.6% Q1 2024	3.4% Q4 2023	3.5% Mar'24	3.2% Feb'24	0.0% Mar'24	-0.3% Feb'24
Eurozone	0.4% Q1 2024	0.1% Q4 2023	2.4% Mar'24	2.6% Feb'24	-6.4% Feb'23	-6.6% Jan'23
UK	0.3% Q4 2023	0.1% Q3 2023	3.2% Mar'24	3.4% Feb'24	1.4% Mar'24	0.3% Feb'24
China	5.3% Q1 2024	5.2% Q4 2023	0.1% Mar'24	0.7% Feb'24	4.5% Mar'24	7% Jan-Feb'24
Japan	-0.4% Q4 2023	-3.2% Q3 2023	2.7% Mar'24	2.8% Feb'24	-3.4% Feb'24	-1.5% Jan'24
India	8.4% Q3 2023	8.1% Q2 2023	5.85% Mar'24	5.09% Feb'24	5.7% Feb'24	3.8% Jan'24

Major Global Central Bank	Latest Key Interest rate
US Federal Reserve	5.25-5.5%
Bank of England	5.25%
European Central Bank	4.50%
Bank of Japan	0.10%
India	6.50%



Global economic outlook likely to improve slightly next year

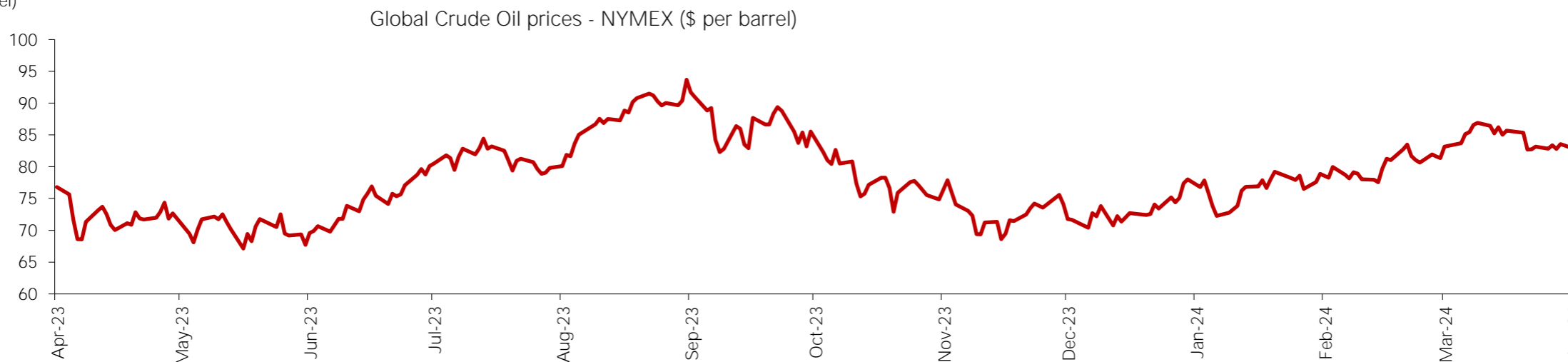
Source: CRISIL, Bloomberg, Respective Central Banks, IMF. Data as on 30 April 2024

Past performance may or may not be sustained in future and is not a guarantee of any future returns., GDP – Gross Domestic Product, IMF – International Monetary Fund
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International crude oil fell in April

- Crude oil prices on the New York Mercantile Exchange (NYMEX) closed at \$81.93 per barrel on April 30, 2024, down 1.49% from \$83.17 per barrel on March 28.
- Oil prices fell in anticipation that geopolitical uncertainty would have lesser impact on supply. Further, an unexpected spike in the US crude oil supply kept oil prices under pressure. Mixed economic data from the US and China spurred demand worries, weighing on prices.
- Earlier in the month, crude oil prices gained due supply worries amid persistent geopolitical uncertainty

(\$ Per Barrel)



Oil prices fell due to easing supply concerns

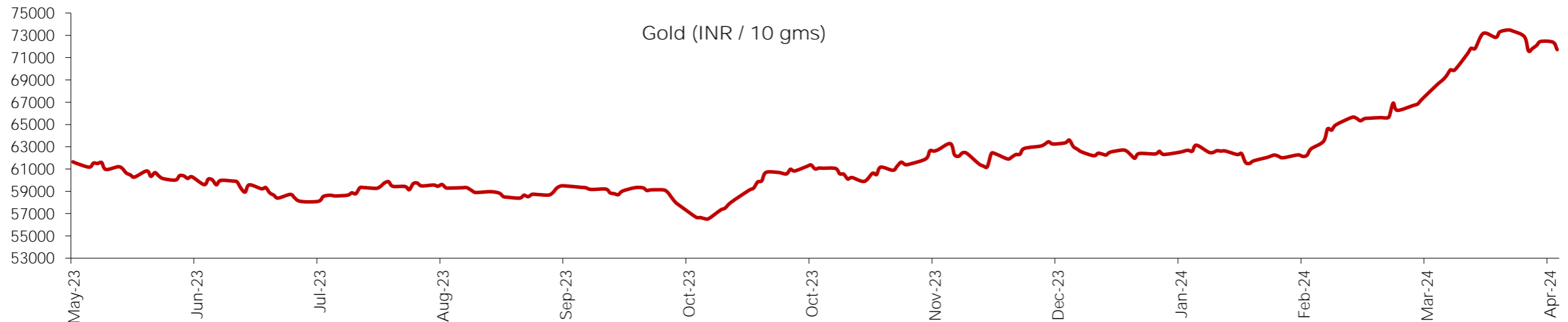
Source – CRISIL, NYMEX. Data as on 30 April 2024

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Gold rose in April

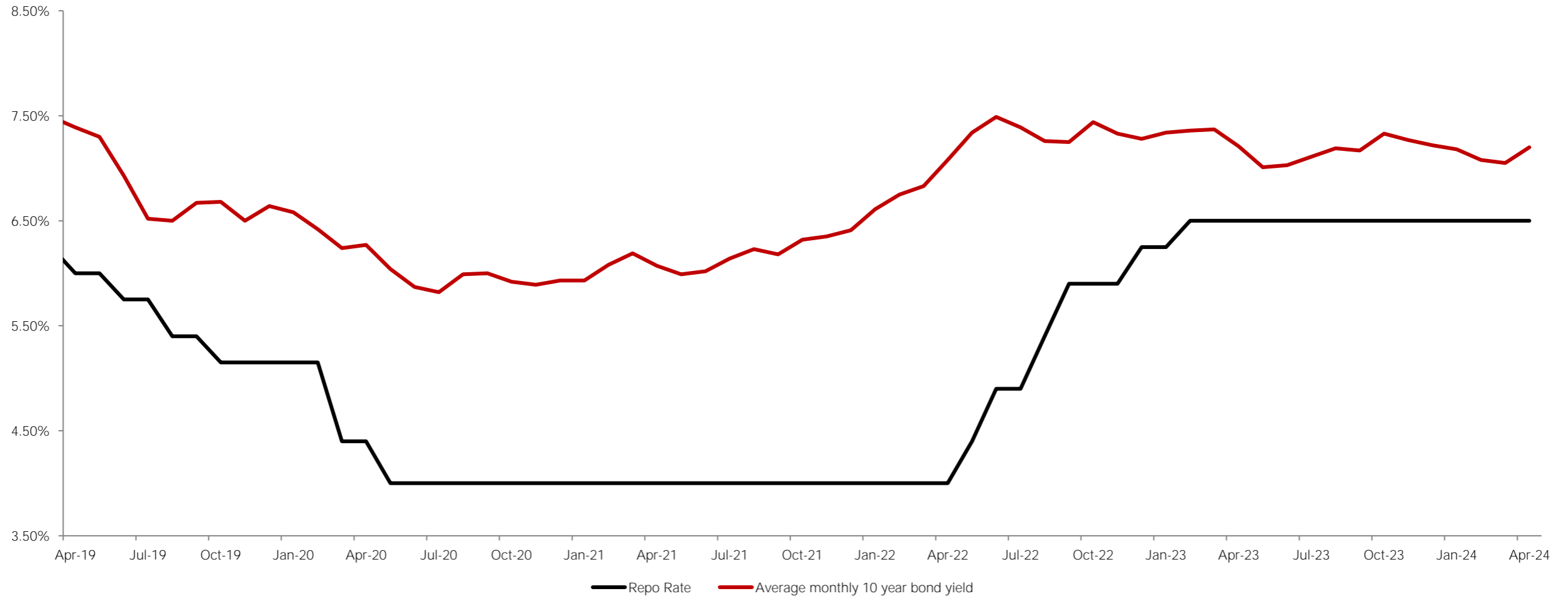
- Gold prices ended at Rs 71,710 per 10 grams on April 30, up 6.6%, from Rs 67,252 per 10 grams on March 28, as per the India Bullion and Jewellers Association.
- At the start of the month, investors continued to invest in the safe-haven yellow metal on the back of geopolitical tensions.
- Gold prices rose on diminishing hopes of rate cut by the US Federal Reserve after Chairman Jerome Powell said recent jobs data and inflation reading did not change the central bank's policy strategy.
- However, there were some losses as the geopolitical tensions receded eventually and on a higher dollar index.
- Lower demand from domestic stockists also kept the pressure on yellow metal prices.



Gold prices rose on safe haven appeal

Source: CRISIL, IBJA. Data as on 30 April 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.

