

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.28	-1
US 2Y*	4.65	-3
Germany 10Y	2.46	0
UK 10Y	4.18	-1
Japan 10Y	0.70	1

Source: Bloomberg, *semi-annual

G-sec yield:

G-Sec	Yield (in %)	1-Day Change in Bps
7.06% GS 2028*	7.06	-1
7.18% GS 2033* (10Y)	7.07	0
7.18% GS 2037*	7.12	0
91-day T-bill	6.96	-6
182-day T-bill	7.17	-2
364-day T-bill	7.12	-1

Source: CCL, RBI, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	65	53	54	47
AA	122	110	118	117
A	312	299	309	309

Source: FIMMDA, as on 27 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	105.7	6.43
Triparty Repo	3,312.6	6.37
Market Repo	1,611.5	6.40
Repo in corporate bond	7.6	6.52

Source: RBI, as of 28 Feb, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	72,304	-1.1
NIFTY	21,951	-1.1
NASDAQ	15,947	-0.6
S&P 500	5,069	-0.2
Nikkei 225	38,953	-0.7
Euro Stoxx 50	4,883	-0.1

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	83.6	0.4
Natural gas Nymex (USD/MMBtu)	1.9	14.8
Gold Comex (USD/t oz.)	2,044.0	0.2
Copper Comex (USD/lb)	385.4	0.2
Wheat cbot (USD/bu.)	578.5	-0.6

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	82.93	0.0
GBP/ INR	105.02	0.0
EUR/ INR	89.73	0.0
EUR/USD	1.08	0.0
DXI Index	103.86	0.0

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: GDP Q3FY24, Fiscal Balance Jan'24; **US:** PCE Jan'24, Jobless Claims, Pending Home Sales Jan'24; **Germany:** CPI Feb'24

News:

Domestic:

Small cap investors to be shielded amidst volatility (Source: BS): SEBI has asked mutual funds to put an investor protection framework for those investing small- and mid-cap funds to avoid a build-up froth. Also suggested are restrictions on inflows and portfolio rebalancing.

Private corporate profits zoom in Q3FY24 (Source: RBI): Sales of listed non-financial companies grew by 5.5% y/y in Q3FY24, with moderation in growth of manufacturing companies and IT services while non-IT services remained on high growth trajectory. Expenses of manufacturing companies moderated to 4.1% y/y in Q3FY24 from 12% y/y in Q2FY24.

RBI proposes norms for climate related financial risks (Source: RBI): RBI has published a draft for "Disclosure Framework on Climate-related Financial Risks" making it mandatory for regulated entities to divulge information, on a standalone basis, about climate related financial risks covering 4 pillars- Governance, Strategy, Risk Management and Metrics and Targets. Implementation on the first three pillars starts from FY26 onwards for SCBs, AIFIs, and top and upper layer NBFCs.

T-Bill and VRRR auctions conducted successfully (Source: RBI):

- 91-day T-bills worth Rs. 115 bn was auctioned against a notified amount of Rs. 100 bn for a cut-off yield of 6.9594%. 182-day T-bills worth Rs. 150 bn was auctioned against a notified amount of Rs. 150 bn for a cut-off yield of 7.1673%. 364-day T-bills worth Rs. 90 bn was auctioned against a notified amount of Rs. 90 bn for a cut-off yield of 7.1199%
- Overnight VRRR worth Rs. 208 bn was conducted against a notified amount of Rs. 500 bn at a cut-off rate of 6.49%
- Overnight VRRR worth Rs. 13.4 bn was conducted against a notified amount of Rs. 250 bn at a cut-off rate of 6.49%

International:US Q4CY23 GDP estimate lowered slightly (Source: BEA):

- Real GDP increased by 3.2% q/q saar in Q4CY23, revised downwards from 3.3% q/q saar according to the first estimate, after growing at 4.9% q/q saar in Q3CY23. This was helped by good consumer spending. Annually, real GDP growth was unchanged at 2.5% y/y in CY23 while nominal GDP grew by 6.3% y/y.
- Nominal GDP was revised upwards to 4.9% q/q saar in Q4CY23 in the second estimate from earlier 4.8% q/q saar

US Congress strikes deal to avert shutdown (Source: CNBC): The deal avoids a partial government shutdown on 2 Mar'24 and funds parts of the government through 30 Sep'24. Some departments could still face a shutdown in Mar'23. Voting on the remaining portion will be held soon to avert the crisis fully.

US goods trade deficit widens unexpectedly in Jan'24 (Source: Reuters): US advanced goods trade balance widened to USD -90.2 bn in Jan'24, from -87.9 bn in Dec'23, below expected USD -88.4 bn. Exports rose by USD 0.4 bn m/m to USD 170.4 bn while exports grew faster by USD 2.7 bn to USD 260.6 bn m/m in Jan'24.

US Fed officials believe progress towards goals to be bumpy (Source: ForexLive):

- Ms. Collins thinks it's appropriate to begin policy easing only later in CY24, as data provides consistent evidence of progress towards goals.
- Mr. Williams feels that 3 rate cuts are reasonable for Fed to consider, while data will drive when the rate cuts start.
- Mr. Bostic interjected that it's still early to claim victory over inflation, in lieu of recent data, and is comfortable being patient on policy.

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