

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.29	-11
US 2Y*	4.70	-20
Germany 10Y	2.49	-6
UK 10Y	4.17	-4
Japan 10Y	0.69	-6

Source: Bloomberg, \*semi-annual

## G-sec yield:

G-Sec	Yield (in %)	1-Day Change in Bps
7.06% GS 2028*	7.27	1
7.18% GS 2033* (10Y)	7.28	1
7.18% GS 2037*	7.40	2
91-day T-bill	6.95	0
182-day T-bill	7.12	0
364-day T-bill	7.15	0

Source: CCL, RBI, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	13	58	44	51
AA	77	123	109	116
A	266	313	300	308

Source: FIMMDA, as on 24 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	149.47	6.81
Triparty Repo	3881.04	6.79
Market Repo	1683.14	6.80
Repo in corporate bond	14.99	7.05

Source: RBI, as of 28 Nov, 2023

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	66,174	0.3
NIFTY	19,889	0.5
NASDAQ	14,281	0.3
S&P 500	4,554	0.1
Nikkei 225	33,450	0.2
Euro Stoxx 50	4,348	-0.1

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	81.6	1.8
Natural gas Nymex (USD/MMBtu)	2.7	-3.6
Gold Comex (USD/t oz.)	2,068.2	1.6
Copper Comex (USD/lb)	384.4	1.2
Wheat cbot (USD/bu.)	572.5	1.7

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.34	0.0
GBP/ INR	105.95	0.6
EUR/ INR	91.60	0.4
EUR/USD	1.10	0.5
DX Index	102.57	-0.5

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

US: Goods Trade Balance Oct'23; China: PMI Nov'23;

## News:

International:**US Fed officials confident on progress on inflation (Source: Bloomberg, CNBC):**

- Mr. Goolsbee feels that significant progress has been made on the inflation front, despite food-prices hovering above comfortable range.
- Mr. Waller is confident that policy is well positioned to slow the economy and bring back inflation to 2% target in a sustained manner.
- Ms. Bowman, on the contrary, opined that interest rates should be hiked if progress on inflation stalls, since recent progress has been uneven.
- Mr. Williams acknowledged the anchoring of long-run inflation expectations, as Fed remains committed to achieve 2% target.

**PBoC officials optimistic on 5% growth in China's economy (Source: CNN):**

PBoC Governor Mr. Pan is confident that a resilient Chinese economy will achieve target growth of around 5%, while suggesting that the real estate market is experiencing major transformation, but spillover effects on financial system are quite limited.

**China unleashes local bond quota to boost provincial borrowing (Source: Bloomberg):**

China will likely distribute USD 319 bn or 60% of CY24's special local bond quota to provinces ahead of time in a bid to boost growth led by provincial borrowing.

**UK inflation challenging to squeeze out of the system (Source: Bloomberg):**

- BoE Deputy Governor Mr. Ramsden advocated for a restrictive monetary policy for extended periods to bring down inflation. He said that services inflation, driven by wage growth of above 7%, could stay stubbornly high throughout CY24.
- Mr. Harkel reiterated that labour market tightness continues to impart inflationary pressures warranting a higher for longer approach.

**Taiwan expects lower GDP growth in CY23 (Source: Bloomberg):**

Taiwan expects its GDP growth at 1.42% y/y in CY23, cutting it from 1.61% y/y earlier, on the back of sluggish exports, while expects growth to quicken in CY24 by raising estimates of growth from 3.32% y/y to 3.35% y/y. Exports are expected to fall 9.9% y/y in CY23, but bounce back to 6.33% y/y in CY24 led by recovery in semiconductor industry.

**South Africa lays USD 80 bn plan for energy transition (Source: Bloomberg):**

South Africa has unveiled a USD 80 bn plan focussed on energy transition over 5 years, with detailed framework to track billions in climate finance, highlighting investments in plethora of renewable energy projects.

Domestic:**SEBI has proposed changes in Special Situation Funds (Source: Mint):**

SEBI has proposed to amend the regulatory framework for a category of Alternative Investment Funds (AIF), called the Special Situation Funds. It will facilitate in the acquisition of stressed loans and support the resolution of stressed assets in the financial system.

**Centre to launch first tranche auction of critical and strategic minerals (Source: PIB):**

Centre will be launching first tranche auction of 20 blocks of critical and strategic minerals which are essential for economic development and national security of the country.

**Centre reviews coal production from commercial and captive mines (Source: PIB):**

Total coal production from captive and commercial coal mines as of 20th Nov'23 in FY24 stood at 80 mn tonnes, rising 23% y/y. Centre has emphasized that coal block allottees must take necessary steps to achieve their production target for FY24 and operationalize the coal blocks that are in advanced stages of operationalization.

November 29, 2023



## SBICAPS Daily Digest

**Auto sales jubilant on festive sales (Source: FADA):** Vehicle sales climbed a robust 18.7% y/y to 3.79 mn in the 42-day festive period starting 1st day of Navratri with significant growth in 2W (20.1% y/y), 3W (41.4% y/y), CV (8.1% y/y) and PV (10.3%y/y) while tractor sales fell 0.4% y/y, with rural areas particularly contributing to 2W purchases. Notably, SUVs were highest demanded vehicles, while inventory levels of PV remain a significant concern.

**SGS auctions conducted successfully (Source: RBI):** SGS worth Rs. 358 bn were auctioned by 17 states, against a notified amount of Rs. 353 bn with Kerala accepted additional Rs5bn using greenshoe option. Notably, 10Y SGS yields ranged between 7.71% - 7.75%.

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