

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.28	0
US 2Y*	4.62	2
Germany 10Y	2.54	-1
UK 10Y	4.11	-1
Japan 10Y	1.07	1

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.37% GS 2028*	6.98	0
7.10% GS 2034* (10Y)	6.99	0
7.18% GS 2037*	7.04	-1
91-day T-bill	6.78	0
182-day T-bill	6.90	0
364-day T-bill	6.95	0

Source: CCL, RBI, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	103	46	130	47
AA	174	115	203	126
A	363	305	397	327

Source: FIMMDA, as on 05 Jul, 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	8.85
SOFR	5.32

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	113.1	6.54
Triparty Repo	3,819.7	6.43
Market Repo	1,669.0	6.50
Repo in corporate bond	8.4	6.71

Source: RBI, as of 08 Jul, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	79,960	0.0
NIFTY	24,321	0.0
NASDAQ	18,404	0.3
S&P 500	5,573	0.1
Nikkei 225	40,781	-0.3
Euro Stoxx 50	4,970	-0.2

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	85.5	-1.2
Natural gas Nymex (USD/MMBtu)	2.4	2.6
Gold Comex (USD/t oz.)	2,370.0	-1.2
Copper Comex (USD/lb)	461.2	-0.9
Wheat cbot (USD/bu.)	573.8	-2.8

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.50	0.0
GBP/ INR	106.91	-0.1
EUR/ INR	90.30	-0.1
EUR/USD	1.08	-0.1
DXY Index	105.07	0.2

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: SGS auction; World: EIA STEO

News:

Domestic:

SEBI streamlines sponsor exposure guideline for passive schemes (Source: SEBI): SEBI has enabled passive schemes to gain exposure to securities of group companies of the sponsor of Mutual Funds. Earlier, MFs were allowed only such investments up to 25% of the net assets of the scheme, the limit has been revised to 35% for index hugging passive products.

E-way generation rises in Jun'24 (Source: Mint): E-way bill generation has crossed 100 mn mark with ~16.3% y/y rise in Jun'24. It is the fourth time e-way bill generation has crossed this mark.

Securitisation volume dips in Q1FY25 (Source: Indian Express): The overall securitization volume has declined by 20% y/y to Rs. 450 bn in Q1FY25 despite increased participation by banks due to exit of HDFC after merger. Excluding HFCs, volume remained largely flat, but non-banks and the HFCs had some traction.

UP relaxes hybrid vehicles from registration fee (Source: The Hindu Businessline): UP government has announced a complete waiver of registration tax on strong hybrid vehicles. The waiver can benefit up to Rs. 0.35 mn per customer.

Kharif crop sowing up 14% y/y to 37.9 mn ha (Source: PIB): Paddy sowing was up 19%, with coarse cereals showing a sharp decline of 29%. Pulses sowing was up 55% due to a stunning performance by pigeon peas. Similarly, oilseeds were up 55%. Cotton sowing was up 29%, while jute grew by a slower 3%.

Union to reopen PLI scheme application window for white goods (Source: ET): The union has announced the reopening of the PLI scheme for white goods, such as ACs and LED lights, from 15 Jul'24 to 12 Oct'24. Both new applicants and existing beneficiaries can apply to invest more under the scheme.

Solar industry seeks extension of ISTS fee waiver (Source: Mint): The National Solar Energy Federation of India (NSEFI) has requested the government to extend the waiver of ISTS charges for renewable projects commissioned beyond Jun'25. Currently, the waiver is for 25 years for projects commissioned before Jun'25.

Shipping ministry to expand shore-to-ship power initiatives (Source: The Hindu Businessline): According to media sources, there are plans to expand its shore-to-ship power infrastructure and revise policy guidelines so that all ports have the infrastructure to supply shore power to large export-import vessels, coastal vessels, and harbour craft.

VRRR auctions conducted successfully (Source: RBI): 4-day VRRR worth Rs. 228.9 bn were auctioned (notified amount: Rs. 750 bn) at a cut-off rate of 6.49%.

International:

China's Central bank add temporary repos (Source: Bloomberg): In order to tighten its grips on interest rates, PBoC introduced new bond repurchase or reverse repo operations effectively narrows the corridor within which short-term rates can fluctuate. The PBOC's latest policy move helped push up benchmark 10-year bond yields to their highest since May'24.

ECB member rules out rate cut in Jul'24 (Source: Bloomberg): Mr. Knot ruled out any rate cuts in Jul'24. This came in the wake of data which showed that investors were expecting the ECB to cut rates once or twice more in CY24.

German trade surplus more than expected in May'24 (Source: Destatis): Goods exports declined by 3.6% m/m and imports were lower by 6.6%. Merchandise trade balance was reported at EUR 24.9 bn, higher than consensus estimates. Most German exports went to the US, while most imports came from China.

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