

Key International events:

According to the US Treasury Department, US' budget deficit grew to \$1.83 trillion for the fiscal year ended September 30, 2024 (FY24), up by USD 138 bn or 8% YoY from USD 1.70 trillion recorded in FY23. Interest on the federal debt exceeded \$1 trillion for the first time as spending grew for the Social Security retirement program, health care and the military.

As per data from the US Conference Board, the leading economic index in the US slid by 0.5% MoM in September 2024 after falling by a revised 0.3% MoM in August 2024. Economists had expected the leading economic index to decrease by 0.3% MoM compared to the 0.2% MoM dip originally reported for August 2024. During Mar-Sep 2024, the index tumbled by 2.6% compared to the 2.2% slump over the previous six-month period.

The IMF revised its CY24 US growth forecast upward by 20 bps to 2.8% YoY largely due to stronger-than-expected consumption fueled by rising wages and asset prices. The global lender also upgraded its CY25 US growth outlook by 30 bps to 2.2% YoY, slightly delaying a return to growth trend.

According to data from the US Labor Department, initial jobless claims in the US fell to 227,000 in the week ended October 19, 2024, a decrease of 15,000 from the revised level of 242,000 in the week ended October 12, 2024. Economists had expected jobless claims to inch up to 242,000 from the 241,000 originally reported for the week ended October 12, 2024.

As per data from the US Commerce Department, new home sales in the US surged by 4.1% YoY to 738,000 in September 2024 after declining by 2.3% YoY to a revised rate of 709,000 in August 2024. Economists had expected new home sales to climb by 0.5% YoY to 720,000 in September 2024.

As per ECB's Governing Council member, Eurozone inflation rates continue to fall and growth in the single currency economy remains sluggish, thus allowing for a gradual reduction in interest rates as inflation remains on a sustainable path of return to the 2% target.

China's central bank cut two key benchmark interest rates, the one-year Loan Prime Rate (LPR), from 3.35% to 3.10%, and the five-year LPR, the benchmark for mortgage loans, from 3.85% to 3.60%, as Beijing looks to boost sluggish spending.

As per data from China's National Bureau of Statistics, China's GDP expanded 4.6% YoY in Q3 CY24 vs 4.7% YoY growth posted in Q2 CY24, despite an improvement in retail sales as the property market continued to be a major drag on growth. This was the weakest growth since Q1 CY23. GDP climbed 0.9% QoQ in Q3 CY24, which was slower than the expected growth of 1% QoQ.

Key Domestic events:

According to the payroll data from EPFO, the number of new monthly subscribers under the Employees' Provident Fund (EPF) decreased by nearly 11% MoM in August 2024 to 930,000. This is a four-month low from 1.05 mn in July 2024. The share of the 18-25 age group also declined slightly to 59.26% (551,100) in August 2024 from 59.4% (625,000) in July 2024.

According to RBI data, India's total exports of software services, including services delivered by foreign affiliates of Indian companies, increased to USD 205.2 bn during FY24 from USD 200.6 bn in FY23. India's exports of software services (excluding their sales through overseas commercial presence) increased by 2.8% YoY during FY24 to USD 190.7 bn.

As per RBI data, Net FDI in India more than doubled during Apr-Aug 2024 to USD 6.62 bn from USD 3.26 bn during Apr-Aug 2023, showing signs of revival. Gross inward FDI during Apr-Aug 2024 increased to USD 36.1 bn from USD 27.4 bn during Apr-Aug 2023.

As per RBI data, outward remittances under RBI's Liberalised Remittance Scheme (LRS) fell 4.97% YoY to USD 3.2 bn in August 2024 as compared to USD 3.37 bn in August 2023 due to tepid growth in the international travel segment. However, the remittances under the scheme grew sequentially by 16.6% MoM from USD 2.75 bn in July 2024.

According to ICRA, Indian apparel exporters are expected to register a 9-11% YoY revenue expansion in FY25 aided primarily by gradual liquidation of retail inventory in key end markets and a shift in global sourcing to India. With the revival in demand, the capex spending should increase in FY25 and FY26 and may stay in the range of 5-8% of the turnover.

The International Monetary Fund (IMF) kept its growth forecasts for India unchanged at 7% YoY and 6.5% YoY for FY25 and FY26, respectively. The global growth is expected to remain stable yet underwhelming at 3.2% YoY in CY24 and CY25. The growth forecast for CY25 has been marginally revised downwards by 10 bps from 3.3% YoY projected in July 2024.

According to the labour ministry data, retail inflation for farm workers and rural laborers increased to 6.36% YoY and 6.39% YoY respectively, in September 2024 from 5.96% YoY and 6.08% YoY in August 2024. The CPI for Agricultural Laborers (CPI-AL) and Rural Laborers (CPI-RL) increased by 7 points each in September 2024, coming at 1,304 and 1,316 points, respectively.

According to CRISIL, the revenue of domestic auto component manufacturers is projected to increase 8-10% YoY in FY25, driven by demand from OEMs and the replacement market. SMEs account for 75-80% of the industry volume and 25-30% of revenue will see a lower growth than the overall industry at 5-7% YoY.

According to the RBI Governor, despite the near-term uptick in inflation, the outlook for headline inflation towards the later part of CY24 and early part of CY25 points to further alignment with the 4% target and the balance between inflation and growth is well-poised.

