

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.02	0
US 2Y*	4.35	0
Germany 10Y	2.21	3
UK 10Y	3.82	4
Japan 10Y	0.59	3

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.06% GS 2028*	7.07	-1
7.18% GS 2033* (10Y)	7.18	-1
7.18% GS 2037*	7.29	-2
91-day T-bill	6.93	-1
182-day T-bill	7.16	1
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	72	96	6	55
AA	136	159	70	122
A	326	351	264	317

Source: FIMMDA, as on 09 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	104.9	6.75
Triparty Repo	3489.7	6.76
Market Repo	1349.1	6.80
Repo in corporate bond	1.5	7.64

Source: RBI, as of 10 Jan, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	71,658	0.4
NIFTY	21,619	0.3
NASDAQ	14,970	0.8
S&P 500	4,783	0.6
Nikkei 225	34,981	1.7
Euro Stoxx 50	4,469	0.0

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	76.8	-1.3
Natural gas Nymex (USD/MMBtu)	3.0	-4.7
Gold Comex (USD/t oz.)	2,032.3	-0.2
Copper Comex (USD/lb)	378.8	0.4
Wheat cbot (USD/bu.)	610.8	0.5

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.04	-0.1
GBP/ INR	105.89	0.2
EUR/ INR	91.05	0.2
EUR/USD	1.10	0.4
DXY Index	102.26	-0.3

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

CPI Dec'23: US, Brazil; US: Jobless claims; Policy rate: S. Korea, Peru

News:

International:

ECB officials expect a pause in disinflation (Source: Forexlive):

- Mr. de Guindos expressed that the rapid pace of disinflation likely to slow down at the beginning of the year
- Ms. Schnabel mentioned that near term economic outlook remains weak as financial conditions have loosened more than projected
- Mr. de Cos also said that economic activity continued to show weakness and is expected to increase its degree of dynamism gradually

US Fed official says more work needed to curb inflation (Source: Reuters):

Mr. Williams said it's too soon to call for rate cuts as it is at distance to go on getting inflation back to target. He also said that banking sector liquidity levels do not signal any near-term need for the Fed to stop the contraction of its balance sheet.

Fitch no longer expects a US recession (Source: Reuters):

Fitch no longer forecasts a US recession this year due to several signs of strength in the economy. It also expects that The Federal Reserve is likely to cut interest rates three times in CY24.

South Korea keeps policy rate unchanged (Source: Reuters):

South Korea's Central Bank kept monetary policy unchanged at 3.50% as expected. It also signalled it may need to keep interest rate higher for longer to head off persistent inflation risk.

Global unemployment seen rising modestly in 2024: ILO (Source: Reuters):

The global unemployment rate is expected to inch up due to rise in joblessness in advanced economies. It forecasts the number of unemployed people will rise by 2 mn, lifting the global unemployment rate to 5.2% from 5.1% in CY23.

Domestic:

India and UAE extend cooperation through pacts (Source: ET):

India and UAE signed a deal to explore establishment of grid connectivity between two countries. Other pacts signed are in renewable energy, which includes green hydrogen and solar can reach up to 60 GW, development of genome Centre of Excellence in healthcare, and investment cooperation in food park development.

E-way bill generation surges again in Dec'23 (Source: The Hindu Businessline):

The number of e-way bills generated in Dec'23 was 95.2 mn, the second highest monthly figure so far after touching a record high of 100.3 mn in Oct'23. The number of e-way bills declined sharply to 87.5 mn in Nov'23.

Major ports saw a rise in traffic during 9MFY24 (Source: The Hindu Businessline):

Major ports saw a 5% y/y rise in traffic to 605.15 mn tonnes during 9MFY24, driven by the rising export of iron-ore and increased import of coking coal. Iron ore shipments jumped 45% y/y for 9MFY24 to 43.14 mn tonnes from 29.67 mn tonnes.

Union plans to boost electric bus mobility by CY30 (Source: CNBC):

As per media sources, Union is planning to create de-risking fund of Rs. 300 bn to finance acquisition of buses for government and guarantees for private sector acquisition. The fund is expected to encourage the adoption of 800k e-buses by CY30. The fund

Union holds back plan to replenish strategic oil reserves (Source: BS):

As per media sources, Union has scrapped a Rs. 50 bn rupee plan to top up the strategic crude oil reserves, given the prospect of decline in prices. It has oil storage capacity, with space for only 39 mn barrels of crude barely enough for 8 days of the consumption.

T-bill auctions conducted successfully (Source: RBI):

91-day T-bills worth Rs. 103.05 bn were auctioned against a notified amount of Rs. 80 bn at a cut-off yield of 6.9275%. 182-day T-bills worth Rs. 103 bn were auctioned against a notified amount of Rs. 100 bn at a cut-off yield of 7.1550%. 364-day T-bills worth Rs. 90.15 bn were auctioned against a notified amount of Rs. 90 bn at a cut-off yield of 7.1486%.

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Details of Research Analysts

<u>Name</u>	Rajan Jain	<u>Name</u>	Siddharth Sarma
<u>Qualification</u>	PGDBA	<u>Qualification</u>	MBA
<u>Designation</u>	Head- Credit Research	<u>Designation</u>	Associate

Details of Research Analyst entity

<u>Name</u>	SBI Capital Markets Limited
<u>Registration Number</u>	INH000007429
<u>Address</u>	15th floor, A & B Wing, Parinee Crescenzo Building, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400 051
<u>Telephone Number</u>	+91 22 4196 8300
<u>Compliance Officer</u>	Bhaskar Chakraborty
<u>Email id</u>	compliance.officer@sbicaps.com
<u>Telephone Number</u>	+91 22 4196 8542

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