

Key International events:

As per the US Labor Department, **non-farm payroll employment in US jumped by 254,000 jobs in September 2024 after climbing by an upwardly revised 159,000 jobs in August 2024.** Economists had expected employment to rise by 140,000 jobs.

According to the US Commerce Department, **the U.S. trade deficit narrowed in the month of August 2024 to USD 70.4 bn from a revised USD 78.9 bn in July 2024.** Economists had expected the trade deficit to decrease to USD 70.6 bn. The value of exports shot up by 2.0% MoM to USD 271.8 bn, while the value of imports decreased by 0.9% MoM to USD 342.2 bn.

As per the minutes of the US Fed's September FOMC meeting, a "substantial majority" of Fed policymakers supported an interest rate cut in September 2024 as they assessed that the risks to the employment and inflation goals were almost in balance. FOMC members observed that it would be appropriate to move toward a more neutral stance of policy if the economic data is in line with expectations.

According to the US Labor Department, **Consumer Price Index (CPI) in the US rose by 0.2% MoM in September 2024. Economists had expected consumer prices to inch up by 0.1% MoM.** The Core CPI climbed by 0.3% MoM. Core prices were expected to rise by 0.2% MoM.

According to Governing Council member Francois Villeroy de Galhau, **the European Central Bank will "quite probably" cut interest rates at its next meeting later this month.** Inflation fell below the ECB's 2% YoY target in September 2024 and the core measure of price increases should gradually recede close to that level in 2025.

According to Eurostat, **Eurozone retail sales increased for the first time in three months in August 2024, in line with expectations. Retail sales increased 0.2% MoM in August 2024 after remaining flat in July 2024.**

According to Destatis, **Germany's industrial production expanded more than expected in August 2024 after falling in July 2024. Industrial output grew 2.9% MoM in August 2024, reversing a revised 2.9% MoM decline in July 2024.** Economists had expected a 0.8% MoM rebound for the month.

The WTO revised downwards its projection of world merchandise trade growth to 3% YoY in CY25, down from its earlier estimate of 3.3% YoY. For CY24, the WTO revised upwards its forecast for merchandise trade growth to 2.7% YoY, up from the previous estimate of 2.6% YoY.

Key Domestic events:

According to the Reserve Bank (RBI), **India's foreign exchange reserves jumped by USD 12.6 bn to cross USD 700 bn for the first time after reporting a steady climb for seven straight weeks.** The overall kitty swelled by USD 2.84 bn to touch USD 692.30 bn during the previous week.

As per S&P Global, **the HSBC services Purchasing Managers' Index fell to 57.7 in September 2024 from 60.9 in August 2024.** The flash reading was 58.9. India service sector expanded at a solid pace in September 2024 but growth in total new business, exports and overall output grew at the slowest rates since late-2023.

As per Crisil, **the cost of a home-cooked vegetarian thali surged 11% YoY in September 2024, driven by rising vegetable prices.** However, at Rs 31.30, a vegetarian meal costs the same as in August 2024.

As per ICRA, **loan securitization in India surged to Rs 600 bn in the Q2 FY24. Private sector banks were key contributors. The market is likely to reach Rs 2.1 trillion in FY25 as compared to Rs 1.9 trillion in FY24.**

According to FADA, **weak consumer sentiments and heavy rainfall led to a 9.26% YoY drop in retail sales of passenger vehicles, two-wheelers, and commercial vehicles in September 2024. This decline marks the first drop across all segments in FY25.** Despite steep discounts, passenger vehicle sales fell nearly 19% YoY.

Mutual funds managed a record Rs 66.2 trillion in assets during the Q2 FY25, rising a 12.3% QoQ, the highest quarterly jump in MF assets in at least five years. During Q1 FY25, the average AUM stood at Rs 59 trillion.

According to NSDL, **FPIs' assets under custody in India reached USD1.1 trillion in September 2024, with USD 930 bn invested in equities and the remainder allocated to debt and hybrid instruments.** This figure represents a three-fold surge from a low of USD 329 bn in March 2020.

As per FTSE Russell, **India's sovereign bonds will be included in FTSE Russell's Emerging Markets Government Bond Index starting September 2025, following index inclusion by JP Morgan and Bloomberg Index Services, potentially drawing billions of dollars into local bonds.**

As per CRISIL, **a raft of regulatory measures by SEBI is expected to hit the profitability of brokerages, particularly those operating the discount model. The estimated hit could be around 25% of their profit before tax.**

SEBI issued fresh guidelines on due diligence of investors in AIFs to prevent circumvention of norms and ever-greening of loans. This is specifically for investments by entities regulated by RBI, from countries sharing land borders with India, and those availing benefits of QIB status.