As per Ministry of Ports Shipping and Waterways, major ports owned by the Central Government registered a 6% YoY growth in cargo in September 2024 at 65 mn metric tonnes (mmt), primarily driven by crude oil cargo shipments, which rose 9% YoY, and an increase in miscellaneous commodities, which surged 41% YoY.

According to Colliers India, the average office rentals nationwide increased from Rs 99.5 per square foot in CY19 to Rs 101.3 per sq ft in CY24. The average office rents across India's six major cities have for the first time in CY24 surpassed pre-pandemic levels of CY19.

According to data from S&P Global, HSBC's flash India Composite Purchasing Managers' Index (PMI) rose to 58.6 in October 2024 from September 2024's final reading of 58.3. On an average, the index was 60.5 during Jan-Oct 2024, compared to 59.9 during Jan-Oct 2023, and has remained above the 50-mark for 39 consecutive months.

According to CRISIL, the revenue growth of Indian companies for the Q2 FY25 is estimated to be 5-7% YoY, marking the slowest growth in 16 quarters. The slowdown is attributed to the stagnant performance in the construction sector, which accounts for 20% of the total India Inc's revenue.

According to ICRA, NBFCs will see asset growth in microfinance lending to moderate to 10-12% YoY in FY25 from 30% YoY growth in FY24, and growth in other unsecured loans will slow significantly to 19-21% YoY in FY25 from 38% YoY growth in FY24 due to higher interest rates impacting borrowers' repayment capacities.

Equity Round up: S&P BSE Sensex opened at 81770 It made a weekly high of 81770 and a low of 79138 before closing 1822 points lower at 79402.

Events to watch out for the next week:

International Events

1. US GDP Q3 CY24 on 30 Oct'24
2. US Unemployment Rate for Oct'24 on 01 Nov'24
3. S&P Global US Manufacturing PMI for Oct'24 on 01 Nov'24
4. Eurozone Economic Confidence for Oct'24 on 30 Oct'24
5. Eurozone GDP for Q3 CY24 on 30 Oct'24
6. Eurozone CPI for Oct'24 on 31 Oct'24
7. China Industrial Profits for Sep'24 on 27 Oct'24
8. China Composite PMI for Oct'24 on 31 Oct'24

Domestic Events

1. Forex Reserves for week ended 25 October 2024 on 1 November 2024
2. Fiscal Deficit for Sep'24 on 30 Oct'24
3. Eight Infrastructure Industries data for Sep'24 on 30 Oct'24
4. HSBC Manufacturing PMI for Oct'24 on 01 Nov'24

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	79,402	-2.24
Nifty 50	24,181	-2.71
BSE 100	25,481	-3.15
BSE 200	11,085	-3.53
BSE Midcap	45,453	-5.20
BSE Smallcap	52,336	-7.37
BSE FMCG	21,400	-3.90
BSE HC	42,834	-3.17
BSE IT	41,727	-1.57
BSE Auto	54,124	-5.23
BSE BANKEX	57,971	-2.29
BSE CG	66,429	-7.51
BSE CD	61,183	-5.61
BSE Oil & Gas	27,507	-7.34

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (7.10% 2034)	6.82%	4 bps
Interbank Call	6.68%	25 bps
INR/USD	84.08	0.01%
Gold (Rs/10gm)	78,015	0.78%

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

World Indices	Closing	% Change WoW
Dow Jones*	42,374	-2.00
Nasdaq*	18,415	0.23
FTSE	8,248	-1.37
DAX	19,416	-0.99
Hang Seng	20,590	-1.03
Nikkei	37,914	-2.74
Bovespa*	1,30,067	-0.56
Indonesia Jakarta	7,695	-0.84

* Dow Jones, Nasdaq and Bovespa as on Thursday

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	834.0	914.9	-80.9
DII	572.8	365.4	207.4

Data for FPI from 18 Oct 2024 to 24 Oct 2024. Data for DII from 18 Oct 2024 to 24 Oct 2024.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	24,181	24,215	34

*October 2024 Expiry

Disclaimer: This document has been prepared on the basis of publicly available information, internally developed data and other sources believed to be reliable. HDFC Bank Limited ("HDFC Bank") does not warrant its completeness and accuracy. This information is not intended as an offer or solicitation for the purchase or sale of any financial instrument / units of Mutual Fund. Recipients of this information should rely on their own investigations and take their own professional advice. Neither HDFC Bank nor any of its employees shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way from the information contained in this material. HDFC Bank and its affiliates, officers, directors, key managerial persons and employees, including persons involved in the preparation or issuance of this material may, from time to time, have investments / positions in Mutual Funds / schemes referred in the document. HDFC Bank may at any time solicit or provide commercial banking, credit or other services to the Mutual Funds / AMCs referred to herein.

Accordingly, information may be available to HDFC Bank, which is not reflected in this material, and HDFC Bank may have acted upon or used the information prior to, or immediately following its publication. HDFC Bank neither guarantees nor makes any representations or warranties, express or implied, with respect to the fairness, correctness, accuracy, adequacy, reasonableness, viability for any particular purpose or completeness of the information and views. Further, HDFC Bank disclaims all liability in relation to use of data or information used in this report which is sourced from third parties.

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

HDFC Bank is a AMFI-registered Mutual Fund Distributor & a Corporate Agent for Insurance products.

Mutual fund investments are subject to market risks, read all scheme related documents carefully.