

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.30	-3
US 2Y*	4.25	5
Germany 10Y	2.36	-8
UK 10Y	4.43	-7
Japan 10Y	0.99	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)	6.81	-1
7.18% GS 2037*	6.87	-1
1-Month T-bill	6.37	4
3-Month T-bill	6.45	2
6-Month T-bill	6.57	-2
12-Month T-bill	6.56	-1

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	98	73	45	59
AA	174	155	128	142
A	362	344	323	347

Source: FIMMDA, as on 07 Nov, 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	112.7	6.44
Triparty Repo	3,768.2	6.37
Market Repo	1,536.2	6.32
Repo in corporate bond	12.4	6.49

Source: RBI, as of 08 Nov, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	79,486	-0.1
NIFTY	24,148	-0.2
NASDAQ	19,286	0.1
S&P 500	5,995	0.4
Nikkei 225	39,500	0.3
Euro Stoxx 50	4,802	-1.0

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	73.9	-1.9
Natural gas Nymex (USD/MMBtu)	2.7	-0.7
Gold Comex (USD/t oz.)	2,694.8	-0.4
Copper Comex (USD/lb)	430.6	-2.3
Wheat cbot (USD/bu.)	572.5	-0.1

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	84.37	0.0
GBP/ INR	109.07	-0.3
EUR/ INR	90.38	-0.5
EUR/USD	1.07	-0.6
DXI Index	104.95	0.4

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Event:

India: VRRR auction

News:

Domestic:

Union estimates for direct tax revenue likely to remain unchanged (Source: ET): According to media sources, Finance Ministry officials expect estimates for direct tax to be unchanged with impressive growth in personal income tax to likely make up for muted corporation tax collections in FY25.

Railway freight growth languishes in Oct'24 (Source: BS): Railway freight growth slowed to 1.5% y/y in Oct'24 at 131 mn tonnes, driven by 4.3% y/y growth in coal and 7.7% y/y growth in container. In 7MFY24, railway freight grew by 2.2% y/y driven by 6% y/y growth in coal offset by a slower 1.5% y/y growth in iron ore.

Life insurers' premium grows at robust pace in Oct'24 (Source: BS): Life insurers' new business premium grew 13.2% y/y in Oct'24 to Rs. 303 bn, despite a drop in number of policies. Notably, public life insurer grew at 9.5% y/y to Rs. 171 bn while private insurers grew at a faster pace of 18% y/y to Rs. 132 bn in Oct'24.

IRDAI Chairman advocates for 100% FDI in insurance sector (Source: ET): Mr. Panda has pitched for 100% FDI in insurance sector, emphasizing the need for increased capital and new players to achieve higher insurance penetration.

Union guarantees collateral free loans for MSME sector (Source: ET): Finance Minister Ms. Sitharaman announced new credit guarantee scheme for MSME sector offering Rs. 1 bn worth collateral free loans through new credit assessment models implemented by PSU banks.

Domestic steel exports rise faster than imports in Oct'24 (Source: The Hindu Businessline): Steel exports rose 51% y/y in Oct'24 to 0.44 mn tonnes while imports rose at a slower clip of 34% y/y to 0.98 mn tonnes owing to tightened import norms. India remains net importer of steel in 7MFY25.

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

- 7.02% GS 2027 worth Rs. 70 bn were auctioned at a cut-off yield of 6.7184%. 7.34% GS 2064 worth Rs. 150 bn were auctioned at a cut-off yield of 7.0130%.
- 3-day VRRR worth Rs. 500 bn were auctioned against a notified amount of Rs. 500 bn at a cut-off yield of 6.49%. Notably, bids worth Rs. 585 bn were received.

International:

China approves plan to alleviate local government debt (Source: CNBC): China's policymakers have announced that USD 840 mn worth of debt swaps have been approved to allow local governments to refinance their off-balance sheet debt by issuing additional special bonds and raising the debt ceiling. In the monetary policy report, the PBoC has pledged continued supportive monetary policy.

China considers unilateral incentives to woo international markets (Source: WSJ): Chinese policymakers consider countering tariffs with plans for unilateral incentives to US allies in Europe and Asia with tariff cuts, visa exemptions and investments, amidst other proposed incentives.

China's lower than expected CPI clip stokes deflation nightmares (Source: Reuters): China's CPI rose by 0.3% m/m in Oct'24, lower than expected clip of 0.4% m/m, the slowest pace in 4 months. PPI dropped at a sharper pace of 2.9% m/m in Oct'24 from 2.8% m/m slip in Sep'24.

US Fed official makes case for fewer rate cuts moving forward (Source: Bloomberg): Mr. Kashkari interjected that strong economy, higher productivity and lower inflation may lead the US Fed to cut rates at slower than expected pace.

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