

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.44	1
US 2Y*	4.89	5
Germany 10Y	2.58	-1
UK 10Y	4.10	-4
Japan 10Y	0.75	0

Source: Bloomberg, \*semi-annual

## G-sec yield:

G-Sec	Yield (in %)	1-Day Change in Bps
7.06% GS 2028*	7.21	1
7.18% GS 2033* (10Y)	7.22	-2
7.18% GS 2037*	7.33	-1
91-day T-bill	6.93	0
182-day T-bill	7.10	0
364-day T-bill	7.13	0

Source: CCL, RBI, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	44	61	48	44
AA	108	113	113	109
A	297	316	304	301

Source: FIMMDA, as on 16 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 (Term segment):

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Notice Money	101.7	6.81
Term Money	2.6	-
Triparty Repo	3,291.0	6.77
Market Repo	1,506.8	6.80
Repo in corporate bond	0.0	NA

Source: RBI, as of 17 Nov, 2023

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	65,795	-0.3
NIFTY	19,732	-0.2
NASDAQ	14,125	0.1
S&P 500	4,514	0.1
Nikkei 225	33,585	0.5
Euro Stoxx 50	4,341	0.9

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	80.6	4.1
Natural gas Nymex (USD/MMBtu)	3.0	-3.6
Gold Comex (USD/t oz.)	1,984.7	0.0
Copper Comex (USD/lb)	377.0	2.1
Wheat cbot (USD/bu.)	575.8	-0.9

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.27	0.0
GBP/ INR	103.79	0.4
EUR/ INR	90.77	0.5
EUR/USD	1.09	0.6
DX Index	103.82	-0.5

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

China: Policy rate; Thailand: GDP Q3CY23; Germany: PPI Oct'23

## News:

International:

**China keeps policy rate steady, vows other forms of support (Source: Reuters):** The PBoC kept the one-year loan prime rate at 3.45% and five-year loan prime rate at 4.20%, unchanged and in line with forecasts. It and other financial regulators pledged to ensure financing support for the property sector and to work together to resolve local government debt risks.

**US Fed members stay focused on fighting inflation (Source: CNBC, Yahoo Finance):**

- Ms. Collins said that despite the cooling inflation, more interest rate hikes could yet be needed to bring down inflation. Mr. Goolsbee said that Fed will do whatever needs to be done to beat inflation
- Ms. Daly signalled that she wants to adjust policy only gradually, if at all, given the "murky" state of the economy and uncertainty

**Portugal's rating and Italy's outlook upgraded by Moody's (Source: Reuters):**

- Moody's upgraded Portugal's long-term issuer rating by 2 notches to A3 from Baa2 on the back of economic and fiscal reforms, private sector deleveraging, and ongoing banking sector strengthening
- Moody's kept Italy's sovereign debt rating at Baa3 but upgraded the outlook to stable from negative on the basis of economic stabilisation, the health of its banking sector and the government's debt dynamics.

**ECB hawks push back on early rate cut bets (Source: Reuters):**

- Mr. Nagel said that ECB should not loosen policy until it is absolutely certain of returning to price stability on a lasting basis, while Mr. Holzmann sounded even more hawkish, saying that, if necessary, rates could be raised again.
- Mr. Wunsch was of the view that the economy was in a kind of stagflation, and he needed to be comfortable that the inflation is not persistent, before any decision on rate cuts could be taken

**UK retail sales hit lowest level since CY21 lockdowns (Source: ONS, Reuters):**

Seasonally adjusted retail sales volumes fell by 0.3% m/m in Oct'23 (forecast: +0.3%), following a 1.1% drop in Sep'23, with all main sectors witnessing increase apart from non-store retailing. The retail sales volumes were 3.1% lower than pre-pandemic Feb'20.

Domestic:

**Railways, NHA capex may be funded solely by Budget in FY25 too (Source: FE):**

According to media sources, the government will likely continue to meet the massive capital expenditure requirements of NHA and the Indian Railways fully through budgetary allocation for FY25. This would also ensure that the cost of funds for both the entities would be about 50 bps lower than what it would have been if they were to borrow from the market.

**Food subsidy outlay to rise in FY25BE (Source: FE):** According to media sources, the food subsidy for FY24, as per revised estimate, would be Rs. 2.14 trn, up Rs. 170 bn from FY24BE owing to sharp increases in MSP of key crops. Further, for FY25BE, there will be a further increase of 7% over FY24RE to Rs. 2.3 trn. Despite these increases, the Union is in line to meet its fiscal deficit estimates.

**Rising power demand pulls up natural gas consumption (Source: The Hindu Business Line):**

According to the Gas Exporting Countries Forum, India's gas consumption marked its ninth consecutive month of growth with a 24% y/y increase, reaching 5.8 BCM in Sep'23, primarily driven by power generation and refinery sectors, which registered a growth of 34% and 78% respectively.

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**27 firms granted approval under new IT hardware PLI scheme (Source: BS):** The Minister for Electronics and Information Technology, Mr. Vaishnav announced that 27 companies have received approval for PLI scheme in the IT hardware sector. He added that among them, 23 are ready to start manufacturing operations immediately, and the remaining 4 will begin within the next 90 days. Overall, this is expected to bring a significant investment of Rs 30 bn into the industry.

**G-sec and VRRR auctions concluded successfully (Source: RBI):**

- 7.37% GS 2028 worth Rs. 70 bn were auctioned (notified: Rs 70 bn) at a cut-off yield of 7.2088%, 7.18% GS 2033 worth Rs. 130 bn were auctioned (notified: Rs 130 bn) at a cut-off yield of 7.2182% and New GS 2053 worth Rs. 100 bn were auctioned (notified: Rs 100 bn) at a cut-off yield of 7.4354%.
- 14-day VRRR worth Rs. 224.42 bn was conducted against a notified amount of Rs. 500 bn, at a cut-off yield of 6.49%

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