

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.26	-3
US 2Y*	4.65	-5
Germany 10Y	2.43	-6
UK 10Y	4.09	-8
Japan 10Y	0.66	-3

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.06% GS 2028*	7.24	-3
7.18% GS 2033* (10Y)	7.25	-3
7.18% GS 2037*	7.38	-2
91-day T-bill	6.96	1
182-day T-bill	7.16	4
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	8	56	45	48
AA	72	121	110	113
A	261	311	301	305

Source: FIMMDA, as on 28 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	79.1	6.79
Triparty Repo	3,696.2	6.77
Market Repo	1,476.4	6.79
Repo in corporate bond	2.3	7.02

Source: RBI, as of 29 Nov, 2023

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	66,902	1.1
NIFTY	20,097	1.0
NASDAQ	14,258	-0.2
S&P 500	4,551	-0.1
Nikkei 225	33,321	-0.4
Euro Stoxx 50	4,371	0.5

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	83.1	1.8
Natural gas Nymex (USD/MMBtu)	2.8	3.3
Gold Comex (USD/t oz.)	2,066.3	-0.1
Copper Comex (USD/lb)	384.5	0.0
Wheat cbot (USD/bu.)	587.5	2.6

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.33	0.0
GBP/ INR	105.79	-0.2
EUR/ INR	91.39	-0.2
EUR/USD	1.10	-0.3
DX Index	102.79	0.2

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

OPEC+ Meeting, COP 28 meeting, India: Fiscal deficit Oct'23, GDP Q2FY24, Eight core index Oct'23; **US:** Core PCE Oct'23, Jobless claims; **Japan:** Retail sales Oct'23; **Euro zone:** Unemployment rate Oct'23, CPI Nov'23

News:

International:

Global growth to slow but avoid a hard landing (Source: Reuters): According to OECD,

- Global economy will slow slightly to 2.7% y/y in CY24 (CY23: 2.9%) but the risk of a hard landing has subsided despite high levels of debt and uncertainty over interest rates.
- It revised its estimate for US growth to 2.4% in CY23 (Previous forecast: 2.2%) and 1.5% in CY24 (Previous forecast: 1.3%), although it wared of risks from weak housing markets, high oil prices and sluggish lending.
- The estimate for China was revised up marginally to 5.2% in CY23 and 4.7% in CY24, while highlighting the risks arising from real estate bubble and weaker domestic consumption.

US Q3CY23 GDP expands more than expected (Source: US BEA, CNBC): As per 2nd estimate, Q3CY23 GDP grew at annual pace of 5.2% q/q saar (Q2CY23: 2.1%, 1st advanced estimate: 4.9%) reflecting increases in consumer spending and inventory investment.

Fed members indicate rates could remain steady (Source: Reuters):

- Mr. Bostic said that he expects US growth to slow and inflation to continue to ease on the back of both tighter monetary policy as well as tighter financial conditions.
- Ms. Mester said that there has been a discernible progress on inflation even while the overall economy has remained relatively strong. She added that the current policy rates are at sufficient levels, while further rate hikes would depend on incoming data.

China factory activity shrinks further (Source: CNBC): China's manufacturing PMI weakened to 49.4 in Nov'23 from 49.5 in Oct'23 as sector saw increased headwinds from slowing overseas demand (forecast: 49.7). Also, the Non-manufacturing PMI slipped to 50.2 in Nov'23 from 50.6 in Oct'23, the weakest reading since Dec'22.

Thailand and South Korea holds rates steady (Source: Reuters):

- BOT's monetary policy committee ended a year-long tightening cycle, keeping its one-day repurchase rate at 2.50% noting that the current level was suitable to support the country's economic recovery.
- Bank of Korea kept its benchmark interest rate unchanged at 3.50% as policymakers waited to see the full effect of past rate hikes

Vietnam parliament approves global minimum corporate tax (Source: Reuters): Vietnam's parliament has approved an increase in the effective tax rate for multinationals to 15% starting Jan 1, 2024, aligning with a global reform agreed upon in 2021 by over 140 countries. The implementation also includes a delay in measures to offset the higher levy.

Domestic:

Cabinet approves PMGKAY programme for another 5 years (Source: PIB, Mint): The Union government declared the extension of the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) for an additional 5 years. This would benefit 800 mn individuals, although costing the exchequer Rs 11.8 trn

Terms of reference for 16th Finance commission approved by Union (Source: PIB): Union cabinet approved the 'Terms of Reference' for the 16th Finance Commission, which makes recommendations on the sharing of tax revenues between the Centre and states. The Finance Commission would submit its report by 31 Oct'25. Based on which Union will take a decision and implement the same from FY27-31.

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Dividend receipts remain robust (Source: CNBC): DIPAM secretary Mr. Pandey said that government divestments and dividends are closely linked, with dividends outperforming expectations. He added that the government has already raised Rs 320 bn as against its target of Rs 940 bn through these financial measures.

T-Bills auction conducted successfully (Source: RBI): 91-day T-Bills worth Rs. 85 bn were auctioned against a notified amount of Rs. 70 bn, at a cut-off yield of 6.9599%. 182-day T-Bills worth Rs. 83 bn were auctioned against a notified amount of Rs. 80 bn, at a cut-off yield of 7.1554%. 364-day T-Bills worth Rs. 90 bn were auctioned against a notified amount of Rs. 90 bn, at a cut-off yield of 7.1476%.

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