

Key International events:

According to the US Federal Reserve, industrial production in the US edged down by 0.1% MoM in November 2024 after falling by a revised 0.4% MoM in October 2024. Economists had expected industrial production to rise by 0.3% MoM in November 2024.

The US Federal Reserve lowered interest rates by 25 bps, in support of its dual goals of maximum employment and inflation at the rate of 2% over the longer run. Fed decided to lower the target range for the Federal Funds Rate by 25 basis points to 4.25-4.50%. The Fed also described the economic outlook as "uncertain" and said the risks to both sides of its dual mandate are "roughly in balance".

As per data from the US Commerce Department, US' Gross Domestic Product (GDP) growth beat expectations and shot up by 3.1% YoY in Q3 CY24, reflecting an upward revision from the 2.8% YoY previously reported and 3% YoY growth reported in Q2 CY24.

According to the data released by the New York Fed, the New York Manufacturing index plummeted to 0.2 in December 2024 after spiking to 31.2 in November 2024. Economists had expected the index to tumble to 12.0. The new orders index tumbled to 6.1 in December 2024 from 28.0 in November 2024.

As per data from S&P Global, the Eurozone HCOB Flash Composite Output index rose to 49.5 in December 2024 from 48.3 in November 2024, pointing to a softer and marginal fall in output. The Manufacturing Purchasing Managers' Index (PMI) remained unchanged at 45.2 while the Services PMI advanced to 51.4 in December 2024 from 49.5 in November 2024.

As per data from Eurostat, Eurozone industrial production remained flat in October 2024 after declining 1.5% MoM in September 2024. On an annual basis, the decline in industrial production softened to 1.2% YoY in October 2024 from 2.2% YoY decline in September 2024.

According to NSO data, UK's Real GDP shrank unexpectedly 0.1% MoM in October 2024, the same pace of decline as in September 2024. Services output showed no growth in October 2024, while industrial production decreased 0.6% MoM because of fall in manufacturing, mining and quarrying.

According to data from UK's Office for National Statistics, the Consumer Price Index (CPI) in the UK rose to an eight-month high of 2.6% YoY in November 2024, following a 2.3% YoY gain in October 2024. Core inflation, which excludes prices of energy, food, alcohol and tobacco, advanced to 3.5% YoY in November 2024 from 3.3% YoY in October 2024.

The Bank of England decided to leave its benchmark rate unchanged in the latest Monetary Policy Committee (MPC) meeting. The MPC, led by Governor Andrew Bailey, voted 6-3 to hold the bank rate at 4.75% in the final policy session for 2024.

According to data from the Ministry of Communications and Internal Affairs of Japan, Consumer prices in Japan came in above expectations and were up 2.9% YoY in November 2024. On a seasonally adjusted monthly basis, consumer prices rose 0.6% MoM, accelerating from 0.4% MoM rise recorded in October 2024.

According to data from China's National Bureau of Statistics, China's industrial production expanded 5.4% YoY, which was slightly faster than the 5.3% YoY increase in October 2024. In contrast, retail sales growth weakened more-than-expected to 3.0% YoY in November 2024 from 4.8% in October 2024.

Key Domestic events:

According to RBI data, India's foreign exchange reserves dropped by USD 3.24 bn to USD 654.86 bn, a five-month low, for the week ended December 6, 2024. The reserves had risen by USD 1.51 bn to USD 658.09 bn in the week ended November 29, 2024, after eight straight weeks of decline.

According to Micro Finance Industry Network (MFIN), NBFCs clocked the highest growth rate in the micro-finance business at 27.6% YoY as of Q2 FY25 followed by banks at 10.6% YoY. The growth for NBFCs-MFI, which are dedicated to the business, came in at 9.2% YoY while that of small finance declined by 5.6% YoY.

According to data by Prime Database, fundraising through Qualified Institutional Placements (QIPs) reached an all-time high in 2024, surpassing the Rs 1 trillion mark for the first time ever in a calendar year as Indian companies raised Rs 1.21 trillion through QIPs till November 2024.

According to data from the Ministry of Commerce and Industry, India's Wholesale Price Index (WPI) eased to a three-month low of 1.89% YoY in November 2024, as prices of food items, especially vegetables fell. WPI was 2.36% YoY in October 2024 and stood at 0.39% YoY in November 2023.

As per data released by the Commerce Department, India's trade deficit reached a record high of USD 37.8 bn in November 2024, amid a surge in merchandise imports, mainly driven by a 4.3X jump in inbound shipments of gold. Imports increased by 27% YoY, almost touching USD 70 bn and exports contracted 4.8% YoY to a 25-month low of USD 32.1 bn in November 2024.

As per data from S&P Global, HSBC's Flash India Composite Purchasing Managers' Index (PMI) rose to 60.7 in October 2024, matching August 2024's reading, after dropping to 58.6 in November 2024.

According to ICRA, the Indian IT service sector will log growth in the range of 4-6% YoY in FY25, slightly better than the low-single digit growth of 3.8% YoY for FY24. Hiring is likely to pick up materially only by the end of H1 FY26.

