

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	3.90	4
US 2Y*	4.36	0
Germany 10Y	1.96	-1
UK 10Y	3.52	0
Japan 10Y	0.61	5

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.06% GS 2028*	7.11	1
7.18% GS 2033* (10Y)	7.19	2
7.18% GS 2037*	7.30	3
91-day T-bill	6.94	0
182-day T-bill	7.14	0
364-day T-bill	7.11	0

Source: CCL, RBI, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	78	85	57	46
AA	144	150	123	114
A	331	340	313	304

Source: FIMMDA, as on 20 Dec, 2023

Key rates:

Policy	Rate (in %)
Repo rate	6.50
Standing Deposit Facility Rate	6.25
Bank rate	6.75
1-year median MCLR of SCBs	8.70
SOFR	5.31

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	111.6	6.81
Triparty Repo	3,605.7	6.79
Market Repo	1,403.9	6.83
Repo in corporate bond	4.7	7.17

Source: RBI, as of 21 Dec, 2023

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	70,865	0.5
NIFTY	21,255	0.5
NASDAQ	14,964	1.3
S&P 500	4,747	1.0
Nikkei 225	33,140	-1.6
Euro Stoxx 50	4,525	-0.2

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	80.1	0.8
Natural gas Nymex (USD/MMBtu)	2.6	6.6
Gold Comex (USD/t oz.)	2,061.9	0.7
Copper Comex (USD/lb)	393.3	0.9
Wheat cbot (USD/bu.)	612.3	-0.2

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.28	0.1
GBP/ INR	105.61	0.5
EUR/ INR	91.51	0.6
EUR/USD	1.10	0.5
DXY Index	101.84	-0.5

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Event:

India: G-Sec, VRR Auctions; **US:** PCE Nov'23, New Home Sales Nov'23, U. Mich Index Dec'23; **UK:** GDP Q3CY23, Retail Sales Nov'23, **Japan:** CPI Nov'23

News:

International:

US economic growth not as strong as expected in Q3CY23 (Source: WSJ): US real GDP increased at 4.9% q/q saar in Q3CY23 according to 3rd estimate, revised downwards from 5.2% in 2nd estimate, primarily reflecting a downward revision of consumer spending, private inventory investment and exports, offset by a small reduction in imports and upwards revision of government spending, as weaker growth and slower inflation props up expectations of rate cuts.

World steel production continues on upward trajectory (Source: WSA): World steel production grew by a robust 3.3% y/y in Nov'23 to 145.5 mn tonnes, growing by a mealy 0.5% y/y in 11MCY23 to 1715.1 mn tonnes owing to weak demand at the start of CY23. Notably, China's production increased by 0.4% y/y to 76.1 mn tonnes while India's production grew by a whopping 11.4% y/y to 11.7 mn tonnes in Nov'23

Chinese banks could cut deposit rates (Source: Bloomberg): According to media sources, Chinese banks are set to reduce time deposit rates to stimulate the economy. The rate cuts include 10 bps cut on 1Y, 20 bps on 2Y and 25 bps for 3Y and 5Y time deposits, while similar tenor CDs witness rate reductions of 10, 25 and 30 bps respectively.

EMs still working to tame inflation (Source: US News, Reuters):

- Turkey delivered its 7th consecutive rate hike, taking its policy rate to 42.5%, to tame runaway inflation, while signaling the end of rate hike cycle as peak rates will be held higher for longer
- Bank of Indonesia kept its benchmark rate unchanged, along expected lines, citing the effectiveness of current rates to sustainably bring down inflation within target range

Domestic:

RBI ponders over norms for setting up SROs by REs (Source: BS): RBI drafts norms for setting up self-regulated organizations by its regulated entities and proposes to audit the books of such institutions to promote a culture of compliance and progressive practices and extend guidance and support to smaller entities in the sector.

Union considers direct listing of companies in GIFT City (Source: Reuters): A committee has suggested that depositories in the country be connected to enable the issue of new equity shares directly and allow transfer of existing equity shares. The committee also recommends that mutual funds be allowed to participate in direct listings at IFSC upto limit of 1% of their AUM. In case the company is listed on Indian and IFSC exchanges, the regulator's rules should be followed in both jurisdictions.

Union considers splitting PLI for ACC between 2 components (Source: Mint): The Union is considering splitting the incentives for PLI for Advanced Chemistry Cells between mobility and stationary storage applications. Mobility applications will be overseen by Ministry of Heavy Industries, while the Ministry of New and Renewable Energy will step in to handle capacity allocated to storage applications.

Union working on a new law to tackle group bankruptcies (Source: Mint): According to media sources, the Union is discussing a bill that will amend the Insolvency and Bankruptcy Code to expand the resolution rules from individual entities to groups of enterprises. Financially healthy enterprises within a group that have not defaulted on payment obligations may be kept outside group insolvency proceedings.

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