

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.47	5
US 2Y*	4.31	-3
Germany 10Y	2.38	2
UK 10Y	4.52	2
Japan 10Y	1.04	1

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.77	1
7.10% GS 2034* (10Y)	6.84	1
7.18% GS 2037*	6.89	1
1-Month T-bill	6.33	2
3-Month T-bill	6.43	-1
6-Month T-bill	6.60	0
12-Month T-bill	6.60	1

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	94	68	37	74
AA	170	150	120	157
A	358	339	315	362

Source: FIMMDA, as on 12 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	4.60

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	84.0	6.39
Triparty Repo	4,120.9	6.37
Market Repo	1,487.9	6.34
Repo in corporate bond	13.8	6.43

Source: RBI, as of 13 Nov, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	77,691	-1.3
NIFTY	23,559	-1.4
NASDAQ	19,231	-0.3
S&P 500	5,985	0.0
Nikkei 225	38,722	-1.7
Euro Stoxx 50	4,740	-0.1

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	72.1	0.1
Natural gas Nymex (USD/MMBtu)	3.0	2.1
Gold Comex (USD/t oz.)	2,564.8	-1.6
Copper Comex (USD/lb)	403.5	-2.9
Wheat cbot (USD/bu.)	542.5	-1.0

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	84.39	0.0
GBP/ INR	107.12	-0.4
EUR/ INR	89.02	-0.6
EUR/USD	1.06	-0.7
DX Index	106.49	0.5

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: WPI Oct'24, VRRR Auction; **US:** PPI Oct'24, Jobless claims; **Eurozone:** GDP Q3CY24

News:

Domestic:

Festive season boosts auto wholesales in Oct'24 (Source: SIAM): Auto sales grew 10% y/y in Oct'24 to 2.9 mn units. PV sales grew 1% y/y to 393k units, highest in month of October, driven by 14% y/y rise in utility vehicles. 2W sales rose 14.2% y/y, while 3W sales fell marginally by 0.7% y/y.

CPSE capex remains slow in 7MFY25 (Source: FE): Capex by CPSEs fell 8% y/y in 7MFY25 to Rs. 3.9 trn at 50% of FY25BE, as spending restrictions and extended rains earlier in the year impact roads and railway constructions. Notably, Railway capex fell 15% y/y to Rs. 1.33 trn, while NHA investments fell 7% y/y to Rs. 950 bn.

RBI notifies list of domestically systemically important banks (Source: RBI): RBI announced that SBI, HDFC, and ICICI continue to remain DSIB with additional CET-1 requirement of 0.8%, 0.4% and 0.2% respectively as % of RWA with 0.2pp hike in requirements for SBI and HDFC applicable with effect from 1 Apr'25.

SEBI reviews operational framework for Angel Funds (Source: SEBI): In a consultation paper, SEBI reviewed the current regulatory framework for angel funds. The paper also sought views on proposals to streamline the regulatory framework for Angel Funds to rationalise their fundraising processes, strengthen disclosure and governance requirements, and provide operational clarity and investment flexibility. This paper aims to seek views from the public on the need for channelizing capital from Angel investor pools through a regulated structure.

Report on Municipal Finances released (Source: RBI): RBI noted that while revenue account of municipal corporations remained in surplus, they are reliant on Union grants for their expenses as their own sources are inadequate. It suggested that municipal corporations need to enhance their sources of revenue through reforms in property tax, rationalisation of user charges, and better collection mechanisms. Further, property tax formulae should be reflective of property valuations.

T-Bill and VRRR auctions conducted successfully (Source: RBI):

- 91-day T-Bills worth Rs. 90 bn were auctioned (notified amount: Rs. 70 bn) at a cut-off yield of 6.4395%. 182-day T-Bills worth Rs. 75 bn were auctioned (notified amount: Rs. 60 bn) at a cut-off yield of 6.6188%. 364-day T-Bills worth Rs. 62 bn were auctioned (notified amount: Rs. 60 bn) at a cut-off yield of 6.6145%
- 1-day VRRR worth Rs. 497 bn were auctioned against a notified amount of Rs. 500 bn at a cut-off yield of 6.49%.

International:

US CPI rose in line with expectations in Oct'24 (Source: CNBC): US CPI rose 2.6% y/y in Oct'24, from 2.4% y/y in Sep'24, in line with expectations, driven by 4.8% y/y rise in services, while core CPI rose by 3.3% y/y, per expectations. Notably, transportation rose by 8.2% y/y in Oct'24 and vehicle insurance rose by 14% y/y, while energy prices fell by 4.9% y/y.

US Fed officials comment on neutral rate and policy path (Source: Bloomberg):

- Mr. Kashkari expressed confidence on path of inflation, expecting the neutral rate to be higher than earlier expected
- Ms. Logan believes that more cuts are probably needed but claims that the model shows rates are closer to the neutral rate
- Mr. Schmid relayed confidence over productivity and inflation path but remained uncertain about where the rates would finally settle
- Mr. Musalem reflected that policy action should be patient as US economy remains materially strong, with elevated core inflation

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SBICAPS Daily Digest

US Federal Budget deficit skyrockets in Oct'24 (Source: Reuters): US budget deficit soared fourfold on year to USD 257 bn in Oct'24, a figure inflated by one-off factors such as calendar adjustments in benefit payments that had cut Oct'23 deficit by half. As per US treasury officials, excluding the impact of benefit payments and deferred tax payments received in Oct'23, the deficit would have been USD 47 bn or 22% y/y higher. Notably, public debt service costs declined by 8% to USD 82 bn, the first y/y decline since Aug'23, when interest rate increases began to mount.

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