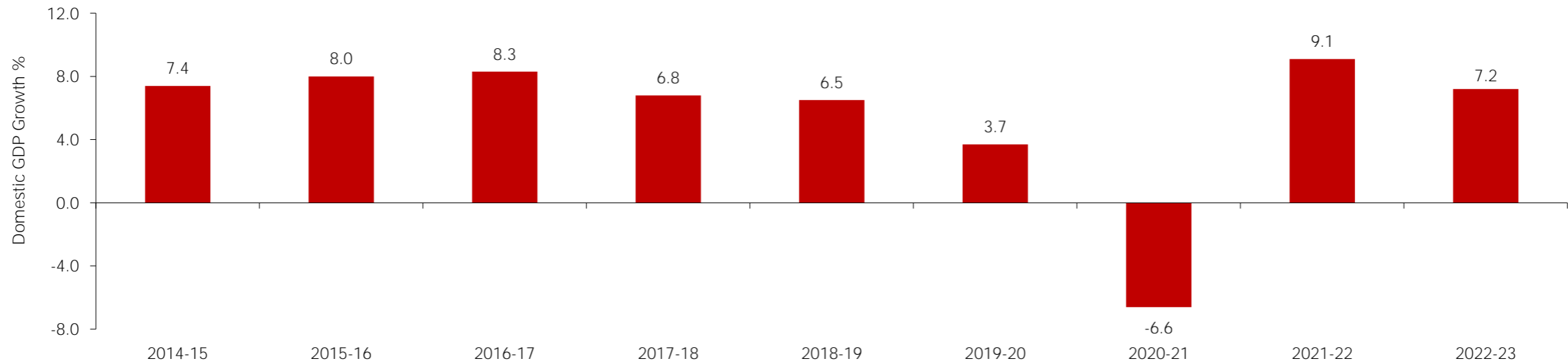
RBI Repo Rate held at 6.50%



Source: RBI, CRISIL Research, Data as on 30 April 2024
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Outlook on Indian economy positive, RBI maintains optimistic stance despite risks

- The Indian economy remains in a robust growth trajectory, with the World Bank upgrading its economic growth forecast for fiscal 2025 by 20 basis points to 6.6%, driven by upward revisions to investment growth.
- The positive outlook was further reinforced by the Reserve Bank of India's (RBI) decision to maintain the repo rate at 6.5% for the seventh consecutive time. The central bank also decided to retain its 'withdrawal of accommodation' stance to ensure inflation aligns with the target, while supporting growth.
- The RBI also kept its India real GDP projection for fiscal 2025 and the third quarter of the fiscal unchanged at 7% each, indicating a strong growth momentum.



Source – CRISIL, Mospi, Data as on 30 Apr 2024

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Retail inflation eases to four-month low of 5.09% in February 2024

- India's consumer price index(CPI)-based inflation came in at 5.85% in March 2024. While this was only marginally higher than the preceding month (5.09% in February 2024), it was the highest in four months and reflected a significant easing as compared to a year ago (6.95% in February 2023).
- Meanwhile, India's wholesale price index-based (WPI) inflation also rose to a four-month low of 0.53% in March.

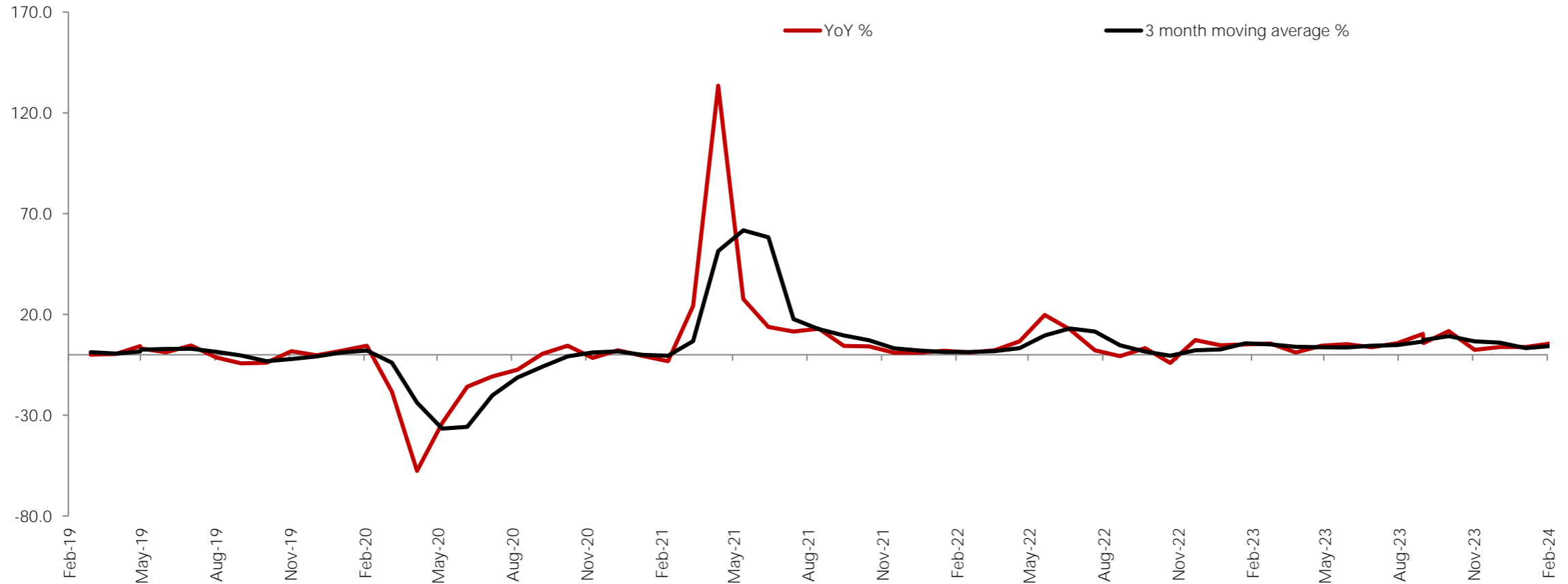
Indicators	Current	Previous
Monthly CPI Inflation	4.85% (March-24)	5.09% (February-24)
Industrial Growth	5.7% (February-24)	3.8% (January-24)
Exports	\$394.99 bn (Apr-Feb FY24)	\$409.11 bn (Apr-Feb FY23)
Imports	\$620.19 bn (Apr-Feb FY24)	\$655.05 bn (Apr-Feb FY23)
Trade Balance	-\$72.24 bn (Apr-Feb FY24)	-\$116.13 bn (Apr-Feb FY23)
Gross Tax Collections	INR 2209782 cr (Apr-Feb FY24)	INR 1980828 cr (Apr-Feb FY23)

Source – Ministry of Commerce, Comptroller General of Accounts, CRISIL, Data as on 30 April 2024
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Index of Industrial Production - IIP

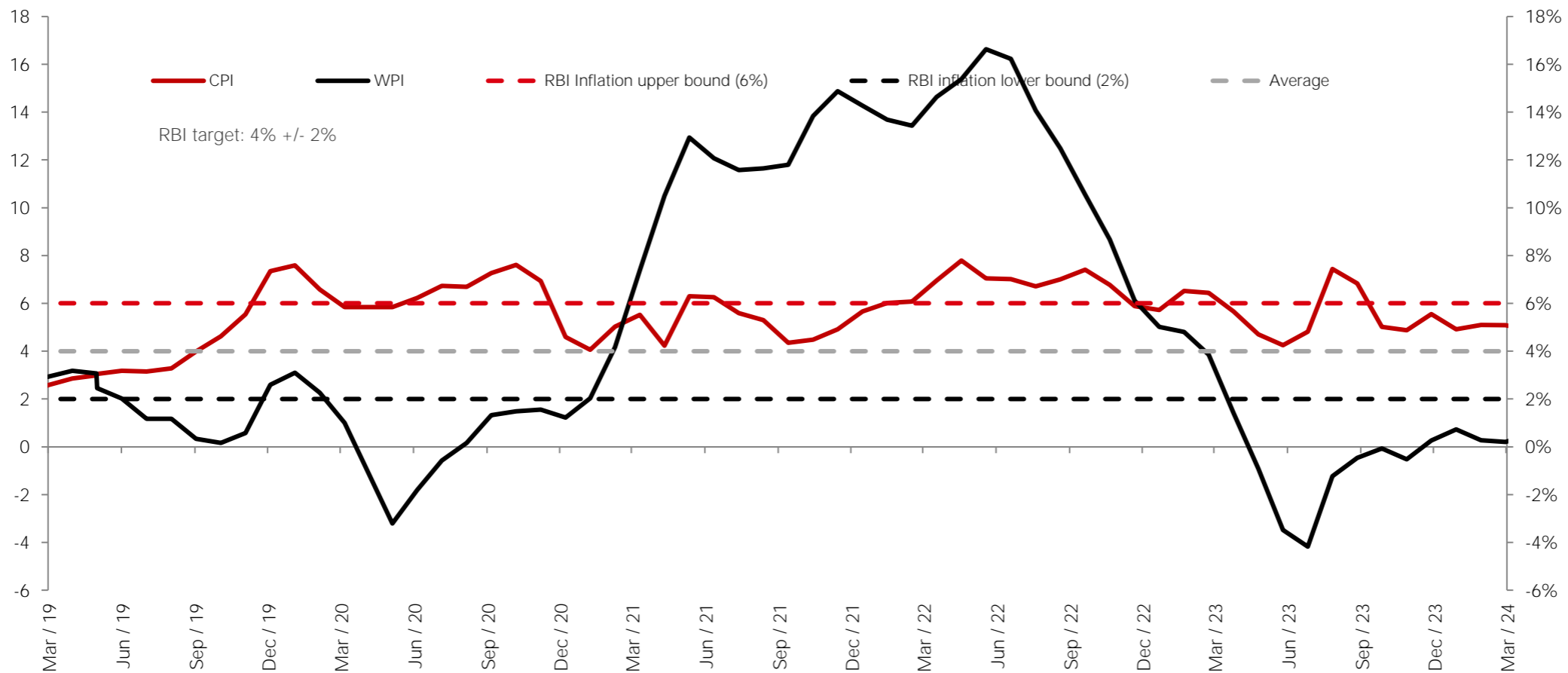
- India's industrial output, as measured by the Index of Industrial Production, rose to a four-month high of 5.7% in February 2024.



Source: CRISIL, MOSPI, Data as on 30 April 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.

