

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	3.84	5
US 2Y*	3.69	5
Germany 10Y	2.14	5
UK 10Y	4.01	-1
Japan 10Y	0.82	-1

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.70	3
7.10% GS 2034* (10Y)	6.78	4
7.18% GS 2037*	6.81	4
1-Month T-bill	6.42	0
3-Month T-bill	6.46	1
6-Month T-bill	6.55	3
12-Month T-bill	6.54	-1

Source: CCIL, RBI, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	89	80	83	79
AA	163	158	164	163
A	347	346	356	362

Source: FIMMDA, as on 01 Oct, 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	8.95
SOFR	4.92

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	105.9	6.45
Triparty Repo	3,755.6	6.17
Market Repo	1,563.7	6.36
Repo in corporate bond	13.3	6.50

Source: RBI, as of 03 Oct, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	82,497	-2.1
NIFTY	25,250	-2.1
NASDAQ	17,918	0.0
S&P 500	5,700	-0.2
Nikkei 225	38,552	2.0
Euro Stoxx 50	4,921	-0.8

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	77.7	4.1
Natural gas Nymex (USD/MMBtu)	3.0	1.0
Gold Comex (USD/t oz.)	2,680.9	0.1
Copper Comex (USD/lb)	456.3	-1.6
Wheat cbot (USD/bu.)	600.0	-2.4

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.97	0.1
GBP/ INR	110.25	-0.8
EUR/ INR	92.57	0.0
EUR/USD	1.10	0.0
DXI Index	101.89	0.1

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: G-Sec Auction, Services PMI Sep'24; **US:** Non-farm Payrolls, Unemployment Rate Sep'24; **World:** FAO World Food Price Index Sep'24

News:

Domestic:**Union cabinet gives nod to multiple schemes (Source: ET):** Highlights:

- Allocated Rs. 1.01 trn focusing on farmers' income and food security through PM-Rashtriya Krishi Vikas Yojana and Krishonnati Yojana
- Approved National Mission on Edible Oils – Oilseeds (NMEO-Oilseeds), to be implemented over next 7 years, with an outlay of Rs. 101 bn
- Approved phase 2 of Chennai Metro with a project cost of Rs. 632.5 bn, covering 3 corridors over a length of 119 kms

CareEdge assigns BBB+ to India (Source: BS): CareEdge assigned a long-term foreign currency rating of CareEdge BBB+ to India, citing India's resilient post-pandemic recovery and its focus on infrastructure investment. It projects a gradual reduction in general government debt-to-GDP ratio, from the current 80% to 78%.

Union releases draft guidelines on deregulating PPP port tariffs (Source: BS): The Union has brought out draft guidelines for tariff migration, which will allow concessionaires to switch tariff regimes to a market-based one. The draft guidelines will allow PPP players to fix their own scale of rates and will have to sign a supplementary agreement. Previously, authorities were also service providers to end users as well as concessioning authority. Thus, the tariff regulations played an important role in safeguarding the interest of both Port users and PPP operators.

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

- 91-day T-bills worth Rs. 93.0 bn were auctioned (notified amount: Rs. 70 bn) at a cut-off rate of 6.47%. 182-day T-bills worth Rs. 75.4 bn were auctioned (notified amount: Rs. 60 bn) at a cut-off rate of 6.56%. 364-day T-bills worth Rs. 88.8 bn were auctioned (notified amount: Rs. 60 bn) at a cut-off rate of 6.55%
- Overnight VRRR worth Rs. 481.2 bn was conducted against a notified amount of Rs. 1.75 trn at a cut-off rate of 6.49%

International:**Advanced economies diverge on economic activity in Sep'24 (Source: S&P Global):**

- Global composite PMI at 52 with new business rises in services but falls at manufacturers, with business optimism at 2-year lows
- US services PMI was robust at 55.2 in Sep'24 with further solid expansions in new orders, as inflationary pressures strengthen amid waning business confidence. Composite PMI chimed at 54
- Both Eurozone composite and services PMIs at 7-month low of 49.6 and 51.4 respectively, as business output fell marginally vs. Aug'24

US labour market show mixed signs (Source: Reuters): Firms announced 72.8k layoffs last month, down 4% m/m from Aug'24, which had been the highest since Mar'24. Initial jobless claims for the week ended 28 Sep'24 were 225k, higher than expectations of 222k.

Japan rethinks the mix of monetary and fiscal easing (Source: Reuters): BoJ policymaker Mr. Noguchi said that BOJ will raise rates again if economy is in line with forecast, while future rate hike will be slow and made with extreme caution. He added that maintaining a loose monetary policy is a must. PM Mr. Ishiba instructed his Cabinet to compile a fresh stimulus package to cushion households from the blow due to inflation.

Italy plans windfall tax on companies to narrow deficit (Source: Reuters): Economic Minister Mr. Giorgetti said that government plans to increase taxation on companies that operate in sectors benefiting from favourable business conditions, to contain the budget deficit expected to reach 3.3% in CY25 from 2.9% currently.

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Details of Research Analysts

Name	Rajan Jain	Name	Siddharth Sarma
Qualification	PGDBA	Qualification	MBA
Designation	Head- Credit Research	Designation	Associate

Details of Research Analyst entity

Name	SBI Capital Markets Limited
Registration Number	INH000007429
Address	15th floor, A & B Wing, Parinee Crescenzo Building, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400 051
Telephone Number	+91 22 4196 8300
Compliance Officer	Bhaskar Chakraborty
Email id	compliance.officer@sbicaps.com
Telephone Number	+91 22 4196 8542

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