

Tables:

Foreign G-Sec Bond Yield:

| G-sec | Yield (in %) | 1-Day Change in Bps |
|-------------|--------------|---------------------|
| US 10Y* | 4.23 | 4 |
| US 2Y* | 4.17 | 0 |
| Germany 10Y | 2.05 | 2 |
| UK 10Y | 4.24 | 3 |
| Japan 10Y | 1.06 | -2 |

Source: Bloomberg, *semi-annual

G-sec yield:

| G- Sec | Yield (in %) | 1-Day Change in Bps |
|----------------------|--------------|---------------------|
| 7.04% GS 2029* | 6.63 | 0 |
| 7.10% GS 2034* (10Y) | 6.75 | 0 |
| 7.18% GS 2037* | 6.84 | 0 |
| 1-Month T-bill | 6.43 | 0 |
| 3-Month T-bill | 6.39 | -4 |
| 6-Month T-bill | 6.55 | -8 |
| 12-Month T-bill | 6.53 | -3 |

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

| Annualized Spreads | 3-year | 5-year | 7-year | 10-year |
|--------------------|--------|--------|--------|---------|
| AAA | 96 | 78 | 87 | 67 |
| AA | 174 | 162 | 175 | 160 |
| A | 364 | 350 | 366 | 356 |

Source: FIMMDA, as on 2 Dec, 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 | 9.00 |
| SOFR | 4.64 |

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

| Instrument | Volume (in Rs. Bn) | Weighted Avg Rate (%) |
|------------------------|--------------------|-----------------------|
| Call Money | 107.0 | 6.44 |
| Triparty Repo | 4,184.2 | 6.26 |
| Market Repo | 1,499.6 | 6.30 |
| Repo in corporate bond | 14.8 | 6.41 |

Source: RBI, as of 03 Dec, 2024

Major Equity Indices:

| Indices | Last | 1-Day Change % |
|---------------|--------|----------------|
| BSE SENSEX | 80,846 | 0.7 |
| NIFTY | 24,457 | 0.8 |
| NASDAQ | 19,481 | 0.4 |
| S&P 500 | 6,050 | 0.0 |
| Nikkei 225 | 39,249 | 1.9 |
| Euro Stoxx 50 | 4,879 | 0.7 |

Source: Google Finance

Commodities futures:

| Commodities | Last | 1-Day Change % |
|-------------------------------|---------|----------------|
| Brent Crude (USD/bbl) | 73.7 | 2.6 |
| Natural gas Nymex (USD/MMBtu) | 3.1 | -4.7 |
| Gold Comex (USD/t oz.) | 2,666.2 | 0.3 |
| Copper Comex (USD/lb) | 418.1 | 1.6 |
| Wheat cbot (USD/bu.) | 548.3 | -0.5 |

Source: Bloomberg

Exchange Rates:

| Currency pair | Rate | 1-Day Change % |
|---------------|--------|----------------|
| USD/ INR | 84.69 | 0.0 |
| GBP/ INR | 107.17 | 0.0 |
| EUR/ INR | 88.78 | -0.1 |
| EUR/USD | 1.05 | 0.1 |
| DXI Index | 106.45 | -0.1 |

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: T-Bill Auction; Services PMI Nov'24: India, US China, Japan

News:

Domestic:

Union mulls over new GST slab rate (Source: The Hindu): As per media sources, Group of Ministers (GoM) has proposed GST council a new special rate slab of 35% additional to existing 4 slabs. It has decided to hike tax on aerated beverages to 35% in addition it is also planning to increase tax on sin goods like cigarettes and tobacco.

Union not considering PSU bank merger: MoS Finance (Source: ET): Mr. Chaudhary informed Parliament that Union is not considering merger of public sector banks. He added previous reforms and mergers have strengthened the banks' financial conditions, improved capital adequacy ratio, and reduced non-performing assets.

Upper House passes bill to boost investment in oil and gas exploration (Source: BS): Upper House passed a bill that aims to delink petroleum operations from mining, clarify the grant and extension of petroleum leases. It also creates a new dispute resolution mechanism for the exploration and production sector. Mr. Puri said the Oil and Gas sector is required for next 20 years so the legislation will support domestic operators and foreign investors.

Union may save in Centrally Sponsored Schemes (CSS) in FY25 (Source: BS): Union could save Rs. 300 bn in CSS as States delayed their spending. These schemes are under tighter monitoring as efforts to rationalise numbers and funding shares is going on.

SGS auction conducted successfully (Source: RBI): SGS worth Rs. 258.37 bn were auctioned by 13 states with cut-off yields for 10Y paper being in the range of 7.08% to 7.13%

International:

South Korea plunged into turmoil as truant President acts (Source: BBC, Yonhap): President Mr. Yoon declared martial law in an aim to purge "North Korean sympathisers". The Parliament overturned the move. South Korea's financial regulator said that it was ready to deploy KRW 10 trn to stabilise the stock market, as S. Korean markets saw bedlam.

US Fed officials won't rule out a rate cut (Source: ForexLive):

- Mr. Goolsbee acknowledged the volatility in inflation but feels that rates should come down a fair amount further
- Ms. Daly feels Dec'24 rate cuts are not off the table as rates need to move down quite a bit and labour market completely in balance
- Ms. Kugler feels inflation is in line with descent to 2% target, despite volatility, while only modest cooling in jobs bodes well for Fed's mandate

East Asian services activity barely expansionary in Nov'24 (Source: S&P Global):

- China's Caixin services PMI grows less than expected at 51.5 in Nov'24 from 52 in Oct'24 as it saw modest new business and activity growth
- Japan's service activity perks up as services PMI grew to 50.5 in Nov'24 from 49.7 in Oct'24 on improved demand

China announces ban on rare material export to US (Source: Reuters): China announced the export ban of rare minerals that have military and technological applications including gallium, germanium and antimony. The move came in response to ban on chip manufacturing equipment by US.

Global debt surges past USD 320 trn: IIF (Source: Reuters): Global debt stock surged by USD 12 trn in 9MCY24 to record high of USD 323 trn. The rise was attributed to falling borrowing costs and rising risk appetite. It also mentioned that government budgetary deficit could rise by third by CY28 to reach USD 130 trn.

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