

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.29	-2
US 2Y*	4.62	-1
Germany 10Y	2.53	-5
UK 10Y	4.12	-4
Japan 10Y	1.08	1

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.37% GS 2028*	6.96	-1
7.10% GS 2034* (10Y)	6.98	-1
7.18% GS 2037*	7.03	-1
91-day T-bill	6.76	-2
182-day T-bill	6.87	-3
364-day T-bill	6.92	-3

Source: CCL, RBI, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	103	44	137	48
AA	174	113	210	127
A	363	303	404	328

Source: FIMMDA, as on 09 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	5.34

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	95.1	6.47
Triparty Repo	3,544.8	6.40
Market Repo	1,530.2	6.45
Repo in corporate bond	9.5	6.68

Source: RBI, as of 10 Jul, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	79,925	-0.5
NIFTY	24,324	-0.4
NASDAQ	18,647	1.2
S&P 500	5,634	1.0
Nikkei 225	41,832	0.6
Euro Stoxx 50	4,959	1.1

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	85.8	1.4
Natural gas Nymex (USD/MMBtu)	2.3	-0.4
Gold Comex (USD/t oz.)	2,383.0	0.4
Copper Comex (USD/lb)	459.9	0.5
Wheat cbot (USD/bu.)	564.5	-1.0

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.53	0.0
GBP/ INR	107.38	0.6
EUR/ INR	90.41	0.2
EUR/USD	1.08	0.2
DX Index	105.05	-0.1

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

US: Jobless claims, CPI Jun'24; **China:** Total Social Financing Jun'24, **Policy rate:** South Korea

News:

Domestic:

RBI expands Liberalised Remittance Scheme norms for investment via GIFT IFSC (Source: Business Today): The RBI has allowed authorised persons to facilitate remittances for availing financial services or products within IFSCs. It has also permitted current or capital account transactions overseas (except foreign IFSCs) through a foreign currency account (FCA).

Energy storage capacity reaches 219 MWh as of Mar'24 (Source: The Hindu Businessline): Battery energy storage capacity grew more than 4-fold to 219 MWh as of Mar'24, as against 47.6 MWh in Mar'23. Solar PV systems, combined with BESS, accounted for 90.6% of the total installed capacity.

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

- 91-day T-bills worth Rs. 93 bn were auctioned (notified: Rs. 80 bn; cut-off rate: 6.7578%). 182-day T-bills worth Rs. 60 bn were auctioned (notified: Rs. 60 bn; cut-off: 6.8699%). 364-day T-bills worth Rs. 64 bn were auctioned (notified: Rs. 60 bn; cut-off rate: 6.9194%)
- 2-day VRRR worth Rs. 107.7 bn were auctioned against a notified amount of Rs. 500 bn at a cut-off rate of 6.49%.

Rajasthan presents Budget for FY25 (Government of Rajasthan): Highlights

- Revenue receipts are expected to grow by 11% to Rs. 2.64 trn (FY25BE vs. FY24RE). State's tax revenues are expected to grow 13%
- Total expenditure will grow ~4% to Rs. 4.95 trn (FY25BE vs. FY24RE). While ~58% of the expenses continue to be revenue expenditures, capex will see a slight decline of 2%. The state aims to construct 9 greenfield expressways of 2,750 kms in a phased manner. Further, Rs. 203.7 bn has been allotted for 6 projects related to JJM
- This will lead to a fiscal deficit of Rs. 700.1 bn in FY25BE (which is 3.93% of nominal GSDP)

International:**US Fed not yet ready to declare inflation fight over (Source: Reuters):**

- Fed Chairman Mr. Powell said that he was not ready to declare victory over inflation yet and emphasized that the US is still on the path back to stable prices and sustained low unemployment. He made it clear that Fed will not reduce interest rates until it is more confident that inflation is moving towards the central bank's target
- Another Fed official, Ms. Cook declared that she considers US data consistent with a soft landing, and that inflation will continue declining without much job loss

US targets China with tariffs on steel and aluminum sent via Mexico (Source: Bloomberg): US will apply new tariffs to steel and aluminum shipments at the rate of 25% and 10%, respectively for diversions through Mexico in a bid to prevent China from circumventing existing levies through transshipment.

China announces more short-selling curbs to stabilise stocks (Source: Reuters): The China Securities Regulatory Commission said securities re-lending would be suspended and margin requirements would be raised for short-sellers. Further, it has also urged stock exchanges to publish detailed rules to regulate programme trading, especially high-frequency trading.

South Korea keeps policy rate unchanged (Source: WSJ): The Bank of Korea held the benchmark 7-day repurchase rate steady for a 12th time, keeping them at a 15-year high of 3.50%. This was in line with the consensus. It added that it is weighing the timing of a rate cut but needed more confidence on inflation returning to 2%.

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