

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.12	2
US 2Y*	4.33	-5
Germany 10Y	2.35	6
UK 10Y	3.98	8
Japan 10Y	0.71	7

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	106	51	-21	53
AA	168	116	46	122
A	358	306	236	314

Source: FIMMDA, as on 19 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	157.9	6.79
Triparty Repo	3,563.4	6.75
Market Repo	1,503.9	6.79
Repo in corporate bond	1.75	7.51

Source: RBI, as of 19 Jan, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	70,371	-1.5
NIFTY	21,239	-1.5
NASDAQ	15,426	0.4
S&P 500	4,865	0.3
Nikkei 225	36,518	-0.1
Euro Stoxx 50	4,466	-0.3

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	79.5	-0.6
Natural gas Nymex (USD/MMBtu)	2.5	2.9
Gold Comex (USD/t oz.)	2,044.5	0.1
Copper Comex (USD/lb)	379.5	1.0
Wheat cbot (USD/bu.)	600.3	0.8

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.16	0.1
GBP/ INR	105.53	-0.1
EUR/ INR	90.24	-0.1
EUR/USD	1.09	-0.2
DX Index	103.62	0.3

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Event:

India: T-Bill Auction; **Japan:** Trade Balance Dec'23, **Flash PMI Jan'24:** US, Eurozone, Japan; **Canada:** Policy Rate

News:

International:

China weighs stock market rescue package (Source: Bloomberg): As per media sources, China is considering a package of measures to stabilize the slumping stock market after earlier attempts to restore investor confidence fell short. Policymakers are seeking to mobilize CNY 2 trn from the offshore accounts of state-owned enterprises, as part of a stabilization fund to buy shares onshore.

Japan trade deficit halves in CY23 on record exports (Source: Kyodo News): Japan's trade deficit more than halved in CY23 to JPY 9.29 trn yen from CY22, as robust auto shipments to the US lifted exports to a record high while energy imports slumped. The imports dropped 7.0 % y/y to JPY 110.18 trn, and exports rose 2.8 % y/y to JPY 100.89 trn.

Japan Jan'24 factory activity languishes, but service sector picks up (Source: S&P Global): Japan's factory activity shrank for the eight consecutive month in Jan'24 amid weak demand. The flash Japan manufacturing PMI was little changed at 48.0 in Jan'24 from a final 47.9 in Dec'23. At 52.7 in Jan'24, the Services Business Activity Index rose from 51.5 in Dec'23.

Bond sales in Europe have set a new record for Jan'24 (Source: Bloomberg): Offerings from the European Union and United Kingdom on pushed the Jan'24's deal tally to the equivalent of at least EUR 293.7 bn. This beats a previous record of EUR 292.7 bn set in Jan'24, with the final total likely to rise.

Most euro zone banks face risk from climate complacency (Source: Reuters): ECB mentioned most big banks in Europe are failing to adjust their business to the looming decarbonisation of the bloc's economy and thus face increased financial, reputational, and legal risk. The overall credit exposure is comparatively small, however, worth about EUR 189 bn.

Russia proposes capital controls extension (Source: Reuters): The capital controls which were ordered in an Oct'23 decree, require exporters to convert foreign currency revenues into RUB. The government proposed extending these controls until the end of CY24 from their current expiration in Apr'24.

Domestic:

Income tax filers more than double in 10 years (Source: PIB): Gross Direct Tax Collections of Rs. 19.72 trn in FY23 have registered growth of 173.31% compared to Rs. 7.21 trn in FY14. Net Direct Tax Collections have increased by 160.52% from Rs. 6.38 trn in FY14 to Rs. 16.6 trn in FY23. The number of taxpayers filing ITRs has more than doubled to 77.8 mn in the past 10 years.

200+ Projects identified under Parvatmala Pariyojana (Source: PIB): Mr. Gadkari said that more than 200 projects at a cost of Rs. 1.25 trn have been identified in coming 5 years under National Ropeways Development Programme. He added 60% Construction Support is provided under HAM for Ropeways.

Union raises import duty on gold, silver jewellery findings (Source: Reuters): Union has increased the import duty on gold and silver findings, used in making jewellery, and on precious metal coins to 15% from 11% to bring them in line with duties on gold and silver bars. The duties will be effective from 22 Jan'24.

SGS and VRR auctions concluded successfully (Source: RBI):

- SGS worth Rs. 232.8 bn were auctioned by 13 states, against a notified amount of Rs. 242.8 bn, with cut-off yields for 10Y paper being in the range of 7.63% to 7.69%.
- 2-day VRR worth Rs. 1.25 trn were conducted against a notified amount of Rs. 1.25 trn at a cut-off yield of 6.72%.

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