

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.13	-5
US 2Y*	4.61	1
Germany 10Y	2.20	-4
UK 10Y	3.94	-8
Japan 10Y	0.66	4

Source: Bloomberg, *semi-annual

G-sec yield:

G-Sec	Yield (in %)	1-Day Change in Bps
7.06% GS 2028*	7.23	-1
7.18% GS 2033* (10Y)	7.25	0
7.18% GS 2037*	7.37	-1
91-day T-bill	6.95	0
182-day T-bill	7.17	1
364-day T-bill	7.16	1

Source: CCL, RBI, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	53	66	57	52
AA	119	134	125	119
A	306	323	316	313

Source: FIMMDA, as on 05 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	5.33

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	120.0	6.70
Triparty Repo	3,795.3	6.73
Market Repo	1,588.8	6.75
Repo in corporate bond	0.0	NA

Source: RBI, as of 06 Dec, 2023

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	69,654	0.5
NIFTY	20,938	0.4
NASDAQ	14,147	-0.6
S&P 500	4,549	-0.4
Nikkei 225	33,446	2.0
Euro Stoxx 50	4,483	0.7

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	74.6	-3.6
Natural gas Nymex (USD/MMBtu)	2.6	-4.8
Gold Comex (USD/t oz.)	2,045.4	0.3
Copper Comex (USD/lb)	375.8	-1.2
Wheat cbot (USD/bu.)	633.5	0.9

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.33	-0.1
GBP/ INR	104.65	-0.5
EUR/ INR	89.66	-0.3
EUR/USD	1.08	-0.3
DX Index	104.15	0.2

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

China: Trade balance Nov'23; **Euro-zone:** GDP Q3CY23; **Germany:** Industrial production Oct'23; **US:** Initial Jobless Claims

News:

International:

Moody's gives negative outlook for global banks in CY24 (Source: BQ Prime):

Higher funding costs, limited liquidity, and strained repayment capacity will squeeze loan quality, affecting profitability. Risks for Chinese banks increase from economic slowdown and there is prolonged stress among property developers and local governments. It added that Indian banks' profitability will increase further on lower provisioning expenses and robust growth in higher yielding retail segments.

Italy informs China of its intent to leave Belt and Road initiative (Source: Reuters):

As per media sources, Italian government has officially informed China that it is quitting the Belt and Roads Initiative, dismissing fears that the move might sour relations and damage the Italian economy.

Chinese exports edge up for the first time in 7-months in Nov'23 (Source: SCMP):

The trade surplus printed USD 68.4 bn in Nov'23, much higher than forecasts of USD 58 bn (Oct'23: USD 56.5 bn). Exports rose 0.5% y/y to USD 291.9 bn, while imports fell by 0.6% y/y to USD 223.5 bn.

US overall trade deficit widens further on decline in exports (Source: Reuters):

The trade balance printed USD 64.3 bn deficit for Oct'23, moderately higher than forecast of USD 64.2 bn (Sep'23: 61.5 bn). Imports rose to USD 323 bn while exports reduced to USD 258.8 bn.

US private payrolls increased much lower than expectations in Nov'23 (Source: CNBC):

As per ADP report, private payrolls grew by 103k in Nov'23, much below the market estimates of 130k increase. Oct'23 numbers were also revised down from 113k to 106k.

Bank of Canada keeps rates unchanged (Source: Forexlive):

In line with expectations, the Central Bank kept the policy rate unchanged at 5%. It acknowledged that there exist signs of a moderating spending with restrictive monetary policy.

Airline industry to earn record revenues in CY24 (Source: IATA):

Revenues are expected at an historic high of USD 964 bn in CY24, growing 7.6% y/y. Net profits are expected to soar by 10% y/y, reaching USD 25.7 bn with a net profit margin of 2.7%. Around 4.7 bn people are expected to travel in CY24, a historic high.

Domestic:

Union seeks nod for net additional spending from Parliament (Source: ET):

Approval was sought for gross extra spending of Rs. 1.29 trn for FY24, which would be matched by savings of Rs. 710 bn, resulting in net supplementary demand for grants of Rs. 584 bn. The spend includes Rs. 134 bn towards fertilizer subsidy, and Rs. 145 bn towards MGNREGA.

Vehicle retail sales witness sharp rise to historically highs in Nov'23 (Source: FADA):

Total vehicle retails increased by 18.5% y/y to 2.85 mn units, led by a strong increase in the sales of 3W, 2W and PVs, which rose 23.3%, 21.1% and 17.2% respectively. Decline was seen in tractors and CV, the sales of which tanked by 21.3% and 1.8%.

Bharatmala Pariyojana Phase 1 expenditure estimate provided in Parliament (Source: BS):

MoRTH Minister Mr. Gadkari revealed that total expenditure of Rs. 4.1 trn has been incurred on Bharatmala as on Oct'23, and the difference in actual project cost and normative cost is due to increase in cost of raw material, land acquisition, construction of high-speed corridors, and increase in GST rates, etc.

Contd...

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SBICAPS Daily Digest

Global PE firms cash-out stakes amid market boom (Source: BS): Global PE firms are successfully offloading large equity stakes in domestic companies in the open market. Strong domestic liquidity support and an upward trending market have underpinned over a dozen PE exits worth USD 2.5 bn.

T-Bills auction conducted successfully (Source: RBI): 91-day T-Bills worth Rs. 80 bn were auctioned against a notified amount of Rs. 70 bn, at a cut-off yield of 6.9549%. 182-day T-Bills worth Rs. 90 bn were auctioned against a notified amount of Rs. 80 bn, at a cut-off yield of 7.1690%. 364-day T-Bills worth Rs. 106 bn were auctioned against a notified amount of Rs. 90 bn, at a cut-off yield of 7.1585%.

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