

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.22	3
US 2Y*	4.05	3
Germany 10Y	2.32	4
UK 10Y	4.16	2
Japan 10Y	0.96	0

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.74	1
7.10% GS 2034* (10Y)	6.82	-1
7.18% GS 2037*	6.88	-1
1-Month T-bill	6.45	2
3-Month T-bill	6.45	0
6-Month T-bill	6.53	0
12-Month T-bill	6.55	1

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	81	74	82	61
AA	155	155	165	148
A	345	343	358	350

Source: FIMMDA, as on 21 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	4.82

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	91.3	6.65
Triparty Repo	4,082.1	6.66
Market Repo	1,451.0	6.61
Repo in corporate bond	11.1	6.75

Source: RBI, as of 22 Oct, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	80,221	-1.1
NIFTY	24,472	-1.2
NASDAQ	18,573	0.2
S&P 500	5,851	0.0
Nikkei 225	38,329	-1.6
Euro Stoxx 50	4,939	0.0

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	75.9	2.5
Natural gas Nymex (USD/MMBtu)	2.3	-3.0
Gold Comex (USD/t oz.)	2,753.2	0.4
Copper Comex (USD/lb)	436.3	-0.2
Wheat cbot (USD/bu.)	573.3	1.1

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	84.08	0.0
GBP/ INR	109.23	0.0
EUR/ INR	90.78	-0.1
EUR/USD	1.08	-0.1
DX Index	104.13	0.2

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: SGS Auction, MPC Minutes; US: Existing Home Sales

News:

Domestic:

Economy has maintained fiscal discipline and controlled inflation (Source: Mint): FM Ms. Sitharaman said that the economy has maintained a balance between growth and stability amid global geopolitical tensions and trade fragmentations, with inflation under control and fiscal deficit set to hit a targeted low next year.

Convergence of global Central Bank policy has become a dominant theme: RBI DG (Source: RBI): Mr. Patra said that after beginning of aggressive rate cutting by US FOMC, preceded by the 2nd cut of the year by the ECB and followed by a fusillade of stimulus measures by China, convergence has become the dominant theme. In India, there is economic policy uncertainty with dilemma for monetary policy to control high inflation or ease to respond to growth.

Huge investments in transmission infra required to meet 2027 power demand: CEA (Source: BS): To meet an expected power demand of 277 GW by 2027, India would require an investment to the tune of Rs 4.25 trn in power transmission infrastructure. Further, the NEP-transmission suggested building 114.7k ckm of transmission lines and 776.3 GVA of transformation capacity by 2027. In addition, 1 GW of HVDC bi-pole capacity is also planned to be added during 2022-27.

IRDAI is engaging with select insurance companies for public listing (Source: BS): Chairman Mr. Panda said that the regulator is engaging with select insurance companies to pursue public listing, while encouraging others that have reached a certain size and maturity to do the same, as public listing enhances transparency and creates more value for policyholders and investors

SGS auctions conducted successfully (Source: RBI): SGS worth Rs. 81 bn were auctioned by 5 states, against a notified amount of Rs. 81 bn, with cut-off yields for 10Y paper being 7.12%.

International:

Global growth is expected to remain stable, yet underwhelming (Source: IMF): In WEO Oct'24, IMF highlighted the following:

- Global real growth outlook for CY24 was retained at 3.2% y/y, while revised by 0.1 pp for CY25 to 3.2% itself, when compared to Jul'24 WEO
- US is expected to grow at a 0.2 and 0.3 pp higher pace to 2.8% y/y and 2.2% in CY24 and CY25 respectively, offsetting a 0.1 pp and 0.3 pp lower projected growth in Euro-Area to 0.8% and 1.2% respectively
- Among Emerging Asian economies, China's growth forecast was lowered by 20 bps to 4.8% in CY24, while India is expected to maintain momentum with 7.0% y/y and 6.5% real growth in FY25 and FY26 respectively

Mr. Trump advocates domestically built cars (Source: Reuters): US Presidential candidate Mr. Trump vowed to make interest on car loans tax deductible if they are domestically built.

US Fed policymaker showed resolute focus on achieving soft landing (Source: Forexlive): Ms. Daly said that the economy is in a better place as inflation has fallen, and the labour market has returned to a more sustainable path, while continuing to advocate a data-dependent approach.

ECB officials remain divided on future growth trajectory (Source: Forexlive):

- Ms. Lagarde expressed dissent on inflation, while reassuring that target might be hit sustainably in CY25. Pace of cuts would be determined later
- Mr. Holzmann said that disinflation is faster than expected and expressed aptness on the cuts while adding that more might follow. Mr Rehn agreed on weakening growth outlook and deflationary pressure could increase
- Mr. de Galhau said there is risk of continued restrictiveness, emphasizing agility in approach. Mr. Knot added that falling rates will ease debt burden

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