

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	3.88	-1
US 2Y*	4.30	-2
Germany 10Y	1.98	0
UK 10Y	3.50	0
Japan 10Y	0.60	0

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.06% GS 2028*	7.10	0
7.18% GS 2033* (10Y)	7.18	0
7.18% GS 2037*	7.30	0
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	83	68	51	46
AA	149	133	117	114
A	336	323	307	304

Source: FIMMDA, as on 22 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	5.32

Source: RBI, Federal Reserve Bank of New York

## Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	111.3	6.81
Triparty Repo	3,710.7	6.79
Market Repo	1,258.4	6.81
Repo in corporate bond	5.8	7.12

Source: RBI, as of 26 Dec, 2023

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	71,337	0.3
NIFTY	21,441	0.4
NASDAQ	15,075	0.5
S&P 500	4,775	0.4
Nikkei 225	33,306	0.2
Euro Stoxx 50	4,521	0.0

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	80.9	2.4
Natural gas Nymex (USD/MMBtu)	2.6	-1.1
Gold Comex (USD/t oz.)	2,076.0	0.3
Copper Comex (USD/lb)	391.6	0.3
Wheat cbot (USD/bu.)	634.8	3.0

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.19	0.1
GBP/ INR	105.85	0.4
EUR/ INR	90.67	0.0
EUR/USD	1.10	0.1
DX Index	101.55	-0.2

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

India: T-bill auction; China: Industrial Profits Nov'23; Russia: Retail sales Nov'23

## News:

## International:

**China's industrial profits rose (Source: CNBC):** The growth in China's industrial profit gathered pace in Nov'23 with 29.5% y/y growth from 2.7% in Oct'23. The profits for 11MCY23 were down 4.4% y/y from a 7.8% decline in 10MCY23.

**US holiday retail sales grow at a slower pace compared to prior year (Source: Reuters):** Holiday retail sales measured between 1 Nov-24 Dec'23 rose 3.1% y/y, lower than the 7.6% y/y growth last year. E-commerce grew at a slower pace of 6.3% y/y compared to last year's 10.6% growth.

**US home prices extend records, rising for 9 straight months (Source: Bloomberg):** House price index rose 0.6% m/m saar in Oct'23 (forecast: 0.5% m/m), as listings remain tight. Sequentially, Oct'23 had witnessed fastest annual rate of the year with prices rising 6.3% y/y.

**US buys 3 mn barrels of oil for strategic reserves (Source: Reuters):** US Department of Energy finalized contracts to purchase 3 mn barrels of oil at an average price of USD 77.31, cumulating to 14 mn barrels to replenish reserves after last year's sales of 180 mn barrels, out of which 140 mn had been cancelled.

## Domestic:

**Current account gap narrows in Q2FY24, mainly due to lower merchandise trade deficit (Source: RBI, BS):**

- The current account deficit declined sharply by 73% y/y to USD 8.3 bn (1% of GDP) in Q2FY24 against USD 30.9 bn (3.8% of GDP) in Q2FY23. Correspondingly, CAD was lower by 9.7% q/q at USD 9.2 bn in Q1FY24
- Narrowing of merchandise trade deficit from USD 78.3 bn in Q2FY23 to USD 61 bn in Q2FY24 resulted in a lower CAD, with net services receipts also rising from USD 34.4 bn to USD 40 bn on the back of rising exports of software, business and travel services
- In the financial account, net FDI witnessed an outflow of USD 0.3 bn in Q2FY24 as against an inflow of USD 6.2 bn in Q2FY23. FPI recorded an inflow of USD 4.9 bn, lower than USD 6.5 bn in Q2FY23
- Non-resident deposits rose to USD 3.2 bn in Q2FY24, and BoP cumulatively resulted in accretion of USD 2.5 bn in Q2FY24 against a depletion of USD 30.4 bn in Q2FY23

**Union cleared 746 PLI applications till Nov'23 for 14 different sectors (Source: BS):** As per Commerce Ministry over Rs 0.95 trn of investment has been reported till Sep'23, which has led to production/sales of Rs 7.80 trn. PLI investments crossed Rs. 325 bn in H1FY24. Further, incentives worth around Rs. 29 bn have been disbursed in FY23. Additionally, Union may be working on PLI 2.0 for steel sector, according to media sources.

**SEBI may let AIFs pledge shares in investee firms (Source: ET):** According to media sources, SEBI is considering a plan to allow AIFs to pledge their shares in investee companies. This would allow these investment vehicles to engage in leverage for business needs.

**Union proposes changes in critical and strategic minerals auction process (Source: ET):** The Mines Ministry has proposed capping the performance security and upfront amount. Union intends to cap the performance security and upfront amount mining lease at Rs 5 bn each for a mining lease. A cap of Rs 2.5 bn is in the works for performance security under a composite license.

**SGS auctions conducted successfully (Source: RBI):** SGS worth Rs. 207.6 bn were auctioned, against a notified amount of Rs. 248.5 bn by 12 states. 10Y yields ranged between 7.66% - 7.67%.

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