Inflation target and trend

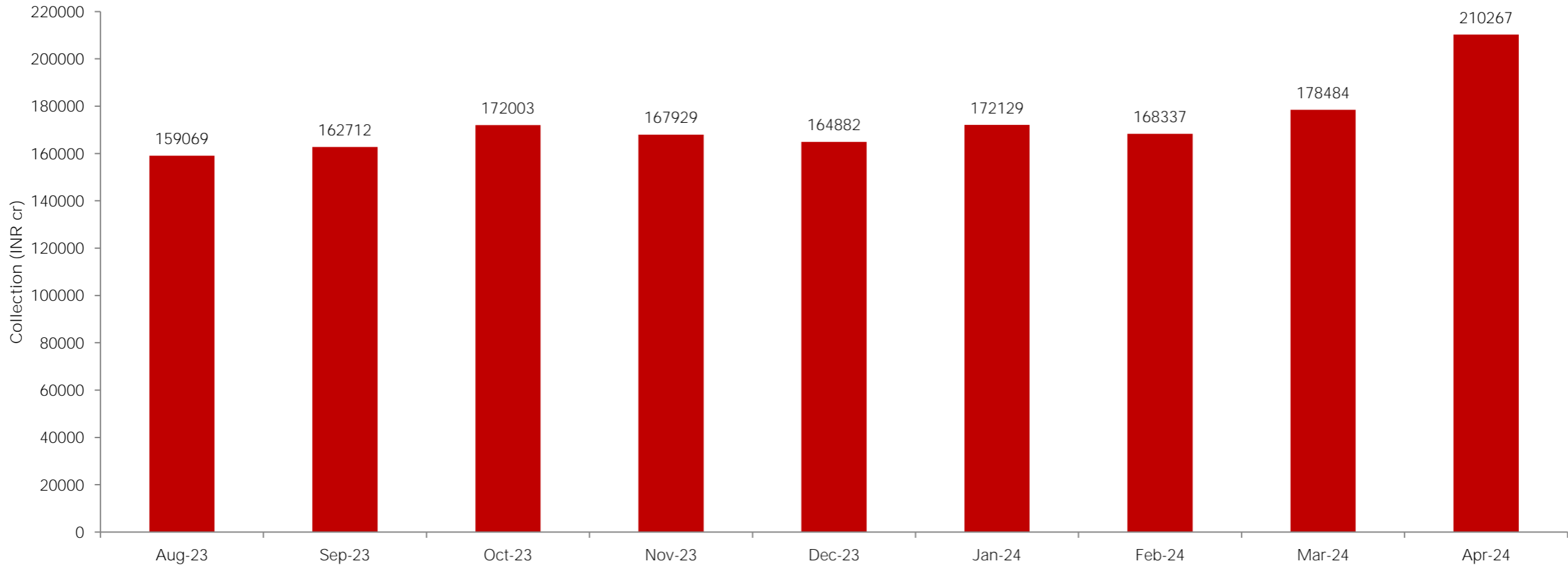
CPI inflation below the RBI's max target range



Source: CRISIL, MOSPI, RBI, Data as on 30 April 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.

GST collection hit record of INR 2.10 lakh crore in April

The government collected INR 2.10 lakh crore goods and services tax (GST) for the month of April



Source: CRISIL, Ministry of Finance, Data as on 30 April 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 gained in April '24

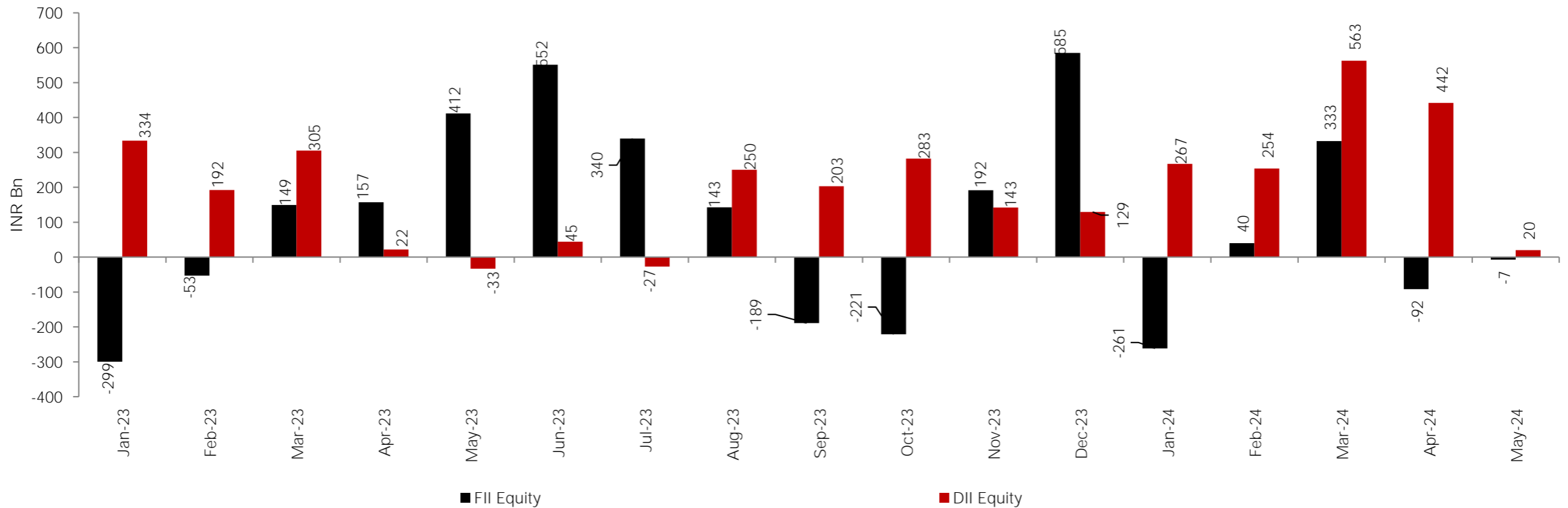
- In April 2024, Indian equity indices extended their gains for the third month in a row. Both benchmark indices, the S&P BSE Sensex and Nifty 50, gained 1% each, as compared with the preceding month, against a backdrop of generally healthy corporate earnings, favourable macro data and a global rally towards the month end
- The month started with a good gain after the Reserve Bank of India kept repo rates unchanged exuding confidence on the country's economic growth in fiscal 2025. The MPC maintained the repo rate under its liquidity adjustment facility at 6.50% for the seventh consecutive time at its policy review meet
- The domestic equity markets saw more gains, owing to strong business updates from the banking sector, including some banking heavyweights. This led to investor optimism over fourth quarter earnings. The bourses also witnessed strong buying in banking and financial stocks during the month-end, following upbeat quarterly results by several large entities
- During the latter half of the month, an easing of uncertainty surrounding geopolitical uncertainties in the Middle East helped keep the market buoyant
- However, further gains were trimmed on weak global cues and on a trackback on bets of a rate cut by the US Fed in the near future. These sentiments were asserted following escalation in inflation and hawkish comments from the Fed officials.
- The US inflation rate accelerated to 3.5% on-year in March, compared with 3.2% in February, while core inflation rate remained unchanged at 3.8%. The producer prices increased 2.1% on-year in March, the most since April 2023, after a 1.6% rise in February
- Uncertainty surrounding the geopolitical challenges in the Middle East also pulled back some gains
- Some losses were seen following a dismal earnings update by a domestic non-banking finance company

Markets gained on strong domestic macroeconomic data and global cues

Source –CRISIL, Data as on 30 April 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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S&P BSE sectoral indices mostly ended higher in April '24

- All key sectoral indices, barring two, gained value during the month. The S&P BSE Metal index was the top gainer, surging by 10.8% on the back of a rise in base metal prices to multi-year highs.
- In contrast, the S&P BSE IT and S&P BSE TECK indices shed value during the month



Source: CRISIL, MOSL, Data as on 30 April 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

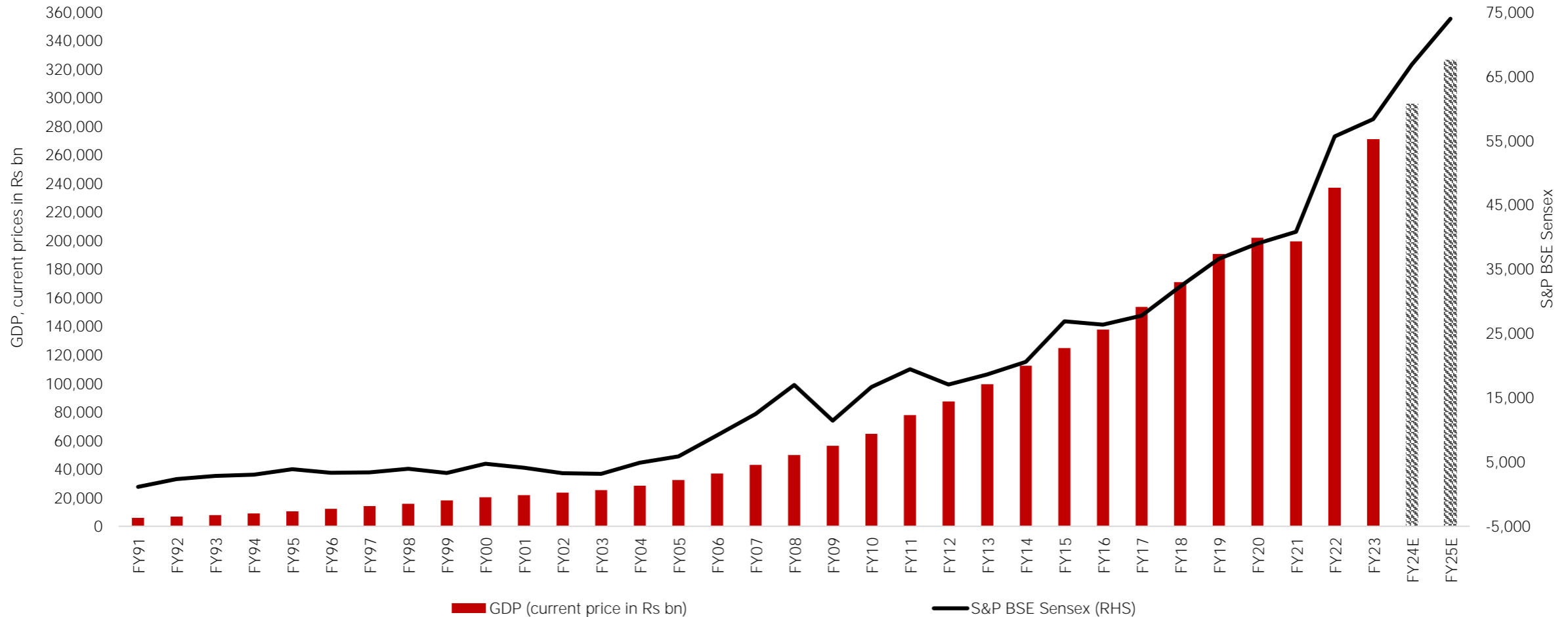
Indices	30-Apr-2024	28-Mar-2024	% Change 1 Month	% Change 1 Year	% Change YTD
Nifty 50	22605	22327	1.24	25.13	4.02
S&P BSE Sensex	74483	73651	1.13	21.88	3.10
S&P BSE Auto	51066	49142	3.92	68.39	20.93
S&P BSE BANKEX	55998	53515	4.64	14.32	2.98
S&P BSE Capital Goods	63025	60943	3.42	71.55	13.27
S&P BSE Consumer durables	55198	52277	5.59	43.84	10.40
S&P BSE FMCG	19612	19318	1.52	13.77	-4.18
S&P BSE Healthcare	35406	35053	1.01	53.71	12.22
S&P BSE IT	34095	35645	-4.35	23.97	-5.32
S&P BSE Metal	31251	28196	10.83	55.21	15.78
S&P BSE MidCap	42121	39322	7.12	65.23	14.34
S&P BSE Oil & Gas	28981	27644	4.83	58.61	25.89
S&P BSE Power	7220	6702	7.73	92.85	24.09
S&P BSE PSU	20098	18275	9.98	97.33	29.18
S&P BSE Realty Index	7643	7108	7.52	114.70	23.54
S&P BSE SmallCap	47316	43166	9.61	63.63	10.88

