

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.40	-1
US 2Y*	4.90	2
Germany 10Y	2.56	0
UK 10Y	4.15	5
Japan 10Y	0.71	1

Source: Bloomberg, *semi-annual

G-sec yield:

G-Sec	Yield (in %)	1-Day Change in Bps
7.06% GS 2028*	7.24	-2
7.18% GS 2033* (10Y)	7.24	-3
7.18% GS 2037*	7.36	-2
91-day T-bill	6.95	2
182-day T-bill	7.12	2
364-day T-bill	7.15	2

Source: CCL, RBI, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	49	21	20	22
AA	104	76	82	79
A	238	213	219	219

Source: FIMMDA, as on 21 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	5.31

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	119.5	6.81
Triparty Repo	3,460.0	6.79
Market Repo	1,453.0	6.81
Repo in corporate bond	0.3	7.05

Source: RBI, as of 22 Nov, 2023

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	66,023	0.1
NIFTY	19,811	0.1
NASDAQ	14,265	0.5
S&P 500	4,556	0.4
Nikkei 225	33,451	0.3
Euro Stoxx 50	4,352	0.5

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	80.9	-1.7
Natural gas Nymex (USD/MMBtu)	2.9	0.7
Gold Comex (USD/t oz.)	2,015.0	-0.2
Copper Comex (USD/lb)	381.3	-0.5
Wheat cbot (USD/bu.)	584.5	-0.6

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.32	0.0
GBP/ INR	104.10	-0.4
EUR/ INR	90.68	-0.2
EUR/USD	1.09	-0.2
DX Index	103.75	0.2

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

Flash PMI Nov'23: Eurozone, UK; Policy rate: Indonesia, Turkey, S. Africa

News:

International:

World steel production increases marginally (Source: WSA): World steel production increased marginally by 0.6% y/y in Oct'23 to 150 mn tonnes, after falling 1.4% y/y in Sep'23. Steel production edged upwards by 0.2% y/y in 10MCY24. Notably, India produced 12.1 mn tonnes of crude steel in Oct'23, rising by 15.1% y/y, while China produced 79.1 mn tonnes of crude steel in Oct'23, down 1.8% y/y.

Unexpected delay in OPEC+ meeting sends intra-day oil prices reeling (Source: Reuters): OPEC+ countries unexpectedly postponed their meeting, which could involve discussions on further production cuts, leading to a fall of 4% in oil prices in intra-day session, stoking concerns that more production could come online in the coming months. Oil prices bounced back a bit on the news that the disagreement was among the smaller oil producers and not the top oil exporters.

US durable goods orders contract at faster than expected pace (Source: Reuters): US durable goods orders fell 5.4% m/m in Oct'23, (expected: -3.1% m/m), on the back of falling orders for transportation equipment, motor vehicle and parts and tumbling civilian aircraft orders. Notably, core capital goods orders remained flat, while non-defense capital goods orders dropped 0.3% m/m.

ECB officials feel inflation expectations remain anchored (Source: Reuters):

- Mr. Centeno expects reversal to the rate hike cycle in the near future, with sustainable decline in inflation, as expectations remain anchored.
- Mr. Nagel believes that terminal rates have been attained and they are going to remain stable as potential inflation triggers still exist.

Domestic:

RBI Governor flags contagion risk for banks and NBFCs (Source: ET): Mr. Das has urged banks to continually assess their exposure towards NBFCs and exposure of NBFCs to multiple banks, as large borrowings of NBFCs with high exposure from banks could pose contagion risk. He advised NBFCs to reduce over-reliance on bank funding. He also acknowledged that despite moderation in core inflation, headline inflation remains susceptible to recurring and overlapping shocks.

Union consults power sector stakeholders to review capacity addition (Source: PIB): During the interaction to review 80GW capacity addition by FY32, Power Minister Mr. Singh urged the industry to invest in thermal power as power required for economic growth cannot simply be achieved by renewable sources alone. He has also asked states to ensure full availability of their thermal capacity.

Banking system liquidity at near 5-year lows (Source: ET): Banking system liquidity fell to the poorest levels in nearly five years on monthly GST payments of Rs. 1.4 trn, with further Rs. 120-130 bn expected. It stood at Rs. 1.74 trn (highest since 26 Dec'18, when it was Rs. 1.86 trn). Overnight rates have been trading above the MSF rate, a sign of liquidity crunch.

NBFCs to post healthy AUM growth in FY25 (Source: FE): According to media sources, NBFCs could record 14-17% growth in AUMs in FY25, on the back of strong credit demand across retail loan segments, while lower than 16-18% expected in FY24 due to moderation in unsecured lending growth augmented by recent regulatory measures concerning unsecured retail loans. Regulatory changes could lead NBFCs to diversify their liabilities mix to increase share of securitization, capital market issuances and co-lending practices for capital-efficient growth.

T-Bills auction conducted successfully (Source: RBI): 91-day T-Bills worth Rs. 125 bn were auctioned against a notified amount of Rs. 70 bn, at a cut-off yield of 6.9474%. 182-day T-Bills worth Rs. 104 bn were auctioned against a notified amount of Rs. 80 bn, at a cut-off yield of 7.1199%. 364-day T-Bills worth Rs. 90 bn were auctioned against a notified amount of Rs. 90 bn, at a cut-off yield of 7.1497%.

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