

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.02	1
US 2Y*	4.35	-2
Germany 10Y	2.18	5
UK 10Y	3.78	1
Japan 10Y	0.56	-2

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.06% GS 2028*	7.08	0
7.18% GS 2033* (10Y)	7.19	-1
7.18% GS 2037*	7.30	-1
91-day T-bill	6.94	0
182-day T-bill	7.15	0
364-day T-bill	7.13	0

Source: CCLL, RBI, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	72	93	9	53
AA	136	156	73	120
A	326	348	267	315

Source: FIMMDA, as on 08 Jan, 2024

## 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	8.75
SOFR	5.31

Source: RBI, Federal Reserve Bank of New York

## Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	100.9	6.74
Triparty Repo	3,551.6	6.76
Market Repo	1,379.1	6.79
Repo in corporate bond	1.1	7.72

Source: RBI, as of 09 Jan, 2024

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	71,386	0.0
NIFTY	21,544	0.1
NASDAQ	14,857	0.1
S&P 500	4,756	-0.2
Nikkei 225	34,386	3.0
Euro Stoxx 50	4,467	-0.4

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	77.8	1.7
Natural gas Nymex (USD/MMBtu)	3.2	9.6
Gold Comex (USD/t oz.)	2,035.8	-0.2
Copper Comex (USD/lb)	377.4	-1.6
Wheat cbot (USD/bu.)	607.8	1.5

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.11	0.1
GBP/ INR	105.63	-0.3
EUR/ INR	90.84	-0.2
EUR/USD	1.09	-0.3
DXY Index	102.52	0.4

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

India: T-Bill auction; China: New Loans, Outstanding Loan Growth, TSF Nov'23

## News:

## International:

## Global economic growth to face slowdown in CY24 vs. CY23 (Source: World Bank):

- World real GDP estimate was maintained at 2.4% y/y for CY24, with CY25 estimate being cut by 0.3pp vs. Jun'23 forecast to 2.7%. This is the third straight year of deceleration, reflecting lagged effects of tight monetary policy. Notably, CY23 estimate has been boosted by 0.5pp to 2.6%
- US growth estimate was upped significantly for both CY23 and CY24. CY23 estimate is now 2.5% (up 1.4pp from Jun'23), and CY24 stands at 1.6% (up 0.8pp from Jun'23). Consumer spending remained solid, backed by savings and tight labour markets
- China is expected to slow down more than expected growing at 4.5% (down 0.1 pp from Jun'23) in CY24 and 4.3% (down 0.1pp from Jun'23) in CY25, both estimates being revised down. This is the slowest in 3 decades, amidst weak demand and property sector slump
- Notably, Indian economy is pegged to grow at 6.4% y/y in CY24 and 6.5% y/y in CY25, with robust investments and services activity. There were no changes in any of these estimates

## US overall trade deficit narrows unexpectedly in Nov'23 (Source: Bloomberg):

US goods and services trade deficit shrank 2% m/m in Nov'23, to USD 63.2 bn driven by a pickup in services export and a marginal decline in merchandise import. Export of goods decreased by USD 5.4 bn m/m to USD 168 bn in Nov'23, mainly due to industrial supplies while import of goods decreased by USD 6bn to USD 257.4 bn. Notably, export of services increased by USD 0.6 bn to USD 85.7 bn in Nov'23.

## World crude and liquid oil production to marginally increase in line with consumption for CY24 (Source: EIA):

As per STEO, the world production is expected to be 102.34 mbpd (Previous: 102.19) and consumption is expected to be 102.46 (Previous: 102.34). The rise in production can be attributed to non-OPEC countries while OPEC is expected to reduce the production by 3.5% from previous forecast.

## ECB officials envisage earlier than expected rate cuts (Source: Reuters):

- Mr. Centeno believes that the decision to keep rates steady was appropriate, but rates could be cut sooner than earlier thought
- Mr. de Galhau interjected that rates would be cut in CY24 upon the effective and durable decline of inflation to 2% target.

## Domestic:

## Life insurers' collections post healthy growth in Dec'23 (Source: BS):

Life insurers earned new business premia worth Rs. 386 bn in Dec'23, posting a robust 43.76% y/y increase, driven by a 93.8% y/y increase in public sector premia to Rs. 230 bn on the back of growth in group business. Private insurers' premia grew by 4.15% y/y to Rs. 156 bn.

## CIL extends tenure of FSA to non-regulated sector (Source: FE):

CIL has extended the tenure of fuel supply agreement to 10-years from 5-years in the latest tranche of linkage auctions to the non-regulated sector to ensure long-term assurance of coal supply to the non-regulated sector.

## Domestic firms increasingly bet on stable INR (Source: BS):

As per media, forward contracts purchased by importers to hedge forex payments dropped 14.5% y/y in CY23, while that used by exporters declined 12.5% y/y, relying on the RBI to hold the INR in a stable range, pushing volatility expectations to 15-year lows.

## SGS auctions conducted successfully (Source: RBI):

SGS worth Rs. 193.3 bn were auctioned against a notified amount of Rs. 193.3 bn by 9 states. Notably, 10Y yields ranged between 7.72% and 7.78%.

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