

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.10	-2
US 2Y*	4.38	0
Germany 10Y	2.29	-5
UK 10Y	3.90	-2
Japan 10Y	0.64	-1

Source: Bloomberg, \*semi-annual

## G-sec yield:

G-Sec	Yield (in %)	1-Day Change in Bps
7.06% GS 2028*	7.06	0
7.18% GS 2033* (10Y)	7.18	0
7.18% GS 2037*	7.28	0
91-day T-bill	6.97	0
182-day T-bill	7.17	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	103	58	-16	59
AA	165	123	51	128
A	355	313	241	320

Source: FIMMDA, as on 18 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	9.5	6.13
Triparty Repo	9.5	6.44
Market Repo	0.0	NA
Repo in corporate bond	0.3	7.90

Source: RBI, as of 19 Jan, 2024

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	71,424	0.0
NIFTY	21,572	0.0
NASDAQ	15,360	0.3
S&P 500	4,850	0.2
Nikkei 225	36,547	1.6
Euro Stoxx 50	4,480	0.7

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	80.0	1.8
Natural gas Nymex (USD/MMBtu)	2.4	-3.2
Gold Comex (USD/t oz.)	2,043.0	-0.3
Copper Comex (USD/lb)	375.9	-0.7
Wheat cbot (USD/bu.)	595.8	0.4

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.07	0.0
GBP/ INR	105.63	0.0
EUR/ INR	90.32	-0.2
EUR/USD	1.09	-0.1
DX Index	103.33	0.1

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Event:

India: SGS Auction, 2-day VRR Auction; Japan: Policy Rate

## News:

## International:

**Japan keeps ultra loose policy (Source: Reuters, The Japan Times):** The BoJ held the interest rate and 10-year JGB yield target steady at -0.1% and 0% respectively. No changes were made to quantitative easing programme. Further:

- Real GDP forecast for FY23 (1 Apr'23 to 31 Mar'24) was dipped to 1.8% y/y from 2.0% in Oct'23, while forecast for FY24 was upped to 1.2%, and FY25 retained at 1.0%
- CPI forecast for FY23 was retained at 2.8% y/y and significantly reduced for FY24 to 2.4% (Oct'23: 2.8%). For FY25, it was taken up to 1.8%. Forecasts for benchmark core CPI remained unmoved. Separately, Japanese PM Mr. Kishida is at a critical juncture to escape deflation as growth is outpacing prices needed for a virtuous cycle

**China's premier orders more measures to arrest stock rout (Source: Reuters):** Mr. Li asked authorities to take more forceful measures to stabilize slumping stock market and investor confidence, after CSI 300 Index hit a 5Y low. Equities hurt by protracted crisis in the housing market and persistent deflationary pressures.

**Nickel prices keep slumping even as mines close (Source: Bloomberg):** Nickel continued its slump, heading toward the three years low, even as the collapse in prices for the metal force mines to shutter. The prices are down more than 40% y/y amid a growing global glut.

**Jan'24 set to be busiest for new US corporate bonds (Source: Reuters):** The Jan'24 is poised to be the busiest for new US corporate bond sales, with two regional banks adding a rush of post-earnings debt issuance. It has already seen USD 151 bn in new IG corporate bond supply and expected to breach record of USD 175 bn.

## Domestic:

**Coal based power generation grows 10.13% During 9MFY24 (Source: PIB):** Coal-based power generation witnessed a growth of 10.13% y/y during Apr-Dec'23. While overall power generation grew 6.71% y/y during the same period. Coal import for blending has decreased by 40.66% y/y to 17.08 mn tonne during Apr-Dec'23 despite the escalating power demand.

**SEBI may allow AIFs to exclude investors from certain investments (Source: BS):** In a bid to address concerns about the evergreening of loans at the fund level SEBI is planning to mandate AIFs to exclude certain investors while making investments. AIF will be required to carry out specific due diligence before each investment.

**Union widens scope of financial services offered at IFSC (Source: ET):** Union has widened the ambit of financial services that can be undertaken at IFSC to include book-keeping, accounting, taxation services and financial crime services.

**10 mn households to have rooftop solar panels (Source: PIB, BS):** Union announced the launch of Pradhanmantri Suryodaya Yojana (PSY) that aims to install rooftop solar power systems at 10 mn households across the country. Currently the grid-connected rooftop solar is of 11 GW capacity and off-grid is 2.75 GW.

**Union mulls resuming Iranian crude oil imports (Source: BS):** As per media sources, the Union is considering the reinstatement of crude oil shipments from Iran as due to the Houthi issue. Meanwhile, discounts received by India have come down to USD 2-4 in Dec'23 from USD 9-11 per barrel in Nov'23.

**Rural jobs scheme may get higher outlay (Source: ET):** As per media sources, Union will likely allocate about Rs.880 bn for the rural employment guarantee scheme in the interim budget for FY25, 47% y/y rise as compared with Rs.600 bn for FY24. The allocation may increase if demand exceeds initial expectations under MGNREGS.

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