

Tables:

Foreign G-Sec Bond Yield:

| G-sec | Yield (in %) | 1-Day Change in Bps |
|-------------|--------------|---------------------|
| US 10Y* | 4.24 | 5 |
| US 2Y* | 4.10 | 4 |
| Germany 10Y | 2.29 | 3 |
| UK 10Y | 4.23 | 0 |
| 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* | 6.79 | 4 |
| 7.10% GS 2034* (10Y) | 6.85 | 3 |
| 7.18% GS 2037* | 6.90 | 2 |
| 1-Month T-bill | 6.46 | 0 |
| 3-Month T-bill | 6.47 | 0 |
| 6-Month T-bill | 6.58 | 0 |
| 12-Month T-bill | 6.59 | 0 |

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

| Annualized Spreads | 3-year | 5-year | 7-year | 10-year |
|--------------------|--------|--------|--------|---------|
| AAA | 96 | 85 | 66 | 77 |
| AA | 170 | 165 | 149 | 163 |
| A | 360 | 353 | 342 | 365 |

Source: FIMMDA, as on 24 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 | 84.7 | 6.61 |
| Triparty Repo | 4,003.4 | 6.58 |
| Market Repo | 1,501.0 | 6.57 |
| Repo in corporate bond | 11.1 | 6.67 |

Source: RBI, as of 25 Oct, 2024

Major Equity Indices:

| Indices | Last | 1-Day Change % |
|---------------|--------|----------------|
| BSE SENSEX | 79,402 | -0.8 |
| NIFTY | 24,181 | -0.9 |
| NASDAQ | 18,519 | 0.6 |
| S&P 500 | 5,808 | 0.0 |
| Nikkei 225 | 37,914 | -0.6 |
| Euro Stoxx 50 | 4,943 | 0.2 |

Source: Google Finance

Commodities futures:

| Commodities | Last | 1-Day Change % |
|-------------------------------|---------|----------------|
| Brent Crude (USD/bbl) | 76.1 | 1.8 |
| Natural gas Nymex (USD/MMBtu) | 2.6 | 1.2 |
| Gold Comex (USD/t oz.) | 2,754.6 | 0.5 |
| Copper Comex (USD/lb) | 437.1 | 0.2 |
| Wheat cbot (USD/bu.) | 569.0 | -2.4 |

Source: Bloomberg

Exchange Rates:

| Currency pair | Rate | 1-Day Change % |
|---------------|--------|----------------|
| USD/ INR | 84.08 | 0.0 |
| GBP/ INR | 108.98 | 0.0 |
| EUR/ INR | 90.71 | -0.2 |
| EUR/USD | 1.08 | -0.3 |
| DX Index | 104.32 | 0.3 |

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

No events

News:

Domestic:**FM bats multiple agendas at IMF, World Bank meets (Source: ET, Mint):**

- Emphasized that sovereign ratings should properly reflect economic realities of EMs and called for CRAs to improve their methodology
- She also said that jobs are the most pressing global issue due to economic headwinds and rapid technological change
- Called for greater collaboration on climate finance by EMs and AEs

Inflation moderating but requires vigilance for any upside risks: RBI Governor (Source: ET):

As per Mr. Das, inflation is moderating, but the RBI remains vigilant to risks from unexpected events, aiming to aligning and keeping inflation to close to the target. He added that while the financial sector is resilient but can't be complacent due to the changing environment.

Union weighs grand plan for critical mineral show (Source: Mint):

As per media sources, the Union is putting an ambitious plan envisaging creating country-specific dedicated investment funds to acquire majority stake in foreign critical mineral companies to generate capacity for India.

Union to push green energy plans (Source: BS):

Union is planning to introduce an Approved List of Models and Manufacturers (ALMM) for solar cells on the lines of module manufacturing to boost transition towards green energy, while aiming to make the second list effective from 1 Apr'26.

No formal proposal to scrap windfall tax (Source: The Hindu Businessline):

As per media sources quoting a FinMin official, the Ministry is not considering any proposal to scrap away the windfall tax on domestically produced crude and export bound petroleum products. As on date the levy is zero on them.

Capex loans to States from Union to be lower than Budgeted (Source: ET):

As per media sources quoting an official, against the Rs. 1.5 trn envisaged in Jul'24 Budget for FY25 for States in the Scheme for Special Assistance to States for Capital Expenditure, the allocation may now be reduced to Rs. 1.30 trn to Rs. 1.35 trn in the revised estimate. This is since in H1, projects worth only Rs. 500.7 bn were approved. ~80-85% utilisation of funds by States is expected.

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

- Rs. 220 bn of 6.79% GS 2034 were auctioned at cut-off rate of 6.7948%. Rs. 100 bn of 7.46% GS 2073 were auctioned at a cut-off yield of 7.0009%.
- 6-day VRR worth Rs. 250 bn was conducted (notified amount: Rs. 250 bn) at a cut-off rate of 6.55%. Notably, Rs. 487 bn of bids were received

International:**China prepares more stimulus amid weakening economy (Source: Reuters):**

- Industrial profits sunk by 27.1% y/y in Sep'24, against 17.8% fall in Aug'24 led by weak demand, higher base and sharp decline in producer prices
- Further monetary stimulus was initiated by PBoC by launching monthly reverse repo auctions (tenor less than 1 year) to ensure flush liquidity
- Vice Finance Minister said that further fiscal stimulus details will be shared after National People's Congress (4-8 Nov'24)

ECB officials try to temper the known disinflation progress (Source: Forexlive):

- ECB President Ms. Lagarde said that the disinflation progress is well-on track
- Mr. Kazaks said that he doesn't see a case for rates falling below neutral levels since that would entail substantial undershooting of inflation target
- Mr. Knot said that data-dependent approach has served ECB well until now, as is critical to prevent risks

Contd...

Oct 28, 2024



SBICAPS Daily Digest

Russia hikes the key rates above expectations (Source: Reuters): Russia's Central Bank lifts the key interest rate by 200 bps to 21%, against expectations of a 100-bps hike, as geopolitical conflicts complicate efforts to curtail the price growth in an overheating economy.

France credit rating outlook cut to negative by Moody's (Source: Bloomberg): Moody's put the negative outlook on its Aa2 assessment of French government debt, over the deterioration of public finances and the political challenges in containing swollen budget deficits.

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