

Key International events:

According to the US Labor Department, the **US Producer Price Index (PPI) for final demand came in flat in September 2024 after rising by 0.2% MoM in August 2024**. Economists had expected producer prices to inch up by 0.1% MoM. On an annual basis, PPI growth slowed to 1.8% YoY in September 2024 from an upwardly revised 1.9% YoY in August 2024.

According to the University of Michigan, **US consumer sentiment index fell to 68.9 in October 2024 after climbing to 70.1 in September 2024**. Economists had expected the index to inch up to 70.8. The year-ahead inflation expectations rose to 2.9% YoY in October 2024 from 2.7% YoY in September 2024.

According to the US Fed, **industrial production in the US decreased by 0.3% MoM in September 2024 after rising by 0.2% MoM in August 2024**. Economists expected industrial production to dip by 0.2% MoM.

As per the US Labor Department data, **initial jobless claims for unemployment benefits in the US fell to 241,000 in the week ended October 12, 2024**, a decrease of 19,000 from the revised level of 260,000 for the week ended October 05, 2024. The initial jobless claims Economists had expected jobless claims to inch up to 260,000.

The European Central Bank cut key interest rates (deposit facility rate) by 25 bps to 3.25%, as policymakers assessed that the disinflation process is on track. However, they expressed concern over the health of the Euro area economy following soft data released since the September 2024 policy session.

As per data from Eurostat, **Eurozone industrial output grew 1.8% MoM in August 2024, reversing July 2024's 0.5% decline**, driven by a rebound in capital goods and durable consumer goods output.

According to the UK's Office for National Statistics, **UK's real economy grew 0.2% MoM in August 2024 after showing nil growth in July 2024 and June 2024**. The rate came in line with expectations. In the three months to August 2024, real GDP advanced 0.2% compared to the three months to May 2024 and gained 0.8% YoY.

According to UK's NSO data, **UK CPI weakened to 1.7% YoY in September 2024 from 2.2% YoY in August 2024**. Prices were forecast to climb by 1.9% YoY. Core inflation that excludes prices of energy, food, alcohol and tobacco, softened to 3.2% YoY in September 2024 from 3.6% YoY in August 2024.

As per data released by the People's Bank of China, **new bank lending in China jumped in September 2024 to 1.59 trillion yuan (USD 225 bn) in new yuan loans, up 77% MoM from August 2024 but falling short of analysts' expectations** amid stimulus measures taken to stabilise the faltering economy.

According to S&P Global, **countries are likely to default more frequently on their foreign currency debt in the coming decade than they did in the past due to higher debt and an increase in borrowing costs**. Sovereigns' credit ratings overall have also weakened globally in the past decade.

Key Domestic events:

As per Income Tax Department, **Net Direct Tax collections touched Rs 11.25 trillion rising 18.35% YoY**. The collection included corporate tax of Rs 4.94 trillion and personal income tax of Rs 5.98 trillion. The Gross Direct Tax Collection was Rs 13.57 trillion, a rise of 22.3% YoY. Refunds came in at Rs 2.31 trillion, rising 46% YoY.

As per RBI data, **after hitting a record high in the week ended September 27, 2024, India's forex reserves contracted by USD 3.7 bn to USD 701.18 bn as of October 4**. Foreign currency assets (FCAs) dipped by USD 3.51 bn to USD 612.6 bn. Gold reserves decreased by USD 40 mn to USD 65.76 bn. SDRs also saw a marginal dip by USD 123 mn to stand at USD 18.43 bn.

As per RBI, **total FDI in India surged by 23.3% YoY at market value in rupee terms during FY24**. On the other hand, Overseas Direct Investment (ODI) growth was much lower at 3.4% YoY. The ratio of outward to inward DI stock at market value declined to 16.1% in March 2024 from 19.3% in March 2023.

As per MOSPI data, **India's Industrial Production (IIP) contracted by 0.1% YoY in August 2024, against a 4.7% YoY growth in July 2024**. Mining, manufacturing and electricity, witnessed a contraction of 4.2% YoY, growth of 1% YoY and contraction of 3.7% YoY, respectively. Industrial growth for the first five months of FY25 was 4.2% YoY.

As per NSO data, **India's CPI climbed to a nine-month high of 5.49% YoY in September 2024 from 3.65% YoY in August 2024**. Retail food inflation surged to 9.2% YoY in September 2024 from 5.66% YoY in August 2024, driven by sharp price increases in fruit (7.65% YoY) and vegetable (35.99% YoY) prices.

As per data from Ministry of Commerce and Industry, **India's WPI inflation saw a slight increase in September 2024 to 1.84% YoY from 1.31% YoY in August 2024, driven by food prices inflation which increased by 11.53% YoY in September as compared to 3.11% YoY in August 2024**. However, manufactured products which have a weight of 64.2% in the index, saw further decline in inflation to 1% YoY in September 2024, down from 1.22% in August 2024.

According to CRISIL, **the cement industry is expected to record slower growth of 7-8% YoY to 475 mn tonnes in FY25, impacted by lower growth in H1 FY25** after registering a double-digit growth from the last two financial years. The cement demand grew only 3% YoY in Q1 FY25, owing to an extended heatwave and shortage of labor during general elections.

