

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.18	-4
US 2Y*	4.45	-8
Germany 10Y	2.49	3
UK 10Y	4.11	4
Japan 10Y	1.05	-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)	6.99	0
7.18% GS 2037*	7.04	0
91-day T-bill	6.76	0
182-day T-bill	6.87	0
364-day T-bill	6.92	0

Source: CCL, RBI, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	152	80	144	48
AA	223	149	217	127
A	412	339	411	328

Source: FIMMDA, as on 11 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	100.0	6.46
Triparty Repo	3,629.9	6.33
Market Repo	1,560.4	6.41
Repo in corporate bond	10.2	6.65

Source: RBI, as of 12 Jul, 2024

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	80,519	0.8
NIFTY	24,502	0.8
NASDAQ	18,398	0.6
S&P 500	5,615	0.5
Nikkei 225	41,190	-2.4
Euro Stoxx 50	5,043	1.3

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	85.0	-0.8
Natural gas Nymex (USD/MMBtu)	2.3	2.6
Gold Comex (USD/t oz.)	2,420.7	0.3
Copper Comex (USD/lb)	459.3	2.2
Wheat cbot (USD/bu.)	550.8	-3.0

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.54	0.0
GBP/ INR	108.48	0.6
EUR/ INR	91.00	0.3
EUR/USD	1.09	0.4
DXI Index	104.08	-0.4

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

**India:** Trade Balance, WPI Jun'24; **China:** GDP Q2CY24, Retail Sales, Industrial Production, Fixed Asset Investment Jun'24; **Germany:** Retail Sales May'24

## News:

Domestic:

**Consumer inflation accelerates owing to rising vegetable prices (Source: PIB):** CPI rose to a 4-month high of 5.08% y/y in Jun'24, higher than the May'24 clip of 4.75% driven by rising vegetable prices. Price of food and beverages rose at 8.4% y/y in Jun'24 (May'24: 7.9% y/y), driven by 29.3% y/y rise in vegetables, 16.0% y/y rise in pulses and 8.8% y/y rise in cereals. Notably, core inflation rose at a similar clip of 3.3% y/y in Jun'24 (May:23: 3.3%).

**Industrial production displays solid growth in May'24 (Source: PIB):** IIP rose by 5.9% y/y in May'24 (Apr'24: 5% y/y), owing to 6.6% y/y growth in mining, 13.7% y/y rise in electricity and 4.6% y/y rise in manufacturing. Notably, consumer durables production grew 12.3% y/y while primary goods rose by 7.3% y/y.

**Direct taxes surge in YTFY25 (Source: FE):** Net direct tax collections rose 20% y/y to Rs. 5.74 trn in YTFY25 upto 11<sup>th</sup> Jul'24, driven by 12.5% y/y rise in net corporate tax collections of Rs. 2.1 trn and 21.4% y/y rise in net personal income tax collections of Rs. 3.5 trn. Notably, gross tax collections rose 23.2% y/y to Rs. 6.45 trn with Rs. 3.6 trn in personal income tax and Rs. 2.65 trn in corporate tax.

**Rainfall remains lower than normal till 14 Jul'24 (Source: CWC, IMD):** Cumulative rainfall was 2% lower than normal, owing to deficit in Central and Eastern regions, even as Southern region did well. Reservoir levels as of 11<sup>th</sup> Jul'24 stood at 90% of normal storage levels. Shortfalls were seen in Punjab and West Bengal.

**Auto production rises due to 2W, 3W (Source: SIAM):** Total vehicle production rose 15.4% y/y to 2.4 mn units in Jun'24. PV sales rose 3% y/y to 337k units, 2W grew 12.3% y/y while 3W sales jumped 21% y/y. PV sales reached its highest ever showing in Q1, crossing the 1 mn units mark in Q1FY25.

**G-Sec and VRRR auctions conducted successfully (Source: RBI):**

- 7.02% GS 2031 worth Rs. 110 bn were auctioned (notified amount: Rs. 110 bn) at a cut-off rate of 6.9890%. 7.34% GS 2064 worth Rs. 110 bn were auctioned (notified amount: Rs. 110 bn) at a cut-off rate of 7.1205%
- 14-day VRRR worth Rs. 95.8 bn were auctioned against a notified amount of Rs. 1 trn at cut-off rate of 6.49%

International:

**US PPI inflation surprises on the upside in Jun'24 (Source: Reuters):** US PPI rose 0.2% m/m in Jun'24, after remaining flat m/m in May'24, higher than market expectations of 0.1% m/m owing to 0.6% m/m rise in service prices driven by trade services. Notably, PPI rose 2.6% y/y in Jun'24 from 2.4% y/y in May'24.

**Chinese growth tottering even as industrial sector gains offset some consumption losses (Source: CNBC, Bloomberg):**

- China's second quarter GDP rose by 4.7% y/y (expectations: 5.1%), slower than 5.3% in Q1CY24 due to protracted property downturn
- Retail sales in Jun'24 rose by 2% y/y (forecast: 3.3%)
- Industrial production beat expectations in Jun'24 to increase by 5.3% y/y, higher than estimates of 5% growth. Fixed asset investments meet expectations with 3.9% y/y growth in Jun'24

**EM capital flows remain resilient despite global monetary tightening, China misses out (Source: IMF):** Global gross capital inflows declined to 4.4% of GDP at USD 4.2 trn in 2022-23 period from 5.8% of global GDP of USD 4.5 trn in 2017-18 period. Net capital inflows into emerging markets excluding China rose to USD 110 mn in CY23 at 0.6% of GDP - the highest level since CY18. China faced outflows surpassing 1.1% of GDP.

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