

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.28	-12
US 2Y*	4.26	-11
Germany 10Y	2.21	-3
UK 10Y	4.34	-4
Japan 10Y	1.05	-2

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.79	-2
7.10% GS 2034* (10Y)	6.85	-2
7.18% GS 2037*	6.92	-3
1-Month T-bill	6.33	-14
3-Month T-bill	6.48	3
6-Month T-bill	6.63	0
12-Month T-bill	6.61	0

Source: CCL, Bloomberg, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	85	77	76	64
AA	165	160	161	151
A	355	348	356	356

Source: FIMMDA, as on 22 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	4.57

Source: RBI, Federal Reserve Bank of New York

## Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	85.7	6.72
Triparty Repo	4,493.3	6.71
Market Repo	1,437.8	6.66
Repo in corporate bond	13.4	6.86

Source: RBI, as of 25 Nov, 2024

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	80,109	1.3
NIFTY	24,221	1.3
NASDAQ	19,055	0.3
S&P 500	5,987	0.3
Nikkei 225	38,780	1.3
Euro Stoxx 50	4,800	0.2

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	73.1	-2.8
Natural gas Nymex (USD/MMBtu)	3.3	5.4
Gold Comex (USD/t oz.)	2,651.9	-3.1
Copper Comex (USD/lb)	413.9	0.1
Wheat cbot (USD/bu.)	554.0	-1.9

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	84.29	-0.2
GBP/ INR	105.66	-0.1
EUR/ INR	88.14	0.3
EUR/USD	1.05	0.4
DX Index	107.25	-0.2

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

India: SGS Auction; US: Building Permits, New Home Sales Oct'24

## News:

Domestic:

**RBI DG red-flags unscrupulous practices in MSMEs (Source: RBI):** Mr. Swaminathan highlighted the diversion of funds by MSMEs, pointing out that working capital funds are sometimes used for other purposes outside the business and that a few MSMEs are not investing their equity fully. He further elucidated their informal workings, which make credit assessment challenging.

**PSBs prepare for bumper capital raise (Source: BS):** According to media sources, PSBs have proposed to Union about raising Rs. 548 bn through AT-1 and Tier-2 bonds in FY25, 37% y/y higher than their FY24 tally. Additional issuances in FY25 are planned by Union Bank of India (Rs. 40 bn), Bank of Maharashtra (Rs. 25 bn), Indian Bank (Rs. 20 bn), CBI (Rs. 18 bn), and IOB (Rs. 10 bn).

**S&P Global revises growth forecast downwards (Source: BS):** S&P Global forecast the real GDP to grow at 6.8% y/y in FY25, with high interest rates and mellow fiscal impulses tempering urban demand. The forecast for FY26 and FY27 was revised downwards by 0.2pp to 6.7% y/y and 6.8% y/y respectively, while FY28 growth was pegged at 7% y/y.

**Domestic economy holds ground against global slowdown (Source: DEA):** As per the Monthly Economic Review for Oct'24:

- Domestic demand grows steadily post monsoon, reflected by rising FMCG volumes in Q2FY25, buoyed by striking growth in rural demand
- Bumper kharif harvest is expected to lower food inflation, which had spiked due to supply disruptions from heavy rains. Favourable monsoons, adequate reservoir levels and higher MSP bode well for rabi production
- Labour market displayed strong growth, highlighting a rise in formal employment and robust growth in manufacturing sector

**Union likely to go for a moderate capex increase in FY26 (Source: ET):** According to media sources, the Union is considering a reasonable increase in capex outlay for FY26, albeit slower than previous years, in order to keep fiscal deficit in check, while banking on private investments to pick up.

**Domestic air passenger traffic grows at robust pace in Oct'24 (Source: ET):** Domestic air passenger traffic grew 5.3% y/y in Oct'24 to 13.6 mn after growing at 6% y/y in Sep'24.

**VRR auction conducted successfully (Source: RBI):** 4-day VRR worth Rs. 250 bn were auctioned at a cut-off rate of 6.6%. Notably, bids worth Rs. 530 bn were received.

International:

**US plans tariffs on largest trading partners (Source: Reuters):** US President-elect Mr. Trump vowed to impose 25% tariffs on Canada, Mexico and China, potentially violating free trade agreements, until they clamp down on issues like illegal migrants. Mr. Trump outlined an additional 10% tariff on China as well.

**US Fed officials raise possibility of Dec'24 rate cut (Source: Reuters):** Mr. Goolsbee feels it appropriate to consider a Dec'24 rate cut scenario while not focusing on transitory inflation as rates remain elevated. This was agreed to by Mr. Kashkari, calling a cut "reasonable"

**ECB officials advocate for less restrictive monetary policy (Source: ForexLive):**

- Mr. Lane interjected that policy shouldn't remain restrictive for long, with inflation expected to converge to target in CY25
- Mr. Nagel exclaimed confidence over disinflation but advocated for gradual rate cuts as potential US tariffs pose inflation risks

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