According to RBI's data, **India's outward FDI commitments declined by about USD 900 mn to USD 3.72 bn in September 2024, compared to USD 4.63 bn in September 2023**. During Q2 FY25, outbound FDI was USD 5.92 bn, with equity investment being USD 3.89 bn and loans component of USD 2.03 bn.

According to ICRA, **Indian room air-conditioner industry is expected to see 20-25% YoY growth in sales volumes to reach record highs of 12-12.5 mn units in FY25**. The sales volumes are expected to grow by 10-12% in FY26.

As per data by the Commerce Department, **India's merchandise trade deficit narrowed to a five-month low of USD 20.78 bn in September 2024, against USD 29.65 bn in August 2024**. Imports grew 1.62% YoY to USD 55.36 bn and Exports rose by 0.5% YoY to USD 34.58 bn.

The Union Cabinet raised the MSP for key rabi crops for FY26 marketing season starting from April 2025 by 2.4-7% YoY. The estimated cost to the exchequer of this hike is about Rs 876.5 bn.

According to ICRA, **State Governments' capex is estimated to slow down to 13% YoY growth in FY25 compared to 19% YoY growth in FY24 on account of a slower start and lower revenues**. Overall fiscal deficit of 13 states is projected at Rs. 8.8 trillion.

SEBI has introduced a liquidity window facility for investors in the debt securities through a stock exchange mechanism, available from November 1, 2024. The facility allows investors holding listed debt securities to sell them back to the issuer using a put option on specific dates in order to improve liquidity, especially for corporate bonds.

As per RBI data, **bank deposit growth slowed down to 11.79% YoY as of October 4, 2024, from 13.6% over the same period in CY23**. Credit growth also slowed, with 12.77% YoY growth, down from 19.3% YoY a year ago.

As per CBDT data, **the share of direct taxes in GDP rose to 6.64% FY24 and direct tax buoyancy improved to 2.12 compared to 1.18 during FY23**. The Nominal GDP grew by 8.42% YoY during FY24 vs. 15.11% in FY23, direct tax collections rose by 17.82% YoY in FY24 vs. 17.79% YoY in FY23.

FPIs have pulled out USD 8.5 bn (Rs 714.41 bn) from domestic stocks in MTD in October 2024, higher than during the peak of Covid-19 selloff in March 2020, when FPI outflows had stood at USD 7.9 bn (Rs 586.32 bn). Notably, DIIs have invested a record Rs 4 trillion so far in CY25.

According to the data from the commerce ministry, **India's garment exports rose by 8.5% YoY to USD 7.5 bn during H1 FY25 despite global uncertainties**. In September 2024, the exports of ready-made garments grew by 17.3% YoY to USD 1.11 bn.

Equity Round up: S&P BSE Sensex opened at 81577 It made a weekly high of 82300 and a low of 80409 before closing 157 points lower at 81225.

Events to watch out for the next week:

International Events

1. S&P Global US Composite PMI for Oct'24 on 24 Oct'24
2. US Initial Jobless Claims on 24 Oct'24
3. US New Home Sales for Sep'24 on 24 Oct'24
4. HCOB Eurozone Composite PMI for Oct'24 on 24 Oct'24
5. China 1 & 5-Year Loan Prime Rate on 21 Oct'24

Domestic Events

1. Forex Reserves for week ended 18 October 2024 on 25 October 2024
2. HSBC India PMI Composite for Oct'24 on 24 Oct'24

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	81,225	-0.19
Nifty 50	24,854	-0.44
BSE 100	26,310	-0.69
BSE 200	11,491	-0.78
BSE Midcap	47,946	-1.01
BSE Smallcap	56,500	-0.18
BSE FMCG	22,268	-1.53
BSE HC	44,239	-0.47
BSE IT	42,391	-1.02
BSE Auto	57,109	-4.34
BSE BANKEX	59,332	1.83
BSE CG	71,821	0.34
BSE CD	64,821	-1.20
BSE Oil & Gas	29,687	-1.56

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (7.10% 2034)	6.78%	0 bps
Interbank Call	6.43%	0 bps
INR/USD	84.07	0.00%
Gold (Rs/10gm)	77,410	2.36%

Taken during market hours , 10 Year G-Sec (7.10% 2034) and Interbank Call as on 17 Oct 24

World Indices	Closing	% Change WoW
Dow Jones*	43,239	1.85
Nasdaq*	18,374	0.50
FTSE	8,363	1.67
DAX	19,610	1.89
Hang Seng	20,804	-2.11
Nikkei	38,982	-1.58
Bovespa*	1,30,793	0.34
Indonesia Jakarta	7,760	3.18

* Dow Jones, Nasdaq and Bovespa as on Thursday

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	596.3	786.2	-189.9
DIIs	390.9	307.0	83.9

Data for FPI from 11 Oct 2024 to 17 Oct 2024. Data for DII from 11 Oct 2024 to 16 Oct 2024.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	24,854	24,966	112

*October 2024 Expiry

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