

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.06	-8
US 2Y*	4.32	-3
Germany 10Y	2.23	-7
UK 10Y	3.87	-9
Japan 10Y	0.71	0

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.06% GS 2028*	7.05	0
7.18% GS 2033* (10Y)	7.17	0
7.18% GS 2037*	7.25	-2
91-day T-bill	7.02	0
182-day T-bill	7.19	0
364-day T-bill	7.17	0

Source: CCL, RBI, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	75	88	85	49
AA	137	153	152	118
A	327	343	342	310

Source: FIMMDA, as on 25 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	127.7	6.78
Triparty Repo	3,546.3	6.76
Market Repo	1,538.1	6.80
Repo in corporate bond	5.4	7.15

Source: RBI, as of 29 Jan, 2024

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	71,942	1.8
NIFTY	21,738	1.8
NASDAQ	15,628	1.1
S&P 500	4,928	0.8
Nikkei 225	36,114	1.0
Euro Stoxx 50	4,639	0.1

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	82.6	-1.1
Natural gas Nymex (USD/MMBtu)	2.5	-8.1
Gold Comex (USD/t oz.)	2,050.0	0.7
Copper Comex (USD/lb)	386.9	0.4
Wheat cbot (USD/bu.)	591.8	-1.4

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.14	0.0
GBP/ INR	105.66	0.1
EUR/ INR	89.99	0.8
EUR/USD	1.08	-0.1
DX Index	103.46	-0.1

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Event:

India: VRR, SGS auctions; Eurozone: GDP Q4CY23; US: JOLTs Dec'23

## News:

## International:

**US Treasury estimates lower borrowings in Q1CY24 due to higher fiscal flows (Source: US Department of Treasury):** US Treasury expects to borrow USD 760 bn in Q1CY24, USD 55 bn lower than Oct'23 estimate, due to higher net fiscal flows and estimated cash balances of USD 750 bn by Mar'24. The Treasury also expects to borrow USD 202 bn in Q2CY24 with cash balance of USD 750 bn by Jun'24. In Q4CY23, the Treasury borrowed USD 776 bn, in line with estimates with higher than expected cash balance of USD 769 bn due to lower than expected discount rates.

**Chinese policymakers call for greater support to stabilize capital markets (Source: Reuters):** Vice Premier Mr. He urged government departments for greater support for listed firms to enhance confidence and stabilize capital markets, while asking localities to establish efficient real estate financing coordination mechanisms, amidst liquidation order for a property giant with more than USD 300 bn in liabilities dealing a fresh blow to the already deepening crisis.

## ECB Officials sense rate cuts to be closer than expected (Source: ForexLive):

- Mr. Kazimir interjected that although exact timings maybe uncertain, but a Jun'24 rate cut is more probable than an Apr'24 cut
- Mr. Centeno concluded that dissipating factors of inflation should lead to rate cuts sooner rather than later, but wants to avoid abrupt moves
- Mr. de Guindos was optimistic about the inflation dynamics but stresses on a data dependent approach to policymaking

**Global steel production remains flat in CY23 (Source: WSA):** Global crude steel production remained flattish at 1888.2 mn tonnes in CY23, as China's output remained sluggish, while India's output increased 11.8% y/y to 140.2 mn tonnes. In Dec'23, world steel production fell 5.3% y/y to 135.7 mn tonnes, driven by a 15% y/y plunge in China's output, while India's production soared 9.5% y/y to 12.1 mn tonnes.

**IESBA considers new code of ethics to combat greenwashing (Reuters):** According to media sources, companies in the EU will have to use new mandatory disclosures on ESG in their annual reports from CY24 onwards, to be checked by external auditors as a safeguard against greenwashing.

## Domestic:

**Domestic growth to be robust in FY25, driven by policy pragmatism (Source: DEA):** As per the Review of the Indian Economy for Jan'24:

- The economy is estimated at USD 3.7 trn in FY24 (in nominal terms) and is poised to reach USD 5 trn by FY27 and touching USD 7 trn in FY30
- Real GDP growth is seen at 7% y/y in FY24 and FY25. It was noted that this growth is impressive given generally slower growth worldwide
- Some of the key issues noted: the era of hyper-globalisation in global manufacturing is over, advent of artificial intelligence poses profound and troubling questions about growth in services trade and employment, and an acknowledgement of the energy transition challenge

**Union likely to set a target of Rs. 700 bn in dividends from RBI, banks and FIs in FY25 (Source: Mint):** According to media sources, Union will be expecting to receive Rs. 700 bn in dividends from RBI and financial institutions in FY25BE, much higher than FY24BE of Rs. 480 bn

**Union targets to auction 500 blocks of minerals by FY26 (Source: FE):** Union has set a new target to put 500 blocks of non-coal minerals on auction by FY26, including rare earth elements, with 368 blocks auctioned thus far, and further notice inviting tenders in the pipeline.

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January 30, 2024



**SBICAPS Daily Digest**

**Railways witness record capex in 9MFY24 (Source: PIB):** Railways has made an expenditure of Rs. 1.96 trn in 9MFY24, higher by 33% y/y, reaching 75% of FY24BE, its highest ever in a 9-month period.

**VRR auctions conducted successfully (Source: RBI):** 2-day VRR worth Rs. 250 bn were auctioned against a notified amount of Rs. 250 bn at a cut-off yield of 6.74%. Bids worth Rs. 733 bn were received.

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