

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.22	0
US 2Y*	4.06	1
Germany 10Y	2.30	-2
UK 10Y	4.20	4
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*	6.75	1
7.10% GS 2034* (10Y)	6.82	0
7.18% GS 2037*	6.88	0
1-Month T-bill	6.48	3
3-Month T-bill	6.47	2
6-Month T-bill	6.58	5
12-Month T-bill	6.57	2

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	78	84	81	69
AA	152	164	164	156
A	342	352	357	358

Source: FIMMDA, as on 22 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	4.83

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	114.8	6.75
Triparty Repo	4,247.4	6.69
Market Repo	1,410.2	6.67
Repo in corporate bond	11.8	6.86

Source: RBI, as of 23 Oct, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	80,081	-0.2
NIFTY	24,435	-0.2
NASDAQ	18,277	-1.6
S&P 500	5,797	-0.9
Nikkei 225	38,104	-0.6
Euro Stoxx 50	4,923	-0.3

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	75.8	-0.1
Natural gas Nymex (USD/MMBtu)	2.4	4.8
Gold Comex (USD/t oz.)	2,735.6	-0.6
Copper Comex (USD/lb)	435.8	-0.1
Wheat cbot (USD/bu.)	580.5	1.3

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	84.08	0.0
GBP/ INR	108.66	-0.5
EUR/ INR	90.50	-0.3
EUR/USD	1.08	-0.2
DXY Index	104.37	0.2

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

Flash PMI Oct'24: India, US, Eurozone; China: FDI Sep'24; US: Jobless Claims

News:

Domestic:**Policymakers deliberate on policy decision: MPC Minutes (Source: RBI):** Highlights of Minutes of MPC held in Oct'24:

- Mr. Das said that the policy will remain flexible, with a change in stance, as another bout of inflation can't be risked. Dr Patra echoed similar views
- Dr. Nagesh Kumar advocated for a 25-bps rate cut, citing anchored inflation expectations and flagging manufacturing demand, both domestic and export-based
- Mr. Bhattacharya stated that heightened uncertainty called for calibrated approach in easing, with a transitional surge in CPI owing to food prices
- Dr. Ranjan has called for a data-dependent, cautious approach to policy as resilient growth allows focus on inflation

Union considers scrapping windfall tax on crude (Source: The Hindu Businessline):

Advisor to the PM, Mr. Kapoor, averred that the Finance Ministry is evaluating removing the windfall tax on local crude production. This is as the tax has lost its relevance given significantly lower global oil prices now vs. in 2022.

Recalibration in strategy for roads and highways in the offing (Source: ET):

- Mr. Gadkari announced that Union has decided to double the defect liability period of EPC projects to 10 years, forcing contractors to make better quality roads
- Separately, as per media sources, the Union is looking to adopt year-wise targets for the sector, rather than long-term projects which require lengthy approvals

T-Bills auction conducted successfully (Source: RBI): 91-day T-Bill worth Rs. 332 bn

were auctioned against a notified amount of Rs. 70 bn at a cut-off yield of 6.4797%. 182-day T-Bill worth Rs. 85 bn were auctioned against a notified amount of Rs. 60 bn at a cut-off yield of 6.5970%. 364-day T-Bill worth Rs. 63 bn were auctioned against a notified amount of Rs. 60 bn at a cut-off yield of 6.5991%.

International:**ECB officials predict soft landing with progress on disinflation (Source: ForexLive):**

- Ms. Lagarde claims she is satisfied with the progress on inflation, while cautioning about the downside risks to growth. This was agreed to by Mr. Lane, Mr. Nagel, and Mr. Knot
- Mr. Villeroy sees optionality in Dec'24 meeting, while Mr. Centeno has called for 50 bps rate cuts as downside risks to growth dominate
- Mr. Holzmann feels soft landing is on the table and 50 bps rate cut isn't justified, echoed by Mr. Escriva who thinks inflation outlook is balanced
- Mr. Panetta claimed that weakening economy and ebbing inflation is conducive for consecutive rate cuts without stopping at the neutral rate

Canada slashes interest rates in line with expectations (Source: Reuters):

Bank of Canada delivered a huge 50 bps rate cut to 3.75%, in line with expectations, owing to slowing consumption and soft labour market.

South Korea's economic growth underwhelms in Q3CY24 as exports drag (Source: Reuters):

South Korea's real GDP grew 0.1% q/q in Q3CY24, lower than expectations of 0.4% q/q expansion, after contracting 0.2% q/q in Q2CY24. The woes were exacerbated by a 0.4% q/q fall in exports.

Japan flash manufacturing PMI continues to dip in Oct'24 (Source: S&P Global):

Japan's flash manufacturing PMI declined to 49 in Oct'24, from 49.7 in Sep'24, staying contractionary for 4 straight months, while flash services PMI plummeted to 49.3 in Oct'24 from 53.1 in Sep'24, driven by subdued demand indicated by new orders and contraction in exports for the first time in 10 months.

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