

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.29	2
US 2Y*	4.68	-4
Germany 10Y	2.46	2
UK 10Y	4.19	3
Japan 10Y	0.69	0

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.06% GS 2028*	7.07	0
7.18% GS 2033* (10Y)	7.07	1
7.18% GS 2037*	7.12	1
91-day T-bill	7.02	0
182-day T-bill	7.19	0
364-day T-bill	7.13	0

Source: CCL, RBI, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	69	89	54	47
AA	126	150	118	117
A	316	339	309	309

Source: FIMMDA, as on 26 Feb, 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	8.80
SOFR	5.31

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	101.4	6.67
Triparty Repo	3,770.7	6.48
Market Repo	1,662.8	6.66
Repo in corporate bond	5.9	6.89

Source: RBI, as of 27 Feb, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	73,095	0.4
NIFTY	22,198	0.3
NASDAQ	16,036	0.4
S&P 500	5,078	0.2
Nikkei 225	39,240	0.0
Euro Stoxx 50	4,886	0.4

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	83.3	1.0
Natural gas Nymex (USD/MMBtu)	1.6	1.3
Gold Comex (USD/t oz.)	2,039.7	-0.1
Copper Comex (USD/lb)	384.4	0.0
Wheat cbot (USD/bu.)	581.8	1.0

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	82.90	0.0
GBP/ INR	105.02	-0.1
EUR/ INR	89.74	-0.1
EUR/USD	1.08	-0.1
DX Index	103.88	0.1

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

US: Trade Balance Jan'24, GDP Q4CY23

News:

International:

US durable goods orders post largest drop in 4 years (Source: Reuters): Orders for durable manufactured goods fell by 6.1% m/m saar in Jan'24, against expectations of a 4.9% decline (Dec'23: -0.3%), amid a sharp drop in bookings for commercial aircrafts while core durables fell by 0.3% m/m (forecast: 0.2% rise; Dec'23: 0.6%). Further, US consumer confidence declined for the first time in 4 months.

OPEC+ considering extending voluntary oil output cuts (Source: Reuters): As per media sources, OPEC+ is considering extending voluntary oil cuts into Q2CY24. The oil cuts of 2.2 mbpd were instituted in Q1CY24. This led to a spike in Brent Crude prices by ~1%.

Bitcoin scorches past USD 57k, as big buyers enter (Source: Reuters): Bitcoin hit a 2-year high at USD 57k, after the approval of bitcoin-owning ETFs in US. Other cryptocurrencies also rallied in anticipation of their spot ETFs.

Domestic:**MPC members share divided views on policy path (Source: ET):**

- Prof. Varma advocated rate cut due to high real rates to focus on growth, as high real interest rates might impede private investments
- Mr. Bhide opined that present policy balances growth and inflation, and focus on inflation is essential due to strong momentum in growth

Maharashtra presents Rs. 6 trn Budget for FY25 (Source: Government of Maharashtra): Highlights of the Budget:

- Revenue receipts are expected to clock Rs. 4.99 trn in FY25BE (FY24 RE: Rs. 4.86 trn)
- Revenue expenditure is Budgeted at Rs. 5.08 trn in FY25 (FY24RE: Rs. 5.06 trn), while capital expenditure is set at Rs. 920 bn in FY25BE (FY24RE: Rs. 949 bn). The MSIDC will oversee road works spanning 7,500 km under Annuity Scheme Part-2
- Fiscal deficit for FY25 is pegged at Rs. 993 bn. For FY24, the fiscal deficit was at Rs. 1.12 trn as per FY24RE
- Internal debt of the state government is expected to slim down to Rs. 1.28 trn in FY25BE from Rs. 1.32 trn in FY24RE

Jharkhand presents Rs. 1.29 trn budget for FY25 (Source: Government of Jharkhand): Highlights of the budget:

- Revenue receipts are expected to rise 16% to Rs. 1.1 trn (FY25BE vs. FY24RE)
- Total expenditure will grow by 6% to Rs. 1.29 trn (FY25BE vs. FY24RE), with revenue and capital expenditure increasing by 4% and 12%, respectively. Among major announcements, the government has proposed the construction of 350k houses in FY25.
- The state expects fiscal deficit to come in at Rs. 95 bn in FY25BE (lower from Rs. 117 bn in FY24RE), which is 2.02% of GSDP
- State GSDP is expected to rise by 7.8% y/y in nominal terms

Uttarakhand presents Rs. 892 bn Budget for FY25 (Source: Government of Uttarakhand): Highlights of the Budget:

- Revenue receipts are expected to rise 11% to Rs. 605.5 bn (FY25BE vs. FY24RE), based on sharp growth in tax revenues
- Total expenditure will grow by 15% to Rs. 892 bn (FY25BE vs. FY24RE), with revenue expenditure up 8%. Capex allocation of Rs. 334 bn
- The state expects fiscal deficit to come in at Rs. 94 bn in FY25BE (down from Rs. 75 bn in FY24RE), which is 2.38% of GSDP. State borrowings would be to the tune of Rs. 279 bn in FY25BE (23% higher from FY24RE)
- The State GSDP is expected to increase by 14%

Contd..

February 28, 2024



SBICAPS Daily Digest

SGS auctions conducted successfully (Source: RBI): SGS worth Rs. 328.5 bn were auctioned by 12 states against a notified amount of Rs. 328.5 bn with cut-off yields for 10Y ranging between 7.42 - 7.44%.

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