

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.25	-1
US 2Y*	4.38	-3
Germany 10Y	2.41	-3
UK 10Y	4.13	-2
Japan 10Y	1.05	-2

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.37% GS 2028*	6.86	-3
7.10% GS 2034* (10Y)	6.95	-1
7.18% GS 2037*	6.99	-2
91-day T-bill	6.71	0
182-day T-bill	6.82	0
364-day T-bill	6.84	0

Source: CCL, RBI, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	85	78	89	60
AA	152	146	161	139
A	338	331	353	340

Source: FIMMDA, as on 26 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	94.4	6.56
Triparty Repo	4,074.9	6.45
Market Repo	1,694.0	6.49
Repo in corporate bond	6.9	6.72

Source: RBI, as of 25 Jul, 2024

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	80,040	-0.1
NIFTY	24,406	0.0
NASDAQ	17,182	-0.9
S&P 500	5,399	-0.5
Nikkei 225	37,870	-3.3
Euro Stoxx 50	4,811	-1.0

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	82.5	1.9
Natural gas Nymex (USD/MMBtu)	2.1	-2.3
Gold Comex (USD/t oz.)	2,421.2	0.1
Copper Comex (USD/lb)	413.3	2.3
Wheat cbot (USD/bu.)	537.8	-2.0

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.71	0.0
GBP/ INR	107.70	-0.2
EUR/ INR	90.82	0.1
EUR/USD	1.09	0.2
DXY Index	104.32	0.0

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

India: G-Sec, VRRR Auction; US: PCE Jun'24; Japan: CPI Jul'24; Russia: Policy rate

## News:

Domestic:

**RBI draft proposes overhaul in LCR computation considering increasing digital payments (RBI):** The Central Bank proposed for all commercial banks (except payment banks, RRB, and LAB), that:

- Banks shall assign an additional 5% run-off factor for retail deposits which have internet/mobile banking. Unsecured wholesale deposits from small business customers shall receive this treatment as well
- Level 1 HQLA in the form of G-secs shall be valued at an amount not greater than their current market value, adjusted for applicable haircuts in line with the margin requirements under LAF/MSF
- In case a deposit, hitherto excluded from LCR computation is contractually pledged as collateral to a bank to secure a credit facility or loan, such deposit shall be treated as callable for LCR purposes

**Union to not sign global corporate tax deal until concerns addressed (Source: BS):** Revenue Secy Mr. Malhotra said India will not sign a global corporate tax deal focussed on highly profitable MNC unless its concerns on dispute resolution and treatment of withholding tax are addressed.

**Highway construction target down by 15% y/y in FY25 (Source: FE):** Union has lowered the provisional target of national highway construction for FY25 by 15% y/y to 10,421 km.

**Royalty on mineral rights not a tax: Supreme Court (Source: BS):** Supreme Court has affirmed that states have the authority to levy taxes on minerals and would not be limited by the Mines and Minerals (Development and Regulation) Act, 1957. Further, royalties and dead rent did not fulfil the characteristics of a tax, therefore did not come under the MMDR Act.

**Telangana presents Budget for FY25 (Government of Telangana):** For FY25BE, it has estimated that it will make Rs 1.4 trn revenue on its own, Rs 352 bn in non-tax revenue, and Rs 262 bn in tax revenue from Telangana's share of central taxes. Further, it has estimated revenue expenditure of Rs 2.2 trn and capex of Rs 335 bn. The fiscal deficit is thereby estimated at Rs 493 bn. Further, borrowings are estimated at Rs 620 bn for FY25BE.

**Odisha presents Budget for FY25 (Source: BS):** The Budget had a total outlay of Rs. 2.65 trn, which is up 15% y/y. The government has allocated Rs. 339 bn for agriculture (up 36% y/y). Rs. 62 bn was allocated to Roads, Rs. 10 bn was allocated to Bhubaneswar Metro Rail project, with Rs. 9.2 bn for a new city development programme, and Rs. 6 bn for railway projects. Real GSDP is expected to grow by 8% y/y in FY25.

International:

**US economy regains momentum in Q2CY24, amid ebbing price pressures (Source: Reuters):** US real GDP growth printed 2.8% q/q saar, much higher than expectations of 2% (Q1CY24: 1.4%) amid solid gains in consumption and investment. Growth also received a boost from inventory building as well as increased government spending while widening trade deficit was a small drag.

**Chinese banks cut deposit rates after lowering of benchmark rates (Source: Reuters):** Five of China's major state-owned banks cut deposit rates to cushion a hit to their already record low margins the surprise lowering of lending benchmarks by PBoC, to bolster stuttering economic growth. It marks the first broad reduction in deposit rates by Chinese banks since Dec'23.

**Japan government maintains economic outlook of moderate recovery (Source: Reuters):** Japan's government maintained its assessment on the economy but offered a bleaker view on exports due to the fallout from slowing Chinese demand. The assessment added that a pick-up in consumption was stalling.

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