

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.15	-2
US 2Y*	4.10	-5
Germany 10Y	2.10	-1
UK 10Y	4.27	-1
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*	6.67	6
7.10% GS 2034* (10Y)	6.78	5
7.18% GS 2037*	6.87	5
1-Month T-bill	6.37	2
3-Month T-bill	6.37	0
6-Month T-bill	6.53	0
12-Month T-bill	6.55	3

Source: CCLIL, Bloomberg, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	98	78	83	57
AA	176	162	171	150
A	366	350	362	346

Source: FIMMDA, as on 05 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	4.59

Source: RBI, Federal Reserve Bank of New York

## Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	103.9	6.56
Term Money	8.6	-
Triparty Repo	4,041.3	6.52
Market Repo	1,612.0	6.58
Repo in corporate bond	0	-

Source: RBI, as of 06 Dec, 2024

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	81,709	-0.1
NIFTY	24,678	-0.1
NASDAQ	19,860	0.8
S&P 500	6,090	0.2
Nikkei 225	39,091	0.2
Euro Stoxx 50	4,978	0.5

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	71.1	-1.3
Natural gas Nymex (USD/MMBtu)	3.1	0.0
Gold Comex (USD/t oz.)	2,659.6	-0.1
Copper Comex (USD/lb)	419.7	-0.7
Wheat cbot (USD/bu.)	557.3	-0.3

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	84.70	0.0
GBP/ INR	107.88	0.0
EUR/ INR	89.40	-0.1
EUR/USD	1.06	-0.1
DXI Index	105.97	0.2

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

India: VRR Auction; Japan: GDP Q3CY24; China: CPI, PPI Nov'24

## News:

Domestic:**RBI cuts CRR by 50-bps while materially changing growth-inflation projections (Source: RBI):** Highlights of the Dec'24 Monetary Policy:

- MPC voted 4-2 (previously: 5-1) to keep the repo rate at 6.50%, with no adjustments to SDF and MSF. Stance was also maintained as "Neutral"
- CRR cut by 50-bps to 4.0%, instituted in 2 equal tranches on 14 Dec'24 and 28 Dec'24 respectively, expected to flush Rs. 1.16 trn in liquidity
- Lowered growth projection for FY25 to 6.6% y/y (previous: 7.2%), with moderation in growth expected in all the ensuing quarters until Q1FY26
- Raised its inflation projections for FY25 sharply by 30 bps to average 4.8% y/y, projecting CPI to only reach target in Q2FY26

For more details, refer to our note titled "RBI FACES ARDUOUS TASK OF MANAGING ALL DYNAMICS: LIQUIDITY, CURRENCY, GROWTH AND INFLATION"

**Q2FY25 GDP growth not a systemic slowdown: Ms. Sitharaman (Source: BS):** FM said that the slow pace of GDP growth in Q2FY25 does not show systemic slowdown, it was impacted by a reduction in capex due to elections in Q1FY25. Further, she expects Q3FY25 to make-up for it, while flagging concerns on stagnating wages affecting domestic consumption.

**Cargo traffic at major ports drops in Nov'24 (Source: BS):** Cargo traffic at the country's major ports declined 4.95% y/y to 67.53 mn tonnes in Nov'24. Among these, JNPA and Deendayal ports reported positive growth, while cargo traffic at the remaining 10 major facilities saw drop.

**Railway freight loading growth moderation continues in Nov'24 (Source: BS):** Railway Freight loading continued to show sluggish growth in Nov'24, with 130 mn tonnes of goods handled, marking a 1.4% y/y increase. Notably, coal increased by 3.4% y/y to 65.5 mn tonnes.

**RBI forward looking surveys depict higher expected inflation, with lower consumer confidence (Source: RBI):** Household perception for current inflation rose by 30 bps from previous survey to 8.4% y/y in Nov'24 survey, with 1-year ahead inching up too. Further, consumer confidence for the current period declined marginally, while somewhat higher optimism on 1-year ahead outlook.

International:

**US non-farm payrolls up in Nov'24 as hurricane woes over (Source: Reuters):** US job growth likely recouped from the Oct'24 lows with non-farm payrolls increasing 227k, against forecasts of 202k and upwardly revised Oct'24 number of 36k, with upticks in aviation and as workers return with waning hurricane woes. Unemployment rate, however, rose by 0.1 pp to 4.2%, while average hourly earnings rose by 4% y/y, better than forecasts.

**US Fed officials talk about labour market and rate dynamics (Source: Foxlive):**

- Ms. Daly believes that labour markets remain in a balanced, good place with inflation reaching near target and rates at 'about right' levels
- Mr. Goolsbee added that any deterioration in household survey would warrant serious attention by Fed. Also, goods prices will deflate while services continue in right direction
- Ms. Hammack said that we are 'at or near' the time to slow rate cuts, Ms. Bowman added that she doesn't take dissenting vote likely while saying that inflation has not yet return to target and economy is very strong

**China inflation weakens with new risks on the horizon (Source: Reuters):** China's consumer inflation hit a 5-month low in Nov'24 at 0.2% y/y (against estimates of 0.4% rise) as fresh food prices pulled back while factory deflation persisted falling 2.5% y/y despite stimulus effort.

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**Chinese regulators seek improvements in property market (Source: Bloomberg):** China's regulators will try to bolster the property market with improved policies on land usage, tax and other financial measures, as per media sources ahead of much-anticipated annual Central Economic Work Conference this week.

**Japan revises GDP growth Q3CY24 upwards (Source: Bloomberg):** The Q3CY24 GDP real growth chimed 1.2% y/y, against expectations of 1.0% rise as gains in capex offset moderate downward revisions in consumption growth.

**Eurozone economy touches 2-year high as households spend more (Source: Euro News):** Eurozone real GDP growth inched up to 0.4% q/q in Q3CY24, in line with analyst estimates, and above a 0.2% increase in Q2CY24 mainly because of a rise in household spending, while inventories and higher government spending also contributed to it.

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