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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 2024 is shown shaded in this graph is for illustration purposes only and is not guaranteed, Data as on 30 April 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

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

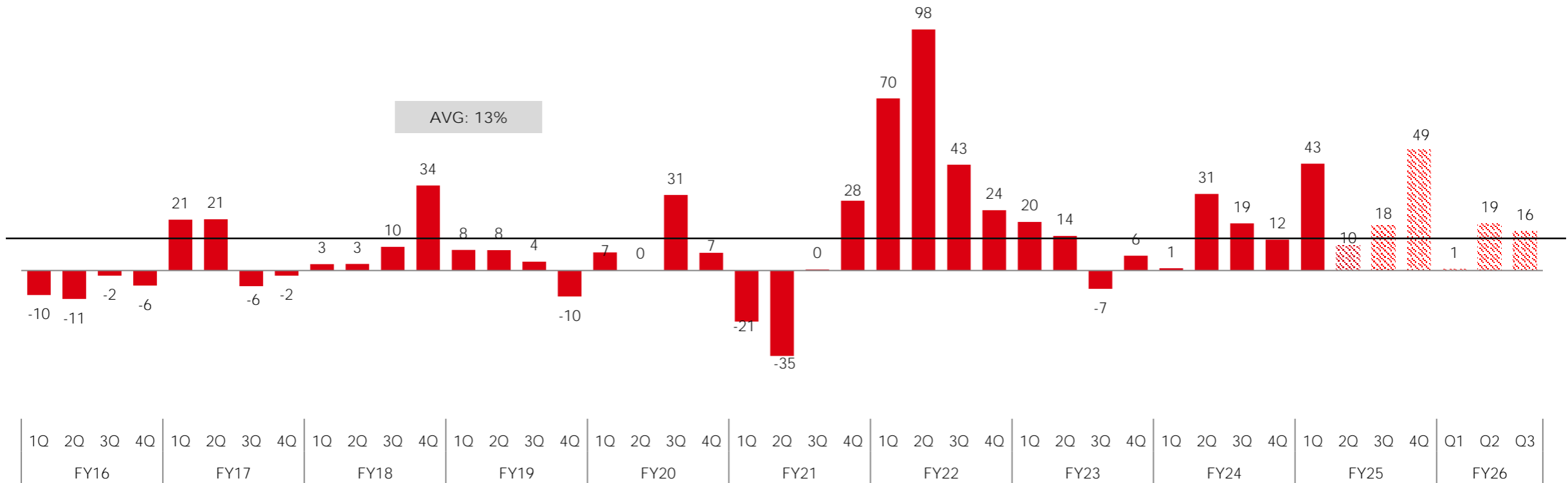
Sectoral indices	% Change										
	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24*	10-year CAGR*
Nifty 50	-4.06	3.01	28.65	3.15	12.02	14.90	24.12	4.33	11.20	4.02	12.93
S&P BSE Sensex	-5.03	1.95	27.91	5.91	14.38	15.75	21.99	4.44	10.10	3.10	12.75
S&P BSE Auto	-0.60	9.39	32.06	-22.12	-11.27	12.59	15.27	16.54	38.48	20.93	14.33
S&P BSE BANKEX	-9.92	7.35	39.08	5.27	20.72	-2.14	13.63	21.03	2.83	2.98	14.29
S&P BSE CG	-8.51	-3.28	40.03	-1.63	-9.97	10.63	43.47	15.97	49.93	13.27	17.91
S&P BSE CD	24.02	-6.34	101.92	-8.79	20.86	21.52	41.81	-11.27	18.62	10.40	23.80
S&P BSE FMCG	1.36	3.29	31.54	10.60	-3.58	10.55	8.57	-10.93	19.17	-4.18	11.22
S&P BSE Healthcare	15.06	-12.88	0.49	-5.92	-3.55	61.45	17.62	16.62	31.87	12.22	12.64
S&P BSE IT	4.51	-8.00	10.83	24.93	9.84	56.68	41.79	-12.10	15.89	-5.32	14.55
S&P BSE Metal	-31.20	36.65	47.78	-20.75	-11.92	11.23	57.06	-24.24	16.23	15.78	12.08
S&P BSE Oil & Gas	-3.43	27.17	34.00	-15.57	7.25	-4.44	24.22	8.36	0.70	25.89	11.73
S&P BSE Power	-6.44	1.53	19.83	-16.06	-3.65	7.05	67.62	16.57	12.32	24.09	15.64
S&P BSE PSU	-17.18	12.88	19.27	-21.11	-3.88	-16.88	41.01	25.84	34.65	29.18	11.95
S&P BSE Realty	-13.55	-5.98	106.36	-31.07	26.85	8.66	53.34	-10.26	64.11	23.54	18.51

Source: CRISIL, BSE, Figures in red indicate negative returns in that period. *10-year CAGR, Data as on 30 April 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)

Estimates – shaded portion of FY25 and FY26

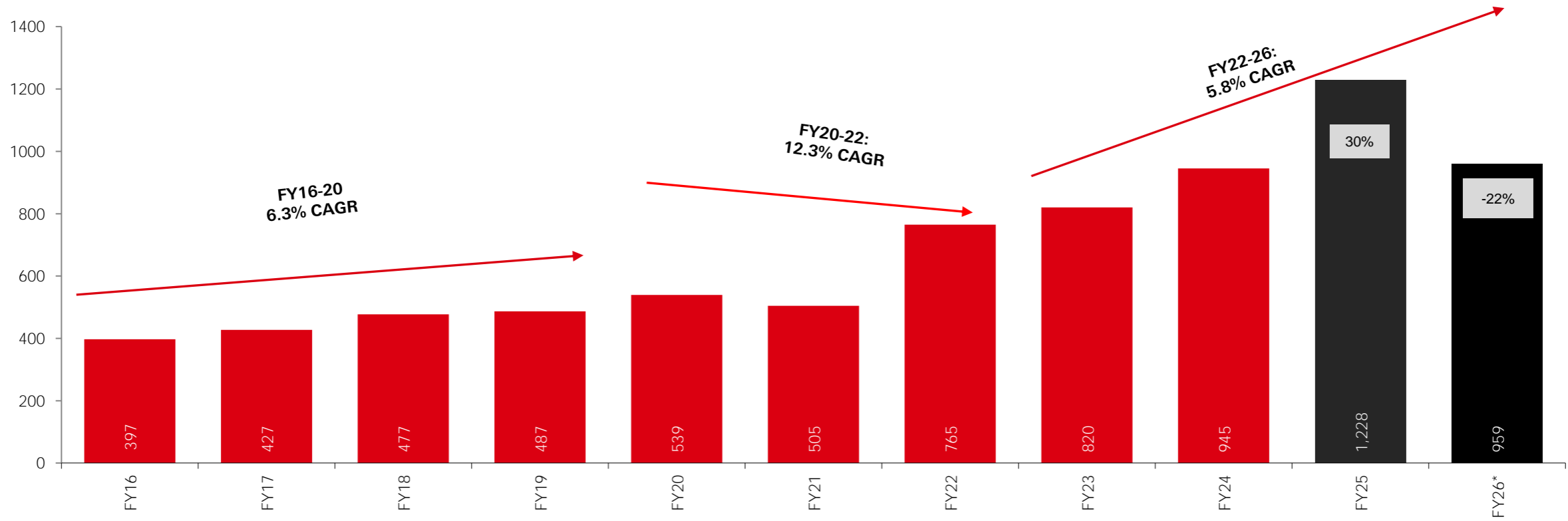
^Average figure mentioned is from FY16 to FY22

Source: CRISIL, Bloomberg, Data as on 30 April 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)

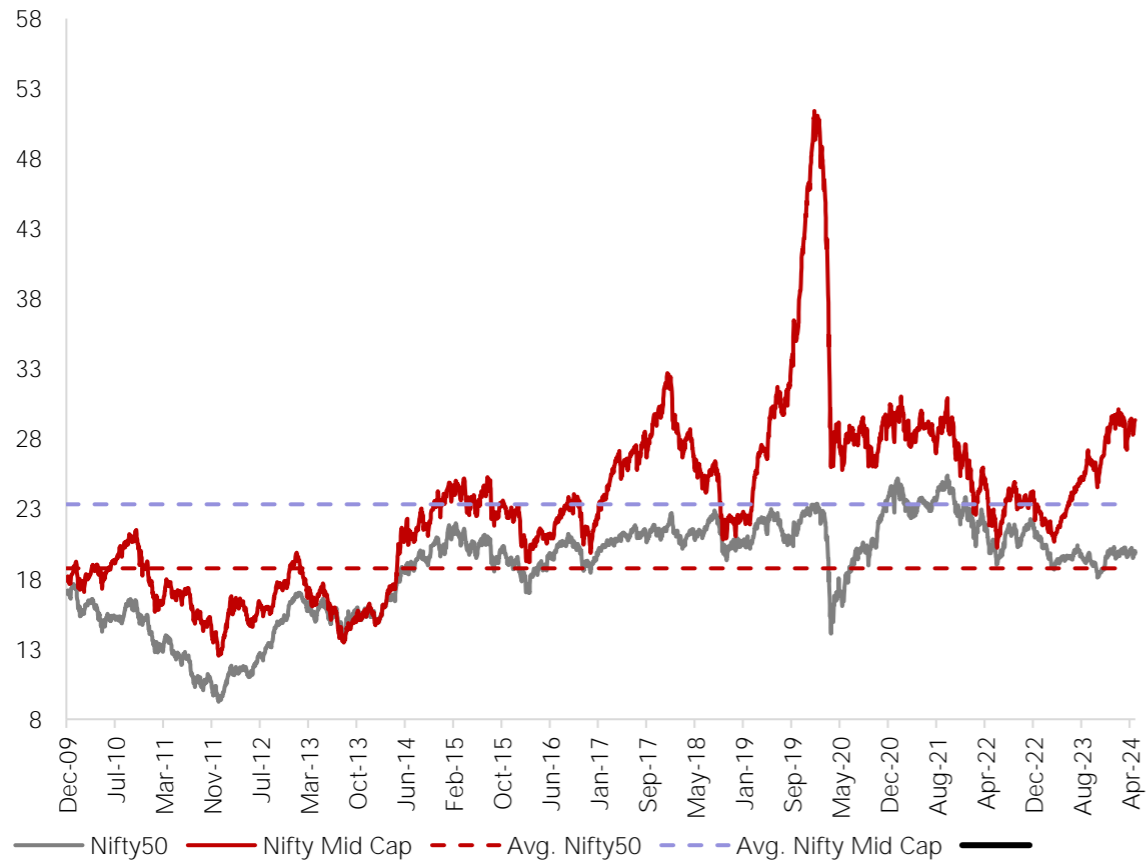


Note: Trailing 12M EPS (Earnings Per Share)
Black shaded columns are estimates of FY25 and FY26
Data for FY 26 is for only three quarters

