

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.09	6
US 2Y*	3.96	2
Germany 10Y	2.21	3
UK 10Y	4.09	3
Japan 10Y	0.96	2

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.69	1
7.10% GS 2034* (10Y)	6.78	1
7.18% GS 2037*	6.85	1
1-Month T-bill	6.84	1
3-Month T-bill	6.44	1
6-Month T-bill	6.45	1
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	104	88	84	80
AA	178	168	167	166
A	368	356	360	368

Source: FIMMDA, as on 16 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	82.3	6.43
Triparty Repo	4,065.2	6.28
Market Repo	1,405.2	6.31
Repo in corporate bond	9.5	6.41

Source: RBI, as of 17 Oct, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	81,007	-0.6
NIFTY	24,750	-0.9
NASDAQ	18,374	0.0
S&P 500	5,841	0.0
Nikkei 225	38,911	-0.7
Euro Stoxx 50	4,947	0.8

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	74.7	0.2
Natural gas Nymex (USD/MMBtu)	2.4	-1.3
Gold Comex (USD/t oz.)	2,722.2	0.9
Copper Comex (USD/lb)	434.3	-0.9
Wheat cbot (USD/bu.)	592.5	1.0

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	84.07	0.1
GBP/ INR	109.48	0.3
EUR/ INR	91.03	-0.2
EUR/USD	1.08	-0.2
DXI Index	103.73	0.2

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: VRRR, G-Sec Auction; **China:** GDP Q3CY24, Industrial Production Sep'24, Retail Sales Sep'24; **US:** Housing Starts Sep'24; **Japan:** CPI Sep'24

News:

Domestic:

Direct tax to GDP ratio hits 24-year high mark (Source: BS): The share of direct taxes in GDP rose to 6.64% during FY24 a 24-year high mark. While the direct tax buoyancy improved to 2.12 compared to FY23. Also, the direct tax collections rose by 18% during FY24 as number of taxpayers rose to 104.1 mn at end of FY24 and formalisation of economy.

Cargo volume at major ports rises in Sep'24 (Source: BS): Cargo volume handled by 12 major ports rose by 5% y/y to 414 mn tonnes in Sep'24. Also, cargo on national waterways has reached 57 mn tonnes in 5MFY25 registering growth of 4.5% y/y.

IBC may get a voluntary group insolvency mechanism (Source: ET): Union is proposing to introduce a voluntary group insolvency framework under IBC to streamline resolution of interconnected entities. It will allow creditors to choose coordinated or separate process. Also, initially it will exclude solvent companies and multinational groups.

PSBs to go slow on infrastructure lending (Source: FE): The FM stated that banks should be concentrating on their core business of deposit mobilisation and medium-term lending. Media sources quoting officials said that this is to mitigate the asset-liability mismatch and is likely to slow down PSB disbursements henceforth.

Economy poised to become third largest by CY30: S&P (Source: BS): S&P Global Ratings said that India is poised to be the third largest global economy by CY30, and it is aiming to be a USD 30 trn by CY47. But its rising population presents mounting challenge in basic service coverage and growing investment needs for productivity.

G-Sec buyback and VRRR auctions conducted successfully (Source: RBI):

- G-Sec worth Rs. 249.34 bn were bought back, against a notified amount of Rs. 250 bn, amidst Rs. 332 bn worth of offers received. Notably, Rs. 89 bn worth 5.22% GS 2025, Rs. 81 bn worth of 5.15% GS 2025, and Rs. 64 bn worth of 7.72% GS 2025 were bought back.
- Overnight VRRR worth Rs. 403.85 bn were conducted against a notified amount of Rs. 750 bn at a cut-off yield of 6.49%.

International:**Chinese economic indicators stage some recovery (Source: Bloomberg):**

- Real GDP growth accelerated to 4.6% y/y, above forecast of 4.5% in Q3CY24. 9M CY24 GDP growth still remains a tad below the target at 4.8%
- Industrial output grew at 5.4% y/y in Sep'24 (expected: 4.6%). fixed investments rose 3.4% y/y in 9M CY24
- Retail sales chimed at 3.2% y/y in Sep'24, against expectations of a 2.5%
- New home prices in Sep'24 drop by 0.71% m/m, lower than that in Aug'24

ECB accelerates rate cut (Source: WSJ): ECB has lowered its interest rates for second time in a row, by 25 bps to 3.25%. Also, it mentioned that disinflationary process is on track as CPI printed below target of 2%, at 1.7% y/y (prelim. 1.8%) in Sep'24 from 2.2% y/y in Aug'24, driven by price drop in energy items.

US retail sales rise better than expected in Sep'24 (Source: Reuters): US retail sales expanded by 0.4% m/m in Sep'24 (Aug'24: 0.1%), better than expectation of 0.3%. Sales at gasoline stations dropped 1.6% m/m while sales at electronics and appliances stores fell by 3.3% m/m.

Japan's inflation slows for first time since Apr'24 (Source: CNBC): Japan's inflation slowed in Sep'24 for first time in 5 months as consumer prices excluding fresh food rose by 2.4% y/y as government subsidies for electricity and gas slows price gains.

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Details of Research Analysts

Name	Rajan Jain	Name	Soham Bobde
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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