

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.51	8
US 2Y*	4.90	7
Germany 10Y	2.64	4
UK 10Y	4.22	7
Japan 10Y	0.79	2

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.06% GS 2028*	7.20	-6
7.18% GS 2033* (10Y)	7.22	-6
7.18% GS 2037*	7.33	-6
91-day T-bill	6.93	0
182-day T-bill	7.10	-1
364-day T-bill	7.13	-2

Source: CCL, RBI, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	44	31	35	40
AA	105	97	100	104
A	295	288	292	298

Source: FIMMDA, as on 13 Nov, 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	101.0	6.79
Triparty Repo	3,405.7	6.77
Market Repo	1,413.7	6.81
Repo in corporate bond	12.5	6.96

Source: RBI, as of 15 Nov, 2023

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	65,676	1.1
NIFTY	19,675	1.2
NASDAQ	14,104	0.1
S&P 500	4,503	0.2
Nikkei 225	33,520	0.5
Euro Stoxx 50	4,316	0.6

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	80.5	-2.7
Natural gas Nymex (USD/MMBtu)	3.2	1.9
Gold Comex (USD/t oz.)	1,963.5	-0.3
Copper Comex (USD/lb)	369.7	0.3
Wheat cbot (USD/bu.)	586.5	-1.9

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.15	-0.2
GBP/ INR	103.05	-0.6
EUR/ INR	90.03	-0.2
EUR/USD	1.08	-0.4
DX Index	104.52	0.4

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

**US:** Jobless claims, Industrial production Oct'23; **Japan:** Trade balance Oct'23; **Philippines:** Policy rate

## News:

## International:

**US retail sales fell in Oct'23 for the first time in 7 months (Source: CNN):** Retail sales declined by 0.1% m/m (better than forecast 0.3% fall) in Oct'23. This is against a revised increase of 0.7% m/m in Sep'23. Auto sales declined 1.1%, while furniture sales declined 2%. Core retail sales saw a 0.1% increase as against a rise of 0.6% in Sep'23.

**US Fed members have divergent views on rates (Source: Reuters, Forexlive):**

- Ms. Daly refused to rule out another interest rate increase, she further indicated little concern about the recent sharp fall in US government bond yields, which has loosened financial conditions
- Mr. Barkin said that seeing the pull back in credit, he hoped to eventually bring interest rates back to normal

**US producer prices fell 0.5% m/m in Oct'23 (Source: US BLS):** US producer prices fell by the most in 3.5 years in Oct'23 amid a sharp drop in the cost of gasoline which fell by 15.3% m/m. The decline in PPI was unexpected as the forecast was for a 0.1% increase. The core PPI increased by 0% (forecast: 0.3%; Sep'23: 0.3%).

**European Commission lowers growth outlook for EU (Source: EC, BS):** In its Autumn 2023 publication, the EC forecast:

- EU GDP growth for CY23 at 0.6% y/y (previous: 0.8%) and improve further to 1.3% in CY24 (previous: 1.4%) and further improve to 1.7% in CY25
- Headline inflation in EU is set to decrease from 6.5% in CY23 (previous: 6.5%) to 3.5% in CY24 (previous: 3.2%) and 2.4% in CY25

**UK consumer inflation falls more than expected (Source: UK ONS):** Lower housing, household services, and food prices drove UK CPI to 4.6% y/y in Oct'23, below expectations of 4.8% and Sep'23's 6.7%. The largest downward contribution came from housing and household services (up 1.9%). The core CPI came in at 5.7% (Sep'23: 6.1%).

**Japan's export growth slows as China, global downturn risks loom (Source: Reuters):** Japanese exports for Oct'23 rose by 1.6%y/y growing for a 2<sup>nd</sup> straight month but at a sharply slower pace as compared to Sep'23's 4.3%, due to slumping China-bound shipments which fell 4.0% y/y. The trade deficit came in at JPY 662.5 bn, even as imports fell 12.5%.

## Domestic:

**Oct'23 merchandise trade gap widens to a record USD 31.5 bn (Source: PIB):** Overall trade deficit stood at USD 17.1 bn in Oct'23, to bring 7MFY24 trade deficit at USD 89.9 bn. Highlights:

- Merchandise imports grew 12.3% y/y, while exports increased by a slower 6.2%, in Oct'23, to result in a merchandise trade deficit of USD 31.5 bn. The surge in imports was primarily led by a spike in crude prices as well as higher gold imports, while exports of engineering and electronic goods and pharma products gained momentum
- Services exports and imports registered a healthy 13.4% and 6.0% growth increasing to USD 28.7 bn & USD 14.3 bn, respectively, leading to estimated services trade surplus of USD 14.4 bn for Oct'23

**Core inflation falling, duration of supply shocks getting shorter (Source: ET):** MPC member Ms. Goyal said that inflation at 4.87% is comforting and she added that amid high prices of certain food items, core inflation continues to decline, indicating a lack of generalized inflation. She further added that the duration of supply shocks is becoming shorter, allowing headline to revert towards core inflation.

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**Union government vows to maintain fiscal prudence (Source: BS, ET):** As per media sources, the first supplementary demand for grants for FY24, to be taken up in the upcoming winter session, is unlikely to see any major cash outflow as the government intends to attain the fiscal deficit target, though there would be a rejigging of the provisions made. Consequently, no major changes are expected to the borrowing plan for FY24. Further, the Union is likely to present a “realistic” Budget for FY25.

**Government to exceed Rs. 18.23 trn full-year direct tax collection target (Source: BS):** CBDT Chairman said that on a gross basis, the direct tax collection has been growing at 17-18%, while on a net basis, it is growing at 22%, because of which he is confident about tax collection exceeding estimates. He further added that a better picture of full-year tax collection will be available once the third instalment of advance tax numbers come in by Dec’23.

**Government goes on overdrive to ensure coal security (Source: The Hindu Businessline):** Coal Minister Mr. Joshi said that there are efforts going on to stop coal imports by FY26. He added that coal production from underground mines will be further scaled up to touch 100 mn tonnes by 2030 (from 26 mn tonnes now), by deploying mass production technology. Separately, Coal Secretary, Mr. Meena said the Union is considering an underground coal-mining policy.

**T-bill auctions conducted successfully (Source: RBI):** 91-day T-bills worth Rs. 117.0 bn were auctioned against a notified amount of Rs. 70 bn at a cut-off yield of 6.9374%. 182-day T-bills worth Rs. 80.0 bn were auctioned against a notified amount of Rs. 80 bn at a cut-off yield of 7.0987%. 364-day T-bills worth Rs. 90.2 bn were auctioned against a notified amount of Rs. 90 bn at a cut-off yield of 7.1297%.

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