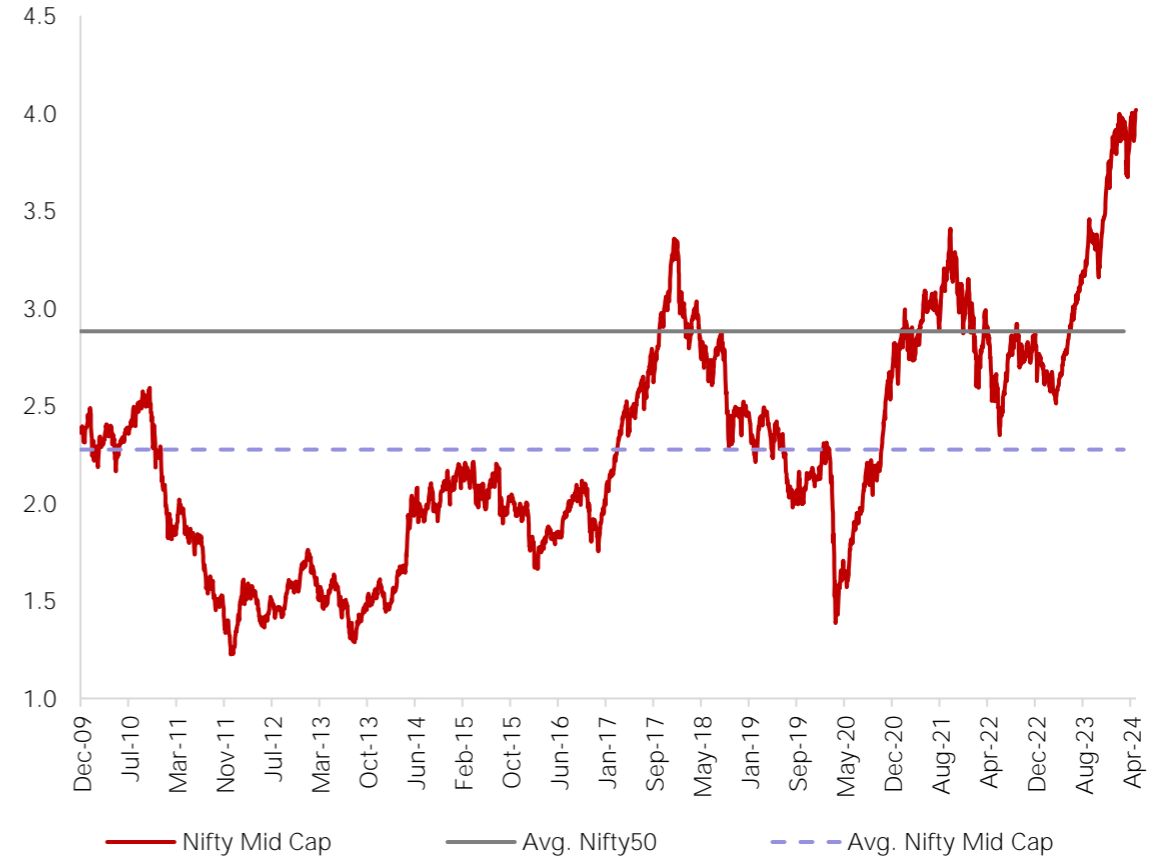
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Market valuations – Nifty 50 and Nifty Midcap 100

Large and Mid Cap - Price to Earnings (PE)



Large and Mid Cap - Price to Book (PB)



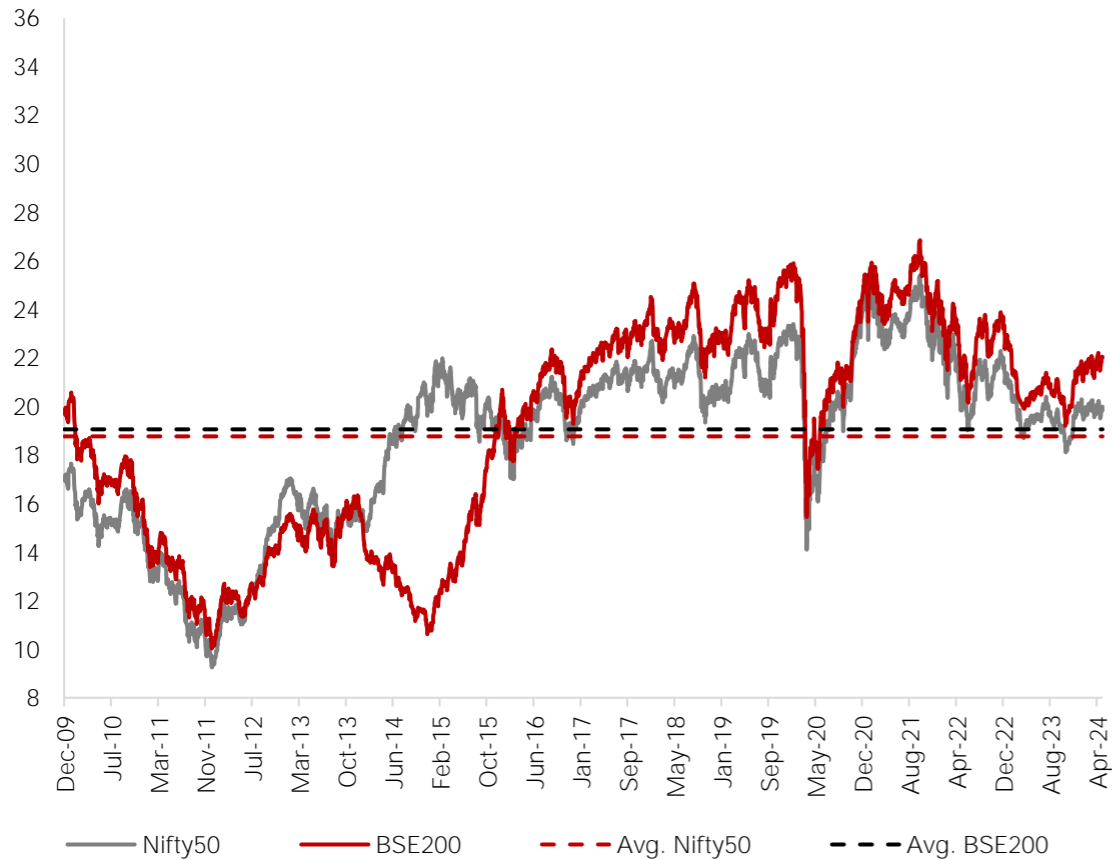
Source: CRISIL, Bloomberg

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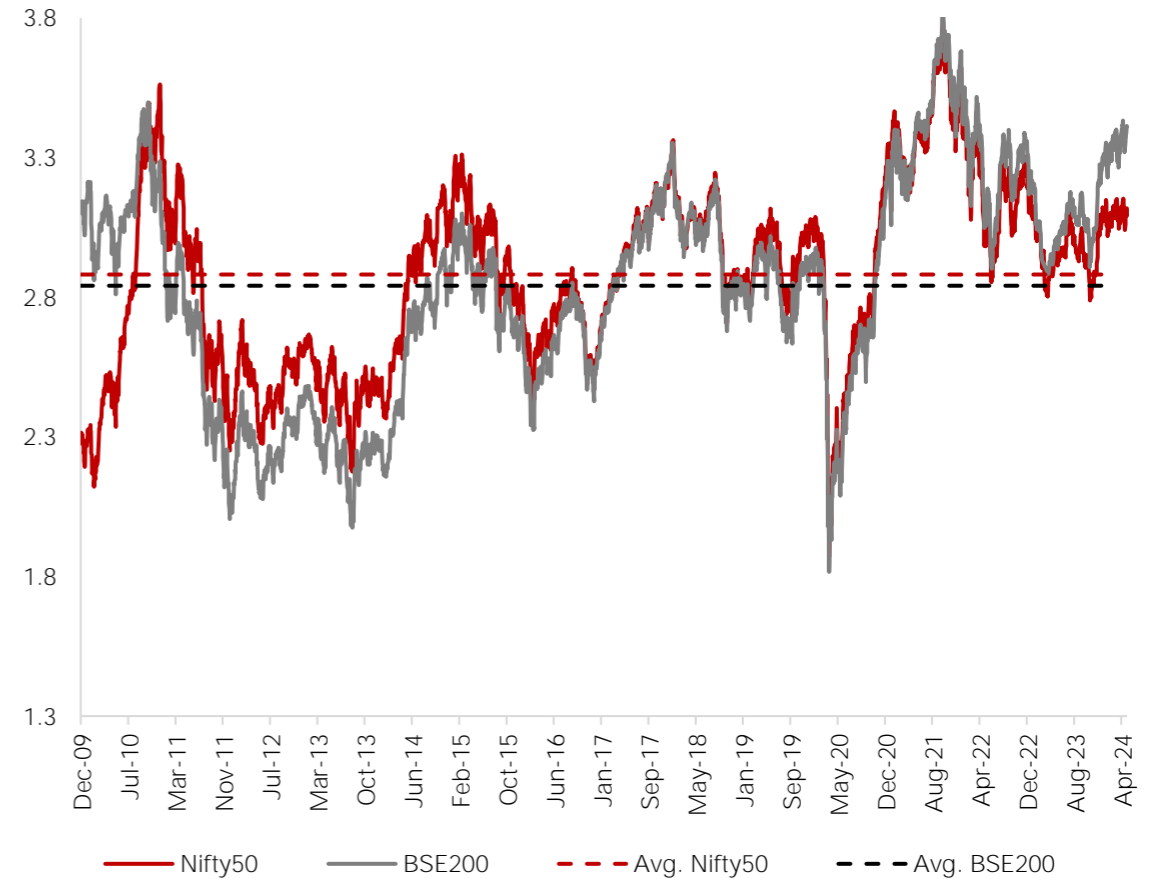
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Market valuations – Nifty 50 and S&P BSE 200