According to CRISIL, **the education sector in India are expected to report a 12-14% YoY rise in their revenue in FY25.** This revenue growth is driven by higher enrolments, increased demand for new courses, and the opportunity for upward fee revisions.

The RBI's rate-setting panel kept the benchmark repo rate unchanged at 6.5% and shifted policy stance to 'neutral'. For FY25, the GDP growth estimate was retained at 7.2% YoY and CPI inflation forecast remained unchanged at 4.5% YoY.

As per a Reuters poll, **India's retail inflation in September 2024 is likely to overshoot RBI's 4% medium-term target for the first time since July 2024 due to a persistent rise in vegetable prices and a lower base.** Food items saw an uptick in prices as heavy rains reduced the availability of essential crops.

As per NABARD, **the proportion of rural households that reported outstanding debt has grown from 47.4% in FY17 to 52% in FY22, even as their average monthly income jumped 57.5%, from Rs 8,059 in FY17 to Rs 12,698 in FY22 during the period.**

The World Bank retained India's GDP growth forecast for FY25 at 7% YoY, citing higher agricultural production and robust employment growth from policy initiatives, spurring private consumption as tailwinds. India will be the second fastest growing South Asian nation after Bhutan in FY25 and the fastest growing economy in FY26 with 6.7% YoY growth.

The Union Government released tax devolution of Rs 1.78 trillion in October 2024 to State Governments, as against the normal monthly devolution of Rs 890.86 bn. This includes one advance instalment, in addition to the regular instalment due in October 2024.

As per AMFI data, **equity mutual funds attracted Rs 344.19 bn in September 2024, marking a 10% MoM decline due to a sharp slump in inflow in thematic funds and large-cap funds.** Equity-oriented schemes witnessed the lowest level of inflows since April 2024, when investments were Rs 189.17 bn.

According to Prime database, **funds raised by NBFCs, including state-owned finance companies and refinace institutions, from the domestic debt capital market exceeded Rs 3.2 trillion in H1 FY25.** Out of the total funds, over Rs 745 bn were raised in September 2024, the highest amount in FY25.

According to Phamarack, **the Indian pharmaceutical market grew by 5.3% YoY in September 2024, driven by major therapies showing positive value growth.** Among them, urology, cardiac, and dermatology therapies saw nearly double-digit value growth of 11.8% YoY, 9.7% YoY, and 9.5% YoY, respectively.

Equity Round up: S&P BSE Sensex opened at 81927 It made a weekly high of 82319 and a low of 80726 before closing 307 points lower at 81381.

Events to watch out for the next week:

International Events

1. US Industrial Production for Sep'24 on 17 Oct'24
2. Eurozone Industrial Production for Aug'24 on 15 Oct'24
3. Eurozone CPI for Sep'24 on 17 Oct'24
4. ECB Rates Decision on 17 Oct'24
5. China GDP for Q3 CY24 on 18 Oct'24
6. China Industrial Production for Sep'24 on 18 Oct'24

Domestic Events

1. Forex Reserves for week ended 11 October 2024 on 18 October 2024
2. CPI for Sep'24 on 14 Oct'24
3. Trade Balance for Sep'24 on 15 Oct'24

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	81,381	-0.38
Nifty 50	24,964	-0.20
BSE 100	26,491	0.01
BSE 200	11,582	0.20
BSE Midcap	48,437	1.11
BSE Smallcap	56,600	1.17
BSE FMCG	22,614	-1.73
BSE HC	44,445	2.02
BSE IT	42,827	1.10
BSE Auto	59,701	1.98
BSE BANKEX	58,264	-0.22
BSE CG	71,580	1.82
BSE CD	65,606	-0.38
BSE Oil & Gas	30,158	-1.15

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (7.10% 2034)	6.78%	0 bps
Interbank Call	6.43%	(-) 2 bps
INR/USD	84.07	0.12%
Gold (Rs/10gm)	75,623	-0.45%

Taken during market hours , 10 Year G-Sec (7.10% 2034) and Interbank Call as on 10 Oct 24

World Indices	Closing	% Change WoW
Dow Jones*	42,454	1.05
Nasdaq*	18,282	2.03
FTSE	8,226	-0.19
DAX	19,245	1.10
Hang Seng	21,252	-6.53
Nikkei	39,606	2.51
Bovespa*	1,30,353	-1.00
Indonesia Jakarta	7,521	0.33

* Dow Jones, Nasdaq and Bovespa as on Thursday

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	686.1	1001.8	-315.7
DIIIs	929.8	634.0	295.8

Data for FPI from 04 Oct 2024 to 10 Oct 2024. Data for DII from 27 Sep 2024 to 03 Oct 2024.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	24,964	25,048	84

*October 2024 Expiry

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