

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.31	3
US 2Y*	4.63	1
Germany 10Y	2.58	4
UK 10Y	4.16	5
Japan 10Y	1.07	0

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.37% GS 2028*	6.97	-1
7.10% GS 2034* (10Y)	6.99	0
7.18% GS 2037*	7.04	0
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	84	134	48
AA	174	153	207	127
A	363	343	401	328

Source: FIMMDA, as on 8 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	106.6	6.47
Triparty Repo	3,611.8	6.40
Market Repo	1,610.8	6.44
Repo in corporate bond	9.8	6.70

Source: RBI, as of 09 Jul, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	80,352	0.5
NIFTY	24,433	0.5
NASDAQ	18,429	0.1
S&P 500	5,577	0.1
Nikkei 225	41,580	2.0
Euro Stoxx 50	4,904	-1.3

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	84.6	-1.1
Natural gas Nymex (USD/MMBtu)	2.3	-1.7
Gold Comex (USD/t oz.)	2,374.6	0.2
Copper Comex (USD/lb)	457.6	-0.8
Wheat cbot (USD/bu.)	570.3	-0.6

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.50	0.0
GBP/ INR	106.78	-0.1
EUR/ INR	90.21	-0.1
EUR/USD	1.08	-0.1
DX Index	105.14	0.1

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: T-bill auction; China: CPI, PPI Jun'24; World: OPEC monthly report

News:

Domestic:

Insurance industry continues momentous growth in Jun'24 (Source: IRDAI, GIC):

- Life insurance premia grew by 14.8% y/y to Rs. 424 bn, led by healthy growth in group single premium and individual non-single premium categories, both growing at 13.5% and 19.6% respectively
- Non-life insurers' premia grew by 9% to Rs. 221.7 bn, with growth moderating from previous month's 15%. Notably, stand-alone health insurers premia grew by 22.3%, while general insurers growth moderated to 7% and specialized insurance premiums de-grew

Mutual fund SIPs hit a high of Rs 212.6 bn (Source: AMFI, ET): Equity mutual funds witnessed a 17% rise in inflows at Rs. 406 bn in Jun'24 against Rs. 347 bn in May'24, with Rs. 223 bn of the flows coming through sectoral/thematic funds. Debt mutual funds saw net outflows of 1.07 trn as against inflows of Rs. 423 bn in May'24. corporate bonds and credit risk funds also saw outflows.

States' capex declines in 2MFY25 (Source: FE): States' capital expenditure declined by 14% y/y in 2MFY25 to Rs. 474 bn compared with a 90% y/y rise in 2MFY24. The decline is on account of recent elections and lower growth in tax revenues.

RBI red flags lakhs of accounts used for fraud and evergreening (Source: BS): RBI deputy Governor Mr. Swaminathan has raised an alarm over certain banks having lakhs of accounts used for fraudulent transactions and evergreening of loans. He further added that banks should exercise greater control through periodical reconciliation and proper reporting to the audit committee of the board.

SEBI issues new AIF norms on dissolution, asset distribution (Source: FE): Schemes approaching dissolution must now file an information memorandum before the end of their liquidation period. Further, for in-specie distribution of investments, it has mandated that unliquidated investments during the liquidation period can be carried out after the approval of at least 75% of investors by investment value.

SGS and VRRR auctions conducted successfully (Source: RBI):

- SGS worth Rs. 61 bn were auctioned by 5 states, against a notified amount of Rs. 61 bn, with 10Y yield being at 7.32%.
- 3-day VRRR worth Rs. 213.1 bn were auctioned (notified amount: Rs. 250 bn) at a cut-off rate of 6.49%.

International:

US economy no longer overheated, inflation softening (Source: Reuters):

- US Fed Chair Mr. Powell said that the economy is no longer overheated, and the job market has cooled considerably. However, he refrained from guidance on timing of cuts, while remaining committed to inflation
- US Treasury Secy. Ms. Yellen mentioned that rent and housing costs have held inflation higher, yet consumer price pressures to continue to show a decline

US Fed considering rule tweak that could save capital for several US banks (Source: Reuters): According to media sources, the Fed is considering updating inputs it uses in the calculation to adjust for growth and more accurately reflect the size of the banks relative to the global economy. This would reduce the banks' systemic scores and resulting capital surcharge. The potential capital savings for the banks would however depend on several factors, including their business models.

China's consumer inflation falls short of forecast (Source: SCMP): Consumer price growth marginally fell short of expectations in Jun'24 which grew by 0.2% y/y due to limited domestic demand recovery (expected: + 0.41%). Meanwhile, PPI slipped by 0.8% y/y in Jun'24, better than expected at 0.82%.

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