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



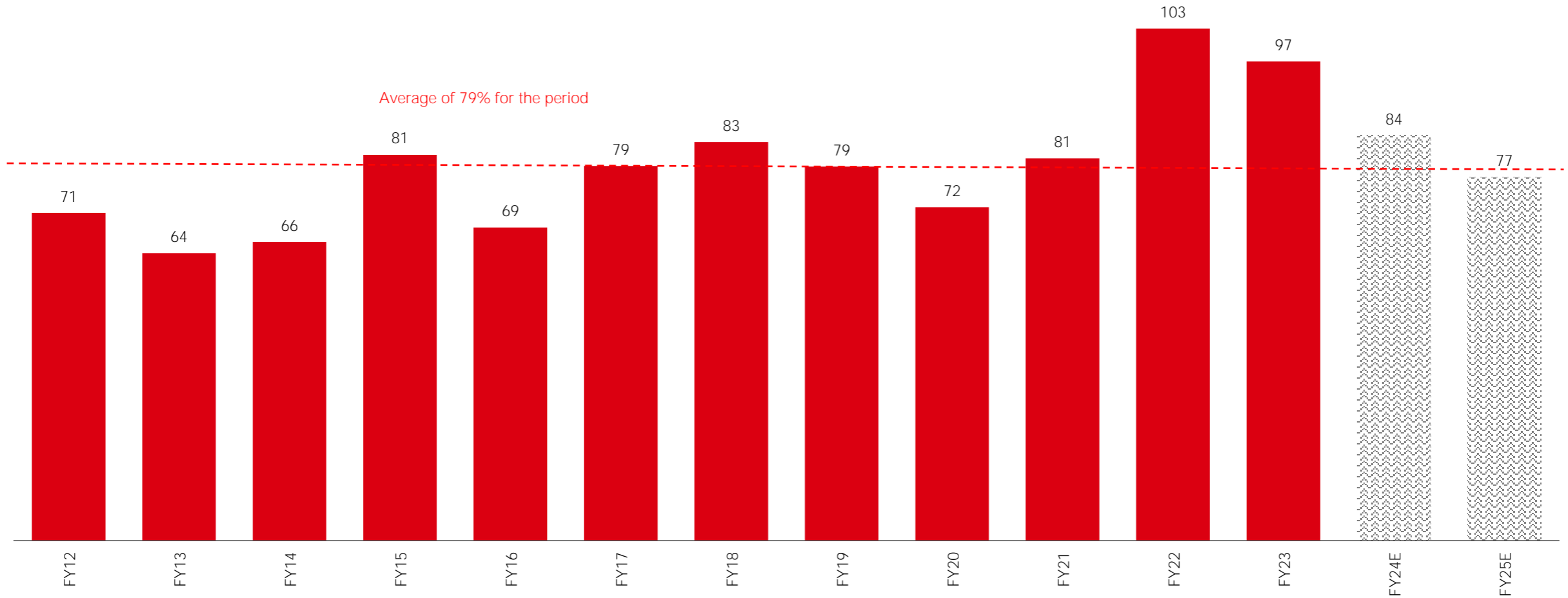
Large and S&P BSE 200 - Price to Book (PB)



Source: CRISIL, Bloomberg, BSE, Data as on 30 April 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) – FY24, FY25

Source: CRISIL, MOSPI, Bloomberg, CRISIL estimates;

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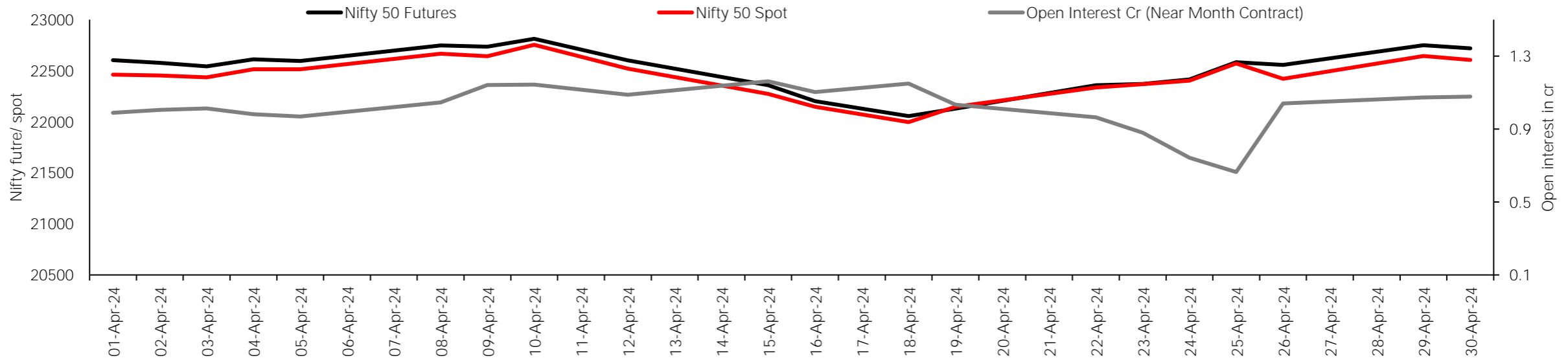
- Indian equity indices continued their upward trend in April 2024 supported by strong DII inflow offsetting FII outflow.
- FIIs were net sellers of Indian equities in April with an outflow of US\$1.1 bn. This was more than offset by DIIs with domestic MFs investing US\$3.9 bn while Insurance invested US\$1.4 bn during the month.
- CPI was at 4.9% (YoY) in March down from 5.1% (YoY) in February while core-core inflation (i.e. core inflation ex petrol and diesel) remained at 3.5% (YoY) same level as in February.
- Nifty FY25 consensus earnings estimate saw a small decline while FY26 saw a 2% upgrade.
- Nifty now trades on 20.6x 1 year forward PE more than 10% above its 10-year average and similar to its 5-year average. Valuations in Mid Cap and Small Cap space are much more elevated.
- The global macro environment remains challenging with heightened geo-political and economic uncertainties. US bond yields remain high putting pressure on interest rates and currencies globally.
- For India, growth has continued to remain strong with GDP growth of 8.4% in Q3FY24 driven by strong government spending on infrastructure and pickup in manufacturing and construction.
- India's investment cycle to be on a medium term uptrend supported by rising government investment in infrastructure and recovery in real estate cycle.
- Expect 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.
- Expect improvement in consumption as the impact of high inflation fades and real incomes start to grow again. Several of these positives are getting discounted by the high valuations currently prevailing in the equity market.
- 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 April 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 futures

- The Nifty 50 near-month future contract of April rose on the rollover day (April 25) versus spot.
- The new near-month contract (May 30) ended ~84 points higher on April 25.
- The rollover of the new near-month contract (May) was 37% on the expiry day compared to 61% 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 10.73 on April 25 from 12.83 on March (rollover date) and ended the month at 12.87.
- Nifty futures saw trading volume of around Rs 4.05 lakh crore, arising out of 40.52 lakh contracts, with an open interest of around 26.83 crore during the month



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Nifty options

- On April 30, Nifty 28,000 call option witnessed the highest open interest of around 2985 thousands, while Nifty 27,000 call contract garnered the maximum number of contracts of 925 thousands.
- Nifty 27,000 put option witnessed the highest open interest of 54075 thousand on April 30 and the Nifty 27,000 put contract garnered the maximum number of contracts of 866 thousand.

NSE F&O turnover

- Turnover on the NSE's derivative segment came in flat in the month with stock futures and stock options witnessed growth. The average put-call ratio was 0.94 in April slightly lower than 0.95 in March.

Instrument	Monthly turnover summary (Figures in INR crore)		
	30-April	28-March	Change %
Index futures	693,063.84	725,716.52	-4%
Stock futures	3,158,915.05	2,645,364.47	19%
Index options	707,237,363.93	709,793,535.64	0%
Stock options	9,921,344.74	8,672,454.06	14%
Total	721,010,687.56	721,837,070.69	0%

Source – CRISIL, NSE. Data as on 30 April 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.

Futures & Options (F&O) Review

FII segment

On April 30, FIIs' open interest was Rs 6.18 lakh crore (~90 lakh contracts). The details of FII derivatives trades for April 1 to 30 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	1283443	112766	1306274	119625	0.19	0.20	0.19	0.21
Index Options	657891377	55849134	656401664	55682187	96.89	96.86	96.87	96.83
Stock Futures	9862097	822185	9964225	828282	1.45	1.43	1.47	1.44
Stock Options	9949000	874221	9944320	873932	1.47	1.52	1.47	1.52
Total	678985917	57658307	677616483	57504026	100.00	100.00	100.00	100.00

Source – CRISIL, NSDL. Data as on 30 April 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.

Average inter-bank call money rates above RBI repo rate in April

- Interbank call WAR (Weighted Average Rate) money rates averaged at 6.56% in April, marginally above the RBI's repo rate of 6.5%. Liquidity levels in the banking system improved in the new financial year (2024-25), after having remained in deficit for most of parts of previous fiscal (2023-24).

