

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	3.78	4
US 2Y*	3.56	4
Germany 10Y	2.17	3
UK 10Y	3.99	5
Japan 10Y	0.81	2

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.68	0
7.10% GS 2034* (10Y)	6.76	0
7.18% GS 2037*	6.82	0
91-day T-bill	6.65	0
182-day T-bill	6.72	0
364-day T-bill	6.70	0

Source: CCL, RBI, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	121	84	77	62
AA	196	171	164	151
A	379	356	356	352

Source: FIMMDA, as on 24 Sep, 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	8.90
SOFR	4.84

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	109.1	6.68
Triparty Repo	3,838.8	6.49
Market Repo	1,623.1	6.67
Repo in corporate bond	14.0	6.80

Source: RBI, as of 25 Sep, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	85,170	0.3
NIFTY	26,004	0.2
NASDAQ	18,082	0.0
S&P 500	5,722	-0.2
Nikkei 225	37,870	-0.2
Euro Stoxx 50	4,917	-0.5

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	73.6	-1.8
Natural gas Nymex (USD/MMBtu)	2.7	3.5
Gold Comex (USD/t oz.)	2,682.7	-0.1
Copper Comex (USD/lb)	448.7	-0.6
Wheat cbot (USD/bu.)	593.0	3.2

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.60	-0.1
GBP/ INR	111.54	-0.5
EUR/ INR	93.10	-0.4
EUR/USD	1.11	-0.5
DX Index	100.93	0.6

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

US: GDP Q2CY23, Durable Goods Orders Aug'24, Jobless Claims

News:

Domestic:

Borrowing plan announcement likely on 26 Sep'24 (Source: ET): As per media sources, Union is expected to announce its market borrowing plan for H2FY25 today, with a focus on longer-dated bonds.

Record foodgrains production in FY24, as per final estimates (Source: PIB): Total foodgrains production was higher y/y by 2.6 mn tonnes to 332.3 mn tonnes (3rd AE: 328.9 mn tonnes), due to record rice and wheat production at 137.8 mn tonnes and 113.2 respectively, against 3rd AE of 136.7 and 112.9 mn tonnes and significantly higher when compared to FY23.

PLI scheme blossoms investments in multiple sectors (Source: Reuters): As per media sources, Cash incentives under PLI scheme attracted USD over 17 bn of investments since CY20. The incentives have resulted in production worth about USD 132 bn and nearly 1 mn jobs.

Fintech loan disbursements decline in Q1FY25 (Source: BS): Credit disbursement among fintech in both value and volume terms decline for the first time in last 1 year. Disbursement volumes declined by 0.75% q/q to 26 mn and value slipped marginally to Rs. 377 bn in Q1FY25.

Expecting FDI to increase to USD 100 bn per year: DPIIT Secy (Source: ET): Mr. Bhatia said that while FDI inflows have significantly increased over the past decade, to USD 70-80 bn currently. The aim is to reach USD 100 bn per year. The government is easing norms in sectors like defence, railways, insurance, and telecom to attract more investments.

International:

China to give cash handouts to the poor, weight injecting liquidity in banks (Source: Bloomberg): China is preparing to give one-off cash handouts to people in extreme poverty, in a rare announcement of direct aid. Finance and Civil Ministries had already budgeted CNY 155 bn, to be given to 4.74 mn recipients, earlier. Separately, as per media sources, additional CNY 1 trn of capital is being considered to be injected in state banks to increase their capacity.

US Congress passes bill to avert shutdown (Source: Bloomberg): The US Congress has passed a temporary measure that keeps government agencies funded into Dec'24, avoiding a shutdown for now while punting final spending decisions until after the Nov'24 elections. Additional funding was earmarked for Secret Service, presidential transition, among other things.

US Fed official wary of weakening labour market (Source: Forexlive): Ms. Kugler advocated that it makes sense to shift attention to employment mandate as the US Fed doesn't want the labour market to weaken further amid a restrictive policy. Below 100K monthly job gain would be 'very low', must be mindful of potential downward revisions.

OECD sees global growth stabilizing, India to shine (Source: OECD): Highlights:

- Global economy is projected to grow at 3.2% in both CY24 and CY25, nudging up CY24 forecast by 0.1 pp while CY25 remained unchanged
- Despite the forecast of US Fed policy rate to go down to 3.5% by CY25-end, CY25 growth forecasts were revised downwards to 1.6% (previous: 1.8%), while CY24 remained unchanged at 2.6%
- China growth forecasts remained unchanged, with CY24 at 4.9%
- India's growth forecast was revised upwards for both FY25 and FY26 to 6.7% and 6.8% respectively (previous FY25 & FY26: 6.6%)

Contd...

Sep 26, 2024



SBICAPS Daily Digest

Global steel production down in Aug'24 (Source: WSA): Global steel output reduced by 6.5% y/y in Aug'24 to 144.8 mn tonnes, as Chinese production continues to drag with a 10.4% decline to 77.9 mn tonnes. Steel production in India, on the other hand, grew by 2.6% y/y to 12.3 mn tonnes. Overall, global steel production fell by 1.5% y/y in the Jan-Aug'24 period to 1.25 bn tonnes.

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