

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.24	-2
US 2Y*	4.21	-2
Germany 10Y	2.12	-4
UK 10Y	4.27	-2
Japan 10Y	1.05	0

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.76	-1
7.10% GS 2034* (10Y)	6.83	-1
7.18% GS 2037*	6.90	-1
1-Month T-bill	6.45	0
3-Month T-bill	6.48	0
6-Month T-bill	6.65	0
12-Month T-bill	6.64	0

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	86	84	58	78
AA	166	167	143	165
A	356	355	338	370

Source: FIMMDA, as on 27 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	4.58

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	94.5	6.71
Triparty Repo	4690.7	6.67
Market Repo	1446.5	6.66
Repo in corporate bond	11.98	6.83

Source: RBI, as of 28 Nov, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	79,044	-1.5
NIFTY	23,914	-1.5
NASDAQ	19,060	0.0
S&P 500	5,998	0.0
Nikkei 225	38,349	0.1
Euro Stoxx 50	4,759	0.5

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	73.2	0.5
Natural gas Nymex (USD/MMBtu)	3.3	3.1
Gold Comex (USD/t oz.)	2,683.6	1.2
Copper Comex (USD/lb)	415.9	0.2
Wheat cbot (USD/bu.)	548.5	0.0

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	84.49	0.0
GBP/ INR	107.40	0.4
EUR/ INR	89.27	0.3
EUR/USD	1.06	0.2
DX Index	105.88	-0.3

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: GDP Q2FY25, Eight core index Oct'24, Fiscal Balance Oct'24, G-Sec Auction, VRRR Auction; **Eurozone:** CPI Nov'24; **GDP Q3CY24:** Canada, France

News:

Domestic:

Union collected Rs. 1.44 trn in highway tolls (Source: BS): Union has collected Rs. 1.44 trn as toll tax under PPP model on national highways since Dec'00. Union is also working to implement GNSS based tolling which charges on actual distance travelled by vehicle rather than project influence length of plaza. This was said by MoRTH Minister Mr. Gadkari in Parliament.

Union weighs removing windfall tax (Source: Business Today): Union is assessing the potential removal of windfall tax as it is monitoring the trend of crude oil prices. The Union is now considering a reduction in fuel prices as crude oil prices have fallen to a 9-month low. Also, it is evaluating the potential inclusion of natural gas in GST.

IT Ministry likely to seek Cabinet nod for large electronics package (Source: ET): As per media sources, the IT Ministry will seek such an approval next month to boost local manufacturing of electronic components. The scheme will be worth Rs. 400 bn, and targets non-semiconductor sectors. It could start from Apr'25. The package will comprise subsidies on capex and incentives based on increase in production and employment generation.

SEBI announces interoperability for stock exchanges (Source: BS): SEBI announced the interoperability of stock exchanges to ensure business continuity. Traders would be able to hedge their open positions by taking offsetting positions on other exchange. The interoperability for cash, derivatives, currency derivatives and interest rates will be effective from 1st Apr'24.

Union launches offshore critical mineral blocks auction (Source: BS): Union has launched first ever auction of offshore critical mineral blocks. It is aiming to harness offshore mineral wealth across Arabian and Andaman Sea through it. It expected to address eightfold demand of lithium, cobalt, nickel, and copper in coming years.

Finance Ministry proposes reforms in insurance sector (Source: BS): These reforms including allowance of 100% FDI in insurance sector, reduction in paid-up capital, and provision for a composite license. There are also reports that the regulator may be considering capping the parent's share in the bancassurance business to 50%.

VRR auction conducted successfully (Source: RBI): 1-day VRR worth Rs. 250 bn was conducted at a cut-off yield of 6.61%

International:

China warns US against chip curbs escalation (Source: Reuters): China warned US that it would protect chinses firms through necessary actions if US escalates chip control measures. US was planning to add 200 Chinese chip companies to a trade blacklist.

Japanese indicators a mixed bag in Oct'24 (Source: Forexlive): Japan's industrial output rose by 3% m/m in Oct'24 propped by strong exports of semiconductor manufacturing equipment and cars. However, retail sales rose by mere 0.1% m/m to USD 91.4 bn in Oct'24, indicating weak consumer demand.

German inflation rises again in Nov'24 (Source: Bloomberg): Germany's inflation rate rose for second consecutive month in nov'24 as it rose by 2.2% y/y after 2% y/y rise in Oct'24. Food and services remained the main drivers of inflation.

ECB officials comment on inflation trajectory (Source: Forexlive):

- Ms. Lagarde said that tariff war between US and Europe could drive up inflation in the short term
- Mr. de Galhau mentioned that inflation target can be achieved in early CY25, and interest rates should come to the neutral rate soon

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