

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.03	0
US 2Y*	3.94	0
Germany 10Y	2.18	-4
UK 10Y	4.06	-10
Japan 10Y	0.94	0

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)	6.77	0
7.18% GS 2037*	6.84	1
1-Month T-bill	6.43	0
3-Month T-bill	6.44	-1
6-Month T-bill	6.54	2
12-Month T-bill	6.53	1

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	65	52	42	36
AA	139	132	125	122
A	329	320	318	324

Source: FIMMDA, as on 15 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	4.86

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	87.6	6.44
Triparty Repo	3,909.1	6.28
Market Repo	1,403.6	6.33
Repo in corporate bond	9.5	6.45

Source: RBI, as of 16 Oct, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	81,501	-0.4
NIFTY	24,971	-0.3
NASDAQ	18,367	0.3
S&P 500	5,842	0.5
Nikkei 225	39,180	-1.8
Euro Stoxx 50	4,909	-0.8

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	74.5	0.1
Natural gas Nymex (USD/MMBtu)	2.4	-4.4
Gold Comex (USD/t oz.)	2,698.3	0.6
Copper Comex (USD/lb)	438.3	0.9
Wheat cbot (USD/bu.)	586.8	1.0

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	84.00	0.0
GBP/ INR	109.15	-0.7
EUR/ INR	91.17	-0.3
EUR/USD	1.09	-0.3
DX Index	103.51	0.3

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: G-Sec Buyback; **Eurozone:** ECB Policy rate, CPI Sep'24; **US:** Retail Sales Sep'24, Jobless Claims

News:

Domestic:**Trade deficit narrows to a 5-month low in Sep'24 (Source: PIB):**

- Merchandise exports rose marginally by 0.5% y/y in Sep'24 to USD 34.6 bn led by engineering goods, chemicals, and drugs. Merchandise imports rose 1.6% to USD 55.4 bn with rise in cotton, metals, and pulses. Thus, the merchandise trade deficit widened marginally y/y to USD 20.8 bn
- Services exports rose 7.7% y/y to USD 30.6 bn while imports rose by 11.9% at USD 15.7 bn. Services surplus was at USD 14.3 bn in Sep'24
- Overall trade deficit stood at USD 6.5 in Sep'24, rising 4.2% y/y. For H1FY25 it rose to USD 54.8 bn from USD 44.2 bn in H1FY24

SEBI introduces liquidity window facility for investors in debt securities (Source: SEBI):

The liquidity window facility allows investors holding listed debt securities to sell them back to the issuer using a put option on specific dates, ensuring liquidity. This facility, available 1 Nov'24, will be of immense utility to provide liquidity to investors, especially retail investors. At least 10% of issue size must be allocated for the window, with sub-limits capping the number of securities tendered per window.

Union Cabinet takes key decisions (Source: PIB): Highlights:

- Additional instalment of Dearness Allowance (DA) to Union Government employees and Dearness Relief to pensioners was approved with effect from 1 Jul'24. It represents an increase of 3% over the existing rate and will cost the exchequer Rs. 94.5 bn per annum
- Approved Rs. 350 bn for PM-AASHA with an aim to provide remunerative price to farmers as well as stabilisation of market price for consumers
- Construction of Varanasi-Pt. Deen Dayal Upadhyaya multitracking (rail cum road project), with an outlay of Rs. 26.4 bn

MoRTH to directly award halted projects under Bharatmala (Source: ET):

Projects under Rs. 10 bn will be awarded in the coming months as the Union aims to fast-track road contracts. This is as per media sources.

Minimum Support Price (MSP) for major Rabi crops hiked (Source: PIB):

The Union Cabinet increased the MSP for wheat and barley by Rs. 150 and Rs. 130 per quintal to Rs. 2,425 and Rs. 1,980, respectively. Mustard saw a hike of Rs 300 while the MSP for gram was increased by Rs 210.

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

- 91-day T-bills worth Rs. 310.0 bn were auctioned (notified: Rs. 70 bn) at a cut-off rate of 6.45%. 182-day T-bills worth Rs. 87.7 bn were auctioned (notified: Rs. 60 bn) at a cut-off rate of 6.55%. 364-day T-bills worth Rs. 85.0 bn were auctioned (notified: Rs. 60 bn) at a cut-off rate of 6.54%
- Overnight VRRR operations were conducted to the tune of Rs. 381.3 bn (notified: Rs. 500 bn) at a cut off rate of 6.49%

International:**China boosts funds for housing projects to support embattled sector (Source: CNA):**

China will expand a "white-list" of housing projects eligible for financing and increase bank lending for such developments to CNY 4 trn. Monetisation measures will also be undertaken for urbanisation projects, with 1 mn villages to be included in such plans.

BOJ policymaker calls for moderate pace of hikes (Source: Reuters):

Mr. Adachi said that JPY may keep rising and weigh on inflation, while warning of uncertainty over next year's wage hikes. These risks must be scrutinized by BOJ and avoid any pre-mature rate hikes. He added that the bank will eventually raise rates to levels deemed neutral.

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Japan's exports fall for the first time in 10-months (Source: Reuters): Exports fell by 1.7% y/y in Sep'24 while imports rose by 2.1% resulting in a trade deficit of JPY 294.3 bn, higher than anticipations of JPY 237.6 bn. The same was led by sharp fall in China bound shipments, weak auto demand and stronger JPY.

Emerging market Central Banks take unexpected monetary policy decisions (Source: Reuters):

- Indonesia held its key policy rate at 6%, contrary to expectations of a 25-bps cut, as global uncertainties re-emerge
- The Thai Central Bank unexpectedly cut rates by 25 bps to 2.25% (1-day repo), to revive a sluggish economy with inflation below target
- The Philippines cut rates for the second time by 25 bps, with further easing possible as baseline inflation forecasts for CY24 were lowered

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