



## Dear Reader,

Global equities extended their rally in September 2024, driven by expectations of further global interest rate cuts. Investor confidence was bolstered by the U.S. Federal Reserve's decision to lower rates by 50 basis points, a larger cut than anticipated. U.S. economic data presented a mixed picture, with weak manufacturing PMI, surging factory orders, an increase in jobless claims, and a slight decline in the consumer price index.

Meanwhile, in August and September, China implemented aggressive fiscal and monetary stimulus aimed at achieving its 5.0% economic growth target, which supported positive investor sentiment. In contrast, Japan's central bank remains an outlier, signaling a potential rate hike in the near future. European economic data highlighted the slow pace of the eurozone's recovery so far this year. Economic growth has stagnated across much of the region, including Germany, France, and the United Kingdom, while inflationary pressures have largely subsided.

**Market Performance:** In the US, major indices closed the month on positive note, where Dow Jones Industrial Average rose 1.85% while tech heavy NASDAQ surged 2.68% and S&P 500 gained over 2%. Economic data in US was remained mixed in US in September 2024 with weakening PMI, cooling inflation. However, investor sentiment was boosted by rate cuts.

In Europe, Market delivered mixed performance in September 2024 on the back of stagnant economic recovery from major economies like Germany, UK and France. FTSE in UK lost 1.67% and DAX in Germany gained 2.21% while CAC in France was marginally closed higher by 0.06%.

In Asia, China introduced strong fiscal and monetary policies to address challenges like the slowing property market, economic downturn, and weak consumer demand. These measures boosted investor confidence across Asia. As a result, the Shanghai Composite Index rose by 17.39% in September 2024, while the Hang Seng Index surged by 17.48%. On the other hand, Japan is facing issues with inflation and slower economic growth. The Bank of Japan's hawkish stance also affected the sentiments and Nikkei, dropped 1.88% during the month.

Back to home, RBI has kept the interest rate unchanged at 6.50% in its recent monetary policy decision. The RBI noted that the current geopolitical crisis, a slowdown in global manufacturing, and softening inflation indicate a divergence between growth and inflation. However, the Indian economy remains steady and on the right track. The Indian stock market rallied for the fourth consecutive month, reaching all-time highs for both the Sensex and Nifty. In September, the Sensex rose by 2.35%, while the Nifty gained 2.28%. Among sectors, Auto, Bank Nifty, FMCG, and Realty each saw gains of over 3%, and the Metal index jumped 8.43%.

## Domestic Macro-Economic:

CPI inflation in August 2024 stood at 3.65% as compared with 6.83% a year ago. This is the second lowest in the last five years. WPI inflation fell to a four-month low of 1.31% on an YoY in August from 2.04% in July due to a reduction in the prices of manufactured products and food items. FII and DII bought Rs 12,612 cr and Rs 30,857 cr respectively in equities.



## Conclusion:

Global markets performance was better in September 2024 on the back of Fed rate cut and expectations are higher from across global central banks. Although, Bank of Japan is hawkish action but investor sentiments are positive across the globe. Stable inflation reading and China stimulus and monetary measures have further boosted the rally. However, escalation of current geopolitical crisis between Israel and Iran have to be watched cautiously. We have also entered in to the earning season and there will likely be more volatility ahead, with November's US election as one of several potential catalysts. Indian markets are strong driven by liquidity and positive flows from DII's. Having said that, investor should take cognizance of the current earnings and the guidance from the corporates before investing.

Global Index	31-Aug	30-Sep	Change	Sectoral Indices	31-Aug	30-Sep	Change
Sensex	82,366	84,300	2.35%	NIFTY Midcap 150	21,925	22,312	1.76%
Nifty	25,236	25,811	2.28%	NIFTY Smallcap 100	19,307	19,180	-0.66%
Dow	41,563	42,330	1.85%	NIFTY Auto	26,173	27,027	3.26%
Nasdaq	17,714	18,189	2.68%	NIFTY Bank	51,351	52,978	3.17%
S&P 500	5,648	5,762	2.02%	NIFTY Financial Services	23,638	24,480	3.56%
CAC	7,631	7,636	0.06%	NIFTY FMCG	63,060	65,540	3.93%
DAX	18,907	19,325	2.21%	NIFTY IT	42,788	41,946	-1.97%
FTSE	8,377	8,237	-1.67%	NIFTY Media	2,105	2,139	1.62%
Nikkei	38,648	37,920	-1.88%	NIFTY Metal	9,405	10,198	8.43%
Hang Seng	17,989	21,134	17.48%	NIFTY Pharma	23,218	23,281	0.27%
Shanghai Composite	2,842	3,337	17.39%	NIFTY Private Bank	25,688	26,502	3.17%
<b>Key Data Release</b>				NIFTY PSU Bank	6,986	6,756	-3.29%
<b>Particulars</b>		<b>Current</b>	<b>Previous</b>	NIFTY Realty	1,053	1,099	4.33%
India Manufacturing PMI (Aug)		56.5	57.5	<b>Other Asset Class</b>			
India Service PMI (Aug)		57.7	60.9	<b>MCX Gold 10 g (in Rs)</b>	71,611	74,869	4.55%
India CPI (YoY) (Aug)		3.65%	3.60%	<b>MCX Silver Kg (in Rs)</b>	83,285	90,719	8.93%
India WPI Inflation (YoY) (Aug)		1.31%	2.04%	<b>Brent Crude (\$ Barrel)</b>	78.80	71.70	-9.01%
India IIP (July)		4.80%	4.70%	<b>India 10 Year G-Sec Yield</b>	6.86%	6.75%	-1.65%
RBI Interest Rate		6.50%	6.50%	<b>US 10 Year G-Sec Yield</b>	3.91%	3.79%	-3.12%
India FY24 GDP (YoY)		8.29%	7.05%	<b>USD INR</b>	83.87	83.79	-0.10%
FII Net (Rs cr)		12,612	-20,339				
DII Net (Rs cr)		30,857	50,175				

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