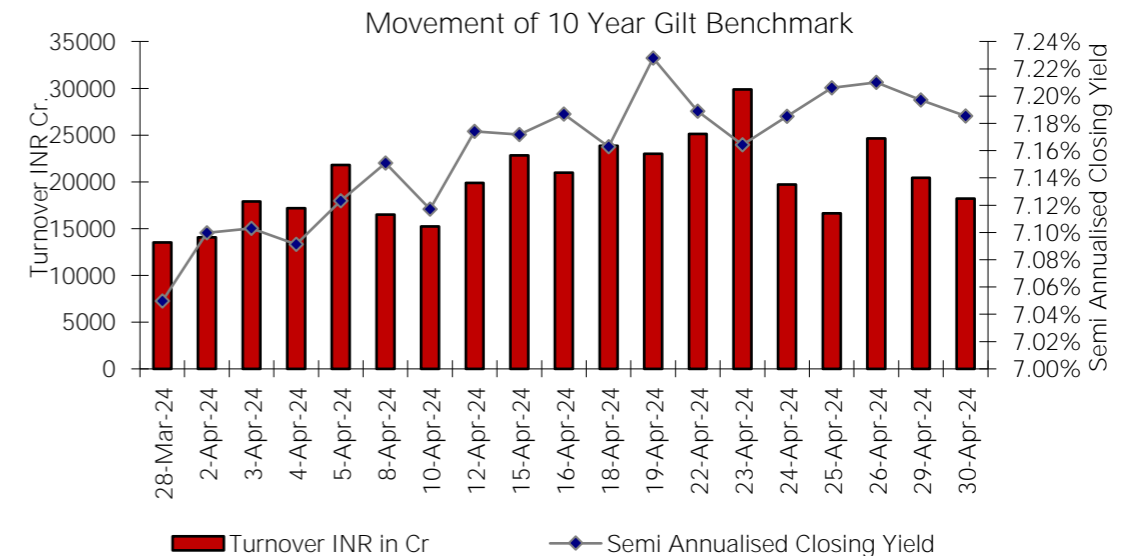
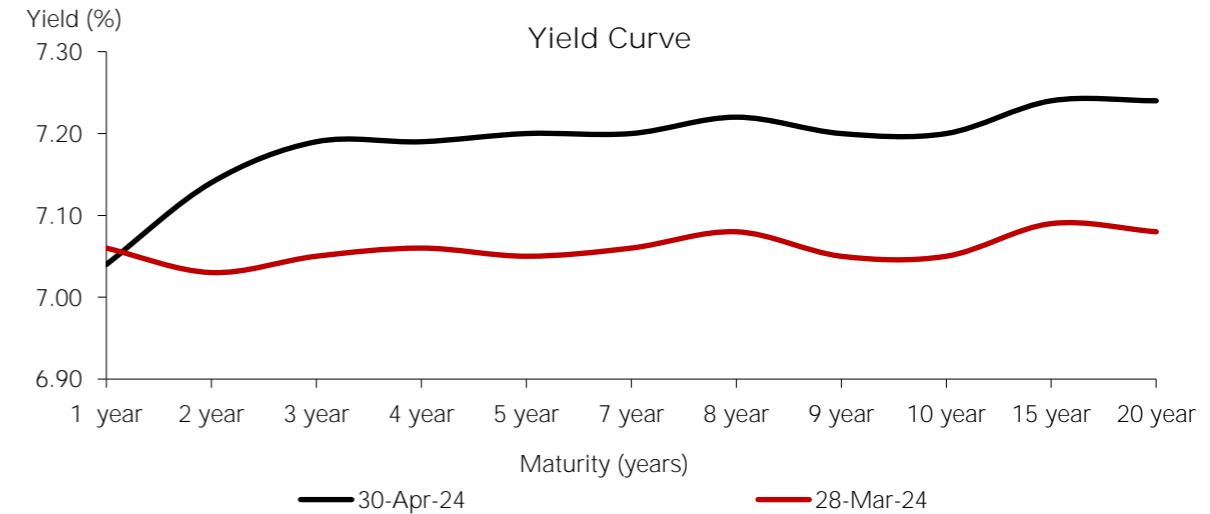
Bond prices ended lower in April

- Apprehensions about the possibility of US rate cuts in near future, rising oil prices and escalating geopolitical uncertainties in the Middle East led the Indian government bond yields to spike to a five-month high in April. The treasury yield on the 10-year benchmark 7.18% 2033 bond, which peaked at 7.23% on April 19, stayed upwards of 7.17% during the second half of the month before eventually settling at 7.19% on April 30, as against 7.05% on March 28
- Bond prices saw losses during the first half of the month, due to a rise in the US Treasury yields, as upbeat economic data, including jobs data and positive movement in the producer prices index, dimmed hopes of a rate cut by the US Fed in the near term. The release of data indicating a higher-than-expected increase in US consumer prices in March, led by the cost of gasoline and rental housing, reaffirmed these doubts
- Bond yields were also kept high due to escalating geopolitical conflicts, which in turn, led to concerns about supply-side and price risks pertaining to oil. Intermittent spikes in oil prices through the course of the month also kept bond prices under pressure
- On the domestic front, bond yields also inched up after the RBI's MPC decided to keep its key repo rate unchanged at 6.5% for the seventh consecutive time
- Towards the month-end, the lack of fresh cues and a cautious stance towards the US Fed monetary policy kept yields high
- However, bond prices witnessed gains on a moderation in oil prices as geopolitical uncertainties began easing in the latter half of the month

Source: CRISIL, Data as on 30 April 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 Review

Debt Market Indicators	30-April-24	28-March-24
Call Rate	6.70%	6.24%
3-mth CP rate	7.60%	8.15%
5 Year Corp Bond	7.62%	7.57%
10 Year Gilt	7.20%	7.05%
Repo	6.50%	6.50%
SDF	6.25%	6.25%
CRR	4.50%	4.50%
1-mth CDs	7.15%	7.40%
3-mth CDs	7.20%	7.55%
6-mth CDs	7.48%	7.62%



Source: CRISIL Fixed Income database

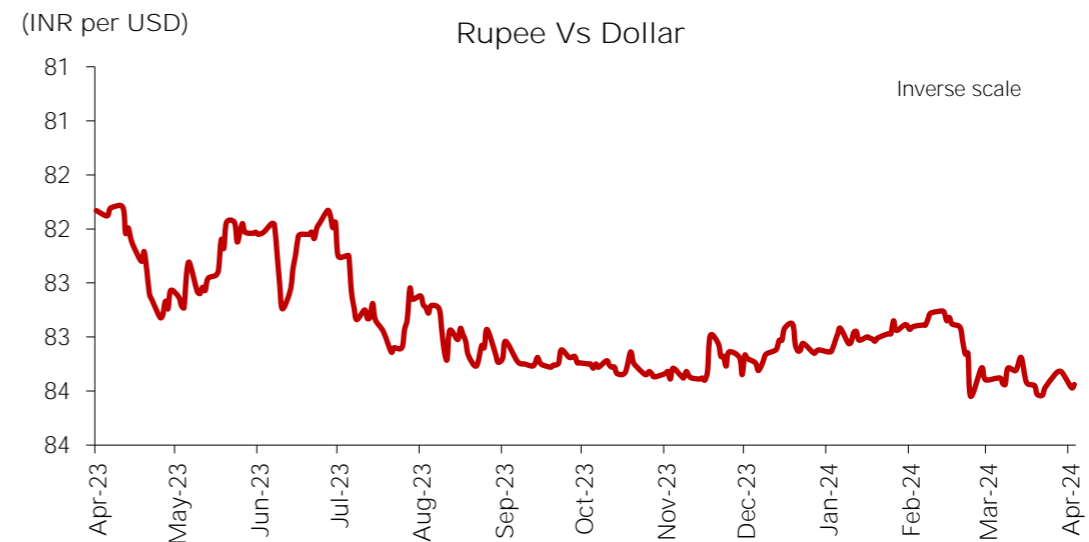
Data as on 30 April 2024, Past Performance may or may not be sustained in future. Investors should not consider the same as investment advice. Note-The details provided above is as per the information available in public domain at this moment and subject to change. Please consult your financial advisor for any investment decisions.

- The Federal Open Market Committee (FOMC) maintained status quo on policy rates in its meeting on May 01, 2024. The Fed Chairman ruled out the possibility of any further tightening stating that policy rates were adequately restrictive.
- Consumer Price Index (CPI) inflation for Mar 2024 came in 4.85% (vs 5.09% in Feb 2024). Core inflation remained benign and printed at a low of 3.2%. Although, food inflation softened marginally, it continues to remain elevated, with the outlook going forward contingent on monsoon.
- Trade deficit for Mar 2024 narrowed to an 11-month low of USD 15.6 bn on the back of lower gold imports. The Trade deficit number for FY2024 now stands at USD 240.2 bn. Current Account Deficit for the year is expected to be close to 1%.
- PMI numbers remained strong and GST collections continued its impressive streak clocking an all-time high of INR 2.1 trn (y-o-y growth of 12.4%) in Apr 2024.
- Liquidity remained in deficit for most of the month, with RBI continuing to use Variable Rate Repo (VRR) and Variable Rate Reverse Repo (VRRR) auctions to manage short term liquidity.
- Markets, which were earlier expecting sharp rate cuts in 2024 have aligned to the FOMC guidance, with markets now pricing in only 2-3 rate cuts in 2024, and expectations of policy easing being pushed back to later in the year.
- Indian bond markets have so far been less volatile compared to global bond markets. However, in the absence of any major domestic triggers in the last month, Indian bond markets have also been directionally tracking global rates and Crude prices.
- However, volatility in IGBs has been low compared to other economies, as any correction in yields has been bought into. The impact of selling by FPIs has also been cushioned by domestic buying.
- While US markets have braced for “higher for longer” rates, we have seen in the past, that reactions to favorable data in such an environment can be sharp. Any softness in growth, employment or inflation data over the next few months will allow the markets to quickly start pricing in aggressive future policy easing. This may also trigger a rally in domestic rates.

Indian rupee declined in April

- The Indian rupee ended April at Rs 83.44 per dollar, only marginally lower as compared with March-end (Rs 83.40 per dollar).
- Strong demand for the dollar, high crude oil prices and weakness in major Asian currencies at certain junctures exerted pressure on the domestic currency through the course of the month.
- However, interventions by the Reserve Bank of India and positive trends in the equity market kept the rupee largely range-bound.

Rupee Movement V/s Global Currencies				
	30-Apr-24	28-Mar-24	Change	% Change
USD	83.44	83.40	-0.04	-0.05
GBP	104.67	105.03	0.36	0.3
EURO	89.50	89.87	0.38	0.4
100 YEN	53.21	55.09	1.88	3.4



Strong dollar demand and higher crude oil prices weighed on the rupee

Source: RBI, CRISIL. Data as on 30 April 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

IMF sees global growth at 3.2% for 2024 and 2025

- The International Monetary Fund (IMF) expects the world economy to grow 3.2% in 2024, up 0.1 percentage point from its previous forecast in January. It estimates a growth of 3.2% in 2025 as well.
- The international agency highlighted that the global economy remains remarkably resilient, with growth holding steady as inflation returns to target.

US growth slows to 1.6% in Q1 2024; IMF raises 2024 and 2025 growth estimates; Fed holds rates

- The US economy expanded at an annualised 1.6% in the first quarter of 2024, compared with 3.4% in the previous quarter. The IMF hiked the US growth forecast for 2024 to 2.7%, up 0.6 percentage points, and raised 2025 estimates to 1.9%, up 0.2 percentage points.
- Further, the Federal Reserve (Fed) kept the target range for the federal funds rate unchanged at 5.25%-5.50% during its May meeting for the sixth consecutive time.