Advance direct tax receipts rose by 16.8% YoY in Q3 FY25, reflecting some moderation in tax payments. However, the pace of collections still exceeded the Budget estimates of gross (pre-devolution) direct tax receipts growth, which is 12.4% YoY. As of December 15, 2024, Q3 FY25 advance tax payment stood at Rs 3.15 trillion compared with Rs 2.7 trillion in Q3 FY24.

According to the Minister of State for Finance, Pankaj Chaudhary, the percentage of population filing Income Tax Returns rose to 6.68%, with over 8.09 crore income tax returns filed in FY24, up from over 7.40 crore in FY23. The total number of individuals reporting zero taxable income in their ITRs is 4.90 crore in Assessment Year 2023-24 (AY24), up from 4.64 in AY23.

As per data from the Apparel Exports Promotion Council (AEPC), India's readymade garment exports rose 11.4% YoY to USD 9.85 bn during April-November of FY25 despite global uncertainties.

According to Union New & Renewable Energy Minister, Pralhad Joshi, India added almost 15 GW of renewable energy capacity between April-November of FY25, nearly double the 7.54 GW added during April-November of FY24. India's total installed capacity of the non-fossil fuel sector has touched 214 GW, an increase of over 14% YoY.

According to CBDT data, Net Direct Tax collections grew 16.45% YoY to Rs 15.82 trillion between April 1 and December 17 of FY25. Of this, non-corporate tax grew 22.5% YoY to Rs 7.97 trillion. Corporate tax collection grew at a slower pace of 8.6% YoY to Rs 7.4 trillion. The Securities Transaction Tax (STT) grew 85.5% YoY to Rs 401.14 bn.

According to data by the World Bank, India was the topmost recipient of remittances in 2024 with an estimated inflow of USD 129 bn, growing 5.8% YoY, followed by Mexico, China, Philippines and Pakistan, driven by a recovery in the job markets in high-income countries.

According to India Ratings and Research, India's economy is expected to grow at 6.6% YoY in FY26, compared with the downward revised projection of 6.4% YoY for FY25. Gradual improvement in consumption demand and investments from both the public and private sector are expected to support growth.

According to an RBI report, State governments have made commendable improvement in fiscal consolidation by containing their aggregate Gross Fiscal Deficit (GFD) within the Fiscal Responsibility Legislation (FRL) limit of 3% of their GDP during FY22 to FY24. However, sops like free electricity, and farm loan waiver could crowd out the resources available with them and hamper their capacity to build critical social and economic infrastructure.

As per data from the Coal Ministry, there was a growth of 3.87% YoY in coal-based power generation from April-October 2024. The imports for blending purposes by thermal power plants dropped 19.5% YoY during April-October 2024.

According to CRISIL Ratings, the Assets Under Management (AUM) of infrastructure investment trusts (InvITs) in the road sector are poised to surge by 68% to Rs 3.2 trillion by March 2026 from Rs 1.9 trillion as of September 2024.

Equity Round up: S&P BSE Sensex opened at 82000. It made a weekly high of 82116 and a low of 77875 before closing 4092 points lower at 78042.

Events to watch out for the next week:

International Events

1. US Conference Board Consumer Confidence for Dec'24 on 23 Dec'24

Domestic Events

1. Forex Reserves for week ended 20 December 2024 on 27 December 2024
2. Current Account Balance for Q3 FY25 on 23 Dec'24

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	78,042	-4.98
Nifty 50	23,588	-4.77
BSE 100	25,007	-4.82
BSE 200	10,906	-4.68
BSE Midcap	46,227	-3.24
BSE Smallcap	55,149	-3.17
BSE FMCG	20,359	-2.42
BSE HC	44,095	0.10
BSE IT	43,608	-4.55
BSE Auto	51,149	-5.04
BSE BANKEX	57,752	-5.32
BSE CG	68,557	-6.17
BSE CD	64,219	-3.92
BSE Oil & Gas	25,682	-5.17

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.79% 2034)	6.79%	5 bps
Interbank Call	6.71%	9 bps
INR/USD	85.02	0.26%
Gold (Rs/10gm)	75,377	-2.01%

Taken during market hours, 10 Year G-Sec (6.79% 2034) and Interbank Call as on 19 Dec 24

World Indices	Closing	% Change WoW
Dow Jones*	42,342	-3.58
Nasdaq*	19,373	-2.66
FTSE	8,028	-3.51
DAX	19,719	-3.86
Hang Seng	19,721	-1.25
Nikkei	38,702	-1.95
Bovespa*	1,21,188	-3.85
Indonesia Jakarta	6,984	-4.65

* Dow Jones, Nasdaq and Bovespa as on Thursday

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	767.2	777.0	-9.8
DIIs	343.9	294.2	49.7

Data for FPI from 13 Dec 2024 to 19 Dec 2024. Data for DII from 13 Dec 2024 to 18 Dec 2024.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	23,588	23,642	54

*December 2024 Expiry

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HDFC Bank House, 1 st Floor, C.S. No. 6 \ 242, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Phone: (91)-22-66527100, ext 7111, Fax: (91)-22-24900983 \ 24900858

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