

**Tables:**

**Foreign G-Sec Bond Yield:**

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	3.79	1
US 2Y*	3.62	6
Germany 10Y	2.18	1
UK 10Y	4.01	2
Japan 10Y	0.81	0

Source: Bloomberg, \*semi-annual

**G-sec yield:**

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.68	-1
7.10% GS 2034* (10Y)	6.72	-4
7.18% GS 2037*	6.77	-5
91-day T-bill	6.65	0
182-day T-bill	6.72	0
364-day T-bill	6.70	0

Source: CCLL, RBI, \*semi-annual

**Spreads in bps for Corporates**

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	101	99	79	83
AA	176	186	166	172
A	359	371	358	373

Source: FIMMDA, as on 25 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	4.83

Source: RBI, Federal Reserve Bank of New York

**Money Market instruments:**

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	125.0	6.54
Triparty Repo	3,986.0	6.43
Market Repo	1,667.3	6.58
Repo in corporate bond	13.7	6.66

Source: RBI, as of 26 Sep, 2024

**Major Equity Indices:**

Indices	Last	1-Day Change %
BSE SENSEX	85,836	0.8
NIFTY	26,216	0.8
NASDAQ	18,190	0.6
S&P 500	5,745	0.4
Nikkei 225	38,950	2.9
Euro Stoxx 50	5,033	2.4

Source: Google Finance

**Commodities futures:**

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	71.2	-3.3
Natural gas Nymex (USD/MMBtu)	2.6	-3.0
Gold Comex (USD/t oz.)	2,691.4	0.3
Copper Comex (USD/lb)	462.1	3.0
Wheat cbot (USD/bu.)	579.8	-2.2

Source: Bloomberg

**Exchange Rates:**

Currency pair	Rate	1-Day Change %
USD/ INR	83.64	0.0
GBP/ INR	111.99	0.4
EUR/ INR	93.32	0.2
EUR/USD	1.12	0.2
DX Index	100.69	-0.2

Source: Morningstar, Bloomberg, Marketwatch

**Today's Key Macro Events:**

**India:** G-Sec Auction; **US:** PCE, Merchandise Trade Balance Aug'24; **China:** Industrial profits Aug'24

**News:**

**Domestic:**

**Union to borrow Rs. 6.61 trn (gross) in G-secs in H2FY25 (Source: RBI):** These will in terms of weekly issuances of Rs. 220-390 bn. There will be issuances at tenors of 3-, 5-, 7- (8%), 10-, 15-, 30-, 40- and 50- years, with the largest share for 10-year. The government maintained that the programme for FY25 remains unchanged at Rs. 14.01 trn.

**T-bill auction calendar published for Q3FY25 (Source: RBI):** Gross issuances in Q3FY25 are indicated at Rs. 2.47 trn (Q2FY25A: Rs.3.24 trn, Q3FY24A: Rs. 3.61 trn). The issuances will be implemented through weekly auctions of Rs. 70 bn of 91-day T-bills, Rs. 60 bn of 182-day T-bills, and Rs. 60 bn of 364-day T-bills. Further, for short term needs, the Ways and Means Advances limit of Rs. 500 bn is set for H2.

**SEBI issues list of policies to increase ease of doing business (Source: SEBI):**

- SEBI has decided to reduce timeline for listing of debt securities and non-convertible redeemable preference shares to T+3 working days from existing T + 6 working days to enable faster access of funds to the issuer, aligning timeline in case of public issue and private placements
- SEBI notified that Under the fixed price process, the acquirer shall provide fixed delisting price more than 15% of floor price, provided that the shares are traded frequently, in addition to the already available reverse book building route. For HoldCos to be delisted, they should have minimum holding of 75% in other listed companies

**Union hikes minimum wages for workers amidst inflation surge (Source: ET):** Union hiked minimum wages for workers in informal sectors with effect from 1st Oct'24 to help cope with rising cost of living. Wages will now vary from Rs. 783-1,035 depending on skill level.

**International:**

**China takes measures to boost a flailing economy (Source: Reuters, Bloomberg):**

- Latest in the list of souring Chinese datapoints were industrial profits, which dropped by 17.8% y/y in Aug'24, from 4.1% y/y in Jul'24
- In response and in line with an earlier announcement, the PBoC proclaimed a 50-bps cut in RRR for financial institutions to 6.6%. The 7-day reverse repo was cut by 20 bps to 1.5%.
- According to media sources, China plans to issue special government bonds worth USD 285 bn as part of fresh fiscal stimulus, with half the proceeds for spurring consumption via subsidies and the other half to help local government tackle debt problems

**US GDP grows at a faster than expected rate in Q2CY24 (Source: US BEA, Bloomberg):** US real GDP grew at 3% q/q saar in Q2CY24 according to the third estimate, unchanged from previous estimate, after growing at 1.6% q/q saar in Q1CY24. This is driven by an upturn in private inventory investment and acceleration in consumer spending, only partly offset by a downturn in residential fixed investments.

**US Fed officials deliberate on key economic developments (Source: Bloomberg, Reuters):**

- Ms. Bowman opined that recalibrating policy is appropriate but should not declare victory over inflation with core still above target. Ms. Cook said she wholeheartedly supported the 50-bps cut.
- Mr. Williams announced the formation of Reference Rate Use Committee with private market participants, that will look after the use of reference rates, key issues and how the markets underpinning them change

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**US Treasury Secretary ecstatic on soft landing prospects (Source: CNBC):** Ms. Yellen suggested that US inflation and labour market are reflective of a soft landing, with consensus among US Fed officials of rates falling further. She warned that the US fiscal deficits ought to be brought down to keep the interest costs manageable, while claiming that housing might pose threats to last mile disinflation.

**Global Central Banks cut rates as growth concerns emerge (Source: CNBC):**

- Against expectations, the Swiss Central Bank cut policy rates by 25 bps to 1% amid subdued domestic inflation and a rally in the CHF as other advanced economies cut rates as well.
- Banxico cut policy rates by 25 bp to 10.5% as price pressures recede while striking a cautiously optimistic tone for further cuts

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