

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.19	-4
US 2Y*	4.13	-4
Germany 10Y	2.06	1
UK 10Y	4.25	1
Japan 10Y	1.05	-1

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.62	-1
7.10% GS 2034* (10Y)	6.73	-2
7.18% GS 2037*	6.82	-2
1-Month T-bill	6.40	-3
3-Month T-bill	6.42	3
6-Month T-bill	6.52	-3
12-Month T-bill	6.52	-1

Source: CCL, Bloomberg, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	102	79	72	57
AA	180	163	160	150
A	370	351	351	346

Source: FIMMDA, as on 03 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	4.57

Source: RBI, Federal Reserve Bank of New York

## Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	114.1	6.42
Triparty Repo	4,322.4	6.30
Market Repo	1,522.8	6.31
Repo in corporate bond	15.9	6.45

Source: RBI, as of 04 Dec, 2024

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	80,956	0.1
NIFTY	24,467	0.0
NASDAQ	19,735	1.3
S&P 500	6,086	0.6
Nikkei 225	39,488	0.6
Euro Stoxx 50	4,919	0.8

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	72.3	-1.9
Natural gas Nymex (USD/MMBtu)	3.1	0.3
Gold Comex (USD/t oz.)	2,671.3	0.2
Copper Comex (USD/lb)	419.5	0.3
Wheat cbot (USD/bu.)	547.5	-0.1

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	84.74	0.1
GBP/ INR	107.67	0.5
EUR/ INR	89.07	0.3
EUR/USD	1.05	0.2
DX Index	106.27	-0.2

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

India: SGS Auctions; US: Challenger Report Nov'24, Initial Jobless Claims

## News:

## Domestic:

**Services activity shows fractional dip in Nov'24 (Source: S&P Global):** Services PMI slipped to 58.4 in Nov'24 from 58.5 in Oct'24, remaining firmly expansionary, driven by improved business confidence, rising new orders and robust international demand. Notably, input prices rose to highest levels in 15 months, which were passed on to consumers and much more with output inflation at 12-year high.

**Mutual Funds help keep NBFC counters open as banks turn cautious (Source: ET):** Outstanding debt exposure of mutual funds scaled Rs. 2.33 trn in Oct'24, with the bond market gaining share over banks. This is even as banks remain the largest funders of NBFCs.

**RBI considers tightening norms for PE/VC investors in NBFCs (Source: ET):** According to media sources, RBI has instructed PE/VC investors of NBFCs to appoint directors instead of placing "observers" to take legal responsibility of corporate governance.

**T-Bill auctions conducted successfully (Source: RBI):** 91-day T-Bill worth Rs. 168 bn were auctioned against a notified amount of Rs. 70 bn at a cut-off rate of 6.4287%. 182-day T-Bill worth Rs. 75 bn were auctioned, against a notified amount of Rs. 60 bn at a cut-off rate of 6.5386%. 364-day T-Bill worth Rs. 60 bn were auctioned at a cut-off rate of 6.5295%.

## International:

## Global economy forecast threatened by protectionism (Source: OECD):

- Global growth forecast for CY24 remains unchanged at 3.2% y/y, while that for CY25 was raised 0.1pp to 3.3% y/y and CY26 stood at 3.3% y/y, as inflation cools, threatened by rising tariffs and budget deficits
- US is estimated to grow at 2.8% y/y (Sep: 2.6% y/y) in CY24, upward revised 2.4% y/y in CY25 (Sep'24: 1.6% y/y) and 2.1% y/y in CY26
- India's growth was revised upwards by 0.1pp for CY24 and CY25 to 6.8% y/y and 6.9% respectively and at 6.8% y/y in CY26. CPI will decline to 4% target by CY26.

## Economic activity in advanced economies remains shaky (Source: S&amp;P Global):

- Global Composite PMI rose to 52.4 from 52.3, with services retaining strength, posting 53.1. Solid expansions were seen across the business, consumer, and financial services categories
- US Composite PMI fell marginally to 54.9 in Nov'24 from 55.3 in Oct'24, dragged by manufacturing slowdown.
- Eurozone Composite PMI fell to contractionary zone at 48.3 in Nov'24 from 50 in Oct'24.

**US labour market shows signs of cooling (Source: Reuters):** According to ADP report, 146k jobs were added to private payrolls in Nov'24, below expected 150k, and below a downwardly revised 184k in Oct'24, with weak additions in manufacturing.

## US Fed officials call for cautious path to neutral rate (Source: Reuters, ForexLive):

- Mr. Powell feels that the monetary policy is where it should be as economy in good shape and neutral rate can be reached cautiously
- Mr. Musalem believes neutral rate lies between 3% and 4% and thinks that it is wise to pause on rates as too much easing carries inherent risks.
- Mr. Barkin is encouraged by inflation trajectory and feels that normalizing means a slower and careful path to bring rates to neutral. He warned of inflation arising from potential tariffs promised by new administration
- Ms. Daly downplayed the urgency of a rate cut in Dec'24 and advocated for a calibrated approach as work is still to be done on inflation.

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