

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.09	4
US 2Y*	4.33	11
Germany 10Y	2.31	5
UK 10Y	3.98	19
Japan 10Y	0.61	1

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.06% GS 2028*	7.06	2
7.18% GS 2033* (10Y)	7.16	2
7.18% GS 2037*	7.27	2
91-day T-bill	6.97	4
182-day T-bill	7.17	2
364-day T-bill	7.15	1

Source: CCL, RBI, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	101	78	-6	53
AA	163	143	61	122
A	353	333	251	314

Source: FIMMDA, as on 16 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	5.32

Source: RBI, Federal Reserve Bank of New York

## Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	127.3	6.76
Triparty Repo	3,692.6	6.76
Market Repo	1,436.6	6.80
Repo in corporate bond	0.55	7.55

Source: RBI, as of 17 Jan, 2024

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	71,501	-2.2
NIFTY	21,572	-2.1
NASDAQ	14,856	-0.6
S&P 500	4,739	-0.6
Nikkei 225	35,478	-0.4
Euro Stoxx 50	4,403	-1.0

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	78.0	0.2
Natural gas Nymex (USD/MMBtu)	2.9	2.8
Gold Comex (USD/t oz.)	2,009.1	-1.1
Copper Comex (USD/lb)	373.6	-0.6
Wheat cbot (USD/bu.)	580.8	-0.3

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.14	0.1
GBP/ INR	105.47	0.5
EUR/ INR	90.49	0.3
EUR/USD	1.09	0.2
DX Index	103.31	0.0

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

**Japan:** Industrial Production Nov'23; **US:** Jobless claims, Housing starts, Building permits Dec'23

## News:

## International:

**US retail sales beat expectations in Dec'23 (Source: Reuters):** Retail sales rose 0.6% m/m saar in Dec'23, against expectations of 0.4% (Nov'23: 0.3%), as consumers stepped up purchases of motor vehicles and retailers offered discounts. Core retail sales rose by 0.4% m/m (forecasts: 0.2%; Nov'23: 0.2%) and inventories (ex auto) fell by 0.9% in Nov'23.

**US industrial production edges up (Source: Bloomberg):** Industrial production rose by 0.1% m/m in Dec'23, against flattish expectation (Nov'23: 0.2%), led by auto production. Capacity utilization fell to 78.6%, marginally lower than expectations of 78.7% (Nov'23: 78.8%).

**US Fed's Beige Book shows resilient consumer and cooling labour market (Source: Bloomberg):** As per the Fed's survey, resilient consumer spending has propelled the economy, offsetting the weakness in other sectors like manufacturing while future expectations for firms improve.

## ECB officials push back cut expectations until this summer (Source: Reuters):

- Ms. Lagarde hinted on cuts happening in summer with the Central Bank being on track to get inflation back to 2%, but the job is not yet done and aggressive cuts shouldn't be expected
- Mr. Knot also pushed back cut expectations, saying that markets are getting ahead of themselves by expecting 140 bps cut this year
- Mr. Panetta cautioned against liquidity deficit, and lenders cannot expect to be able to all boost deposits at once as their funding plans indicate

**OPEC maintains its world demand estimates (Source: OPEC):** As per OMR Jan'24, world oil demand in CY24 is kept unchanged from previous estimate at 104.36 mbpd, with China's falling demand being offset by India and Africa. Additionally, CY25 oil demand is forecasted at 106.21 mbpd, 1.85 y/y mbpd higher.

## Domestic:

**Union disbursed Rs. 44.15 bn under different PLI schemes, has spurred investments (Source: BS):** Union has disbursed Rs. 44.15 bn under PLI schemes for 8 sectors including Electronics Manufacturing, IT Hardware, Bulk Drugs, Medical Devices, Pharmaceuticals, Telecom & Networking Products, Food Processing and Drones. Additionally, PLI has led to an investment of Rs. 1.03 trn till Nov'23, with exports surpassing Rs. 3.20 trn since the scheme's implementation.

**Real GDP growth expected at 7% in FY25: RBI Governor (Source: ET):** At World Economic Forum, Mr. Das added that with strong domestic demand, India remains fastest growing major economy, amid a challenging global environment, and the real GDP growth is expected at 7.2% in this fiscal. Additionally, CPI has substantially eased, with monetary policy action working, averaging 4.5% in FY25.

**Union may earmark Rs. 4 trn for food and fertilizer subsidies (Source: BS):** As per media sources, Union estimates 10% higher food subsidy bill from FY23BE to Rs. 2.2 trn while reducing fertilizer subsidy to Rs. 1.75 trn from Rs. 2 trn in FY23, indicating fiscal caution by the government.

**Road projects identified by NHAI to be bid out (Source: BS):** NHAI has proposed to bid out 53 BOT projects, spanning 5200 kms, worth Rs. 2 trn amid major reforms in the model. The proposed modifications include determination of termination payments, Concession Period based on actual traffic, actual traffic exceeding design capacity to be revisited, and compensation for delays on the part of Authority among others.

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## SBICAPS Daily Digest

**Expect private hospitals to invest Rs. 325 bn: ICRA (Source: BS):** Private hospital chains are expected to add over 30k beds, with occupancy remaining stable at 65% in FY24, backed by healthy demand for healthcare services, continued market share gains for organized players, and revival in medical tourism. Additionally, hospital chains growth might be fueled inorganically alongwith greenfield and brownfield.

**T-bill auctions conducted successfully (Source: RBI):** 91-day T-bills worth Rs. 101.6 bn were auctioned against a notified amount of Rs. 80 bn at a cut-off yield of 6.9698%. 182-day T-bills worth Rs. 115 bn were auctioned against a notified amount of Rs. 100 bn at a cut-off yield of 7.1701%. 364-day T-bills worth Rs. 99.6 bn were auctioned against a notified amount of Rs. 90 bn at a cut-off yield of 7.1540%.

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