Key economic indicators

- Non farm payrolls added 303,000 jobs in March, the most in ten months, compared to a downwardly revised 270,000 in February. While unemployment rate dipped to 3.8% from 3.9%.
- Inflation Rate accelerated to 3.5% on year in March, compared to 3.2% in February while core inflation rate was unchanged at 3.8%..

US economy grew 1.6% in Q1

Eurozone grew 0.4% in Q1 2024; IMF cuts 2024 and 2025 growth estimates

- The Eurozone's GDP expanded by 0.4% from the corresponding quarter of the previous year, and gaining traction following two quarters of 0.1% growth.
- The IMF trimmed its eurozone growth forecast for 2024 by 0.1 percentage point to 0.8% and for 2025 by 0.2 percentage point to 1.5%, mainly due to the slow growth recovery in Germany.

Key Eurozone economic indicators

- Consumer price inflation rates stood at 2.4% on year in March, lower from 2.6% in February, while annual core inflation rate slowed to 2.9%, from 3.1% in February.
- Industrial production declined by 6.4% on year in February compared to 6.6% in January.

UK growth shrinks in February; IMF lowers growth estimates for 2024 and 2025

- The UK GDP decreased to -0.20% on-year in February from -0.10% in January. On month, the economy grew 0.1% from upwardly revised 0.3%.
- The IMF reduced its 2024 and 2025 growth estimates by 0.1 percentage point to 0.5% and 1.5%, respectively.

Key UK economic indicators

- Inflation rate eased to 3.2% on year in March 2024 from 3.4% in February while annual core inflation rate slowed to 4.2%, compared to 4.5%.
- Industrial production rose 1.40% on February annually from 0.3% in January .

Eurozone economy grew 0.4% in Q1

China up 5.3% in Q1 2024; PBoC hold rates to support the economy

- The Chinese economy grew 5.3% on-year in Q1 of 2024, slightly accelerating from a 5.2% growth in Q4 of 2023.
- In addition, the People's Bank of China kept the rate on the one-year medium-term lending facility (MLF) at 2.5% on April 15. The central bank also left benchmark lending rates unchanged at the April meeting. The one-year loan prime rate (LPR) was maintained at 3.45% and the 5-year rate at 3.95%.

Key Chinese economic indicators

- The country's trade surplus declined to \$58.55 bn in March, compared to \$125 bn in February.
- Industrial production grew by 4.5% on year in March 2024, softer than a 7% growth in January-February.

IMF raises Japan's growth estimates to 1.7% for 2024; Bank of Japan to keep rates on hold

- The IMF raised the country's economic growth forecast to 1.7% for 2024, up 0.1 percentage point, while maintaining estimates for 2025 at 0.5%.
- The Bank of Japan kept its policy rate unchanged at 0%-0.1% and said it would continue to conduct bond purchases in line with its March decision.

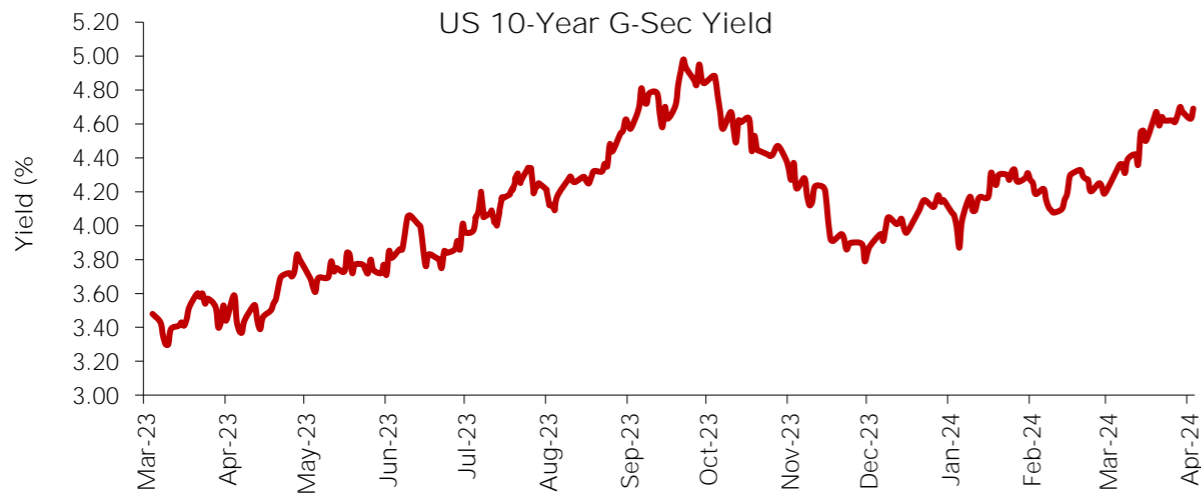
Key Japanese economic indicators

- The country's current account surplus increased to JPY 2,644.2 bn in February, compared to JPY 438 bn in January.
- industrial production fell 3.90% on year in February from 1.5% in January.

Source: CRISIL, Data as on 30 April 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 April

- United States (US) Treasury prices declined in April. The yield on the 10-year Treasury settled at 4.68% on April 30, 2024, compared with 4.21% on March 28, 2024.
- Bond prices declined after upbeat economic data cemented hopes that the US Federal Reserve could take its time cutting interest rates this year.
- Yields rose after minutes of the Fed meeting in March, highlighted concerns that progress on inflation might have stalled, and a longer period of tight monetary policy might be needed to tame the pace of price increases.



Global bond yields			
	30-Apr	28-Mar	Change
US 10-Year (%)	4.68	4.21	0.47
UK 10-Year (%)	4.41	3.98	0.43
German 10-Year (%)	2.59	2.29	0.3
Japan 10-Year (%)	0.89	0.71	0.18

US treasury yield rose as Fed rose concerns over the stalled inflation

Source: CRISIL, Bloomberg, Data as on 30 April 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.

Economic Events Calendar

Date	Indicators	Previous
06-May-24	India HSBC Composite/Services PMI, April	61.8/61.2
09-May-24	UK Bank of England Interest Rate Decision	5.25%
10-May-24	India Industrial/manufacturing Production, March	5.7%
11-May-24	China Inflation Rate, April	0.1%
13-May-24	India Inflation Rate, April	4.85%
14-May-24	India WPI inflation, April	0.53%
15-May-24	US Inflation, April	NA
	India Balance of Trade, April	\$-15.6B

Source: CRISIL, Data as on 30 April 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
17-May-24	Eurozone Inflation, April	2.4%
	Japan GDP Growth Rate Q1	0.1%
18-May-24	Japan Inflation rate, April	2.7%
20-May-24	China Loan Prime Rate 1Y/5Y, May	3.45%/3.95%
22-May-2024	UK Inflation Rate, April	3.2%
23-May-2024	India HSBC Composite/Manufacturing/Services PMI May	NA
30-May-24	US GDP Growth Rate, Q1	3.4%
31-May-24	US PCE Prices, April	2.7%
	Eurozone Inflation Rate, May	NA
	India Infrastructure Output April	5.2%
	India GDP Growth Rate, Q1	8.4%
	India Fiscal Year GDP Growth 2023-24	7.2%

Source: CRISIL, Data as on 30 April 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 European Union and India launched an expression of interest for start-ups working in the field of battery recycling technologies for electric vehicles at the matchmaking event
- The Central Board of Indirect Taxes and Customs Chairman directed field formations to dispose of legacy cases that had no dispute
- The income tax department unveiled an interim action plan for fiscal 2025, focusing on key areas such as identifying cases of TDS short-payment and expediting appeals processing
- The government extended the deadline for implementation of special procedure for registration and monthly return filing for manufacturers of pan masala, gutkha and similar tobacco products till May 15
- The government directed all gas-based power generating stations to operationalise their plants from May 1 to June 30 to meet a rise in electricity demand due to a likely prolonged heat wave this summer
- The government amended its foreign direct investment policy in the space sector to attract offshore investors in satellite manufacturing and satellite launch vehicle segments
- The government notified specifications of Nano Urea Plus fertiliser to be manufactured by cooperative Indian Farmers Fertiliser Cooperative in the country for the next three years
- The Directorate General of Civil Aviation (DGCA) asked domestic airlines to specify their readiness to implement the amended flight duty time limitation norms, which were scheduled to come into effect from June 1. The norms were designed to ensure that pilots were not overworked or stressed or fatigued
- The DGCA mandated airlines to allocate seats for children of up to 12 years of age with at least one of their parents or guardians travelling on the same passenger name record

Source –CRISIL, Data as on 30 April 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 decided to delay the implementation of its consolidated directions for exchange-traded currency derivatives by a month. Originally proposed to come into effect from April 5, the directions will now be implemented from May 3
- The RBI organised a meeting with the executives of leading banks and fintechs to dwell on the means to boost consumer interest in adoption of the central bank digital currency
- The RBI decided to permit foreign investors operating within the International Financial Services Centre (IFSC) to invest in sovereign green bonds. The move is expected to open a new avenue to finance environment-friendly projects and accelerate green initiatives within the country
- The RBI launched its next round of quarterly order books, inventories and capacity utilisation surveys of manufacturing companies to collate inputs for the purpose of monetary policy formulation
- The central bank issued a notification extending the applicability of the key fact statement to borrowers of all retail and micro, small and medium enterprise term loans as part of enhancing transparency in loan deals

Key economic indicators released in the month

- According to the latest data released by the Ministry of Statistics and Programme Implementation, India's industrial output, as measured by the Index of Industrial Production, rose to a four-month high of 5.7% in February 2024.
- Meanwhile, the growth of core sectors, represented by the Index of Eight Core Industries, came in at 5.2% on-year in March 2024. Though slower than the 7.1% on-year growth reported in February, the reading reflected a 9.9% increase on a sequential basis.
- Despite a 3.1% decline in merchandise exports, India's merchandise trade deficit (based on the latest provisional data released by the Ministry of Commerce and Industry) narrowed from \$264.9 billion in fiscal 2023 to \$240.18 billion in fiscal 2024.
- The latest bi-monthly survey conducted by the RBI indicated a surge in consumer confidence in India to its highest level since mid-2019. The survey, which covered responses from ~6,083 participants, pointed to a rise in the 'current situation index' by 3.4 points to 98.5. It also signalled an uptick in the 'future expectations index' by 2.1 points to 125.2.

Source –CRISIL, Data as on 30 April 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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