

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.19	4
US 2Y*	4.12	2
Germany 10Y	2.12	2
UK 10Y	4.27	0
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*	6.66	-1
7.10% GS 2034* (10Y)	6.75	-2
7.23% GS 2039	6.84	-2
1-Month T-bill	6.35	-2
3-Month T-bill	6.40	3
6-Month T-bill	6.53	0
12-Month T-bill	6.54	-1

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	97	75	73	52
AA	175	159	161	145
A	365	347	352	341

Source: FIMMDA, as on 06 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	4.60

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	116.2	6.56
Triparty Repo	4,047.6	6.52
Market Repo	1,554.3	6.57
Repo in corporate bond	13.8	6.74

Source: RBI, as of 09 Dec, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	81,508	-0.2
NIFTY	24,619	-0.2
NASDAQ	19,737	-0.6
S&P 500	6,053	-0.6
Nikkei 225	39,161	0.2
Euro Stoxx 50	4,985	0.2

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	71.9	1.1
Natural gas Nymex (USD/MMBtu)	3.2	2.9
Gold Comex (USD/t oz.)	2,690.7	1.2
Copper Comex (USD/lb)	425.3	1.3
Wheat cbot (USD/bu.)	557.5	0.0

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	84.73	0.0
GBP/ INR	108.07	0.2
EUR/ INR	89.42	0.0
EUR/USD	1.06	-0.1
DXI Index	106.15	0.2

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: SGS Auction; **China:** Trade balance Nov'24; **Australia:** Policy rate; **Global:** EIA STEO Dec'24, WASDE Dec'24

News:

Domestic:

RBI Governor changed by Appointment Committee of the Cabinet (Source: BS): Mr. Sanjay Malhotra, IAS Secretary, Department of Revenue was appointed as Governor of Reserve Bank of India (RBI) for a period of 3-years from 11 Dec'24 by Union Cabinet.

Auto sales rose robustly in Nov'24 after a jubilant sOct'24 (Source: FADA): Auto retail sales were 11.2% y/y up in Nov'24, driven by heavy discounts and expected price rises in Jan'24, surging to 3.21 mn units with maximum gains in 2W and tractor categories (both growing 16% and 30% to 2.6 mn and 80k respectively) while PV sales growth were negative. Urban demand continues to trail rural demand.

Disinvestment target for FY26 may remain same (Source: FE): As per media sources, Union had set a target of Rs 500 bn in miscellaneous capital receipts (from disinvestment and asset monetisation) in FY25, which might be missed this year, and the upcoming Budget may still peg the target for such receipts.

MFI disbursements take hit as credit quality deteriorates (Source: ET): MFI disbursements fell over 10% y/y in Q2FY25 quarter as asset quality concerns rose, with overdue loans more than doubling to 4.4%. Notably, the average loan size increased to Rs. 50.5k (Q2FY24: 45.1k), and the total number of unique borrowers rose slightly.

House panel recommends dedicated coal corridors, real-time tracking to meet power demand (Source: Mint): To bolster coal transportation and address the growing energy needs, the Standing Committee on Coal, Mines, and Steel has recommended the creation of dedicated coal corridors and the adoption of real-time tracking systems for coal logistics. This should help in meeting power demand at all times.

VRR auction conducted successfully (Source: RBI): 1-day VRR worth Rs. 406.3 bn was auctioned against a notified amount of Rs. 500 bn at a cut-off rate of 6.51%

International:

China Politburo calls for 'proactive' fiscal policy (Source: Reuters): Politburo calls for more proactive fiscal policy and moderately loose monetary policy while mentioned that the country needs to vigorously boost consumption and stabilise property and stock markets. Separately, President Mr. Xi highlighted the need to fulfil economic goals in the ensuing year.

China-US chip tensions escalate (Source: Reuters): China started investigating Nvidia over violating anti-monopoly regulations, seen as a retaliatory step against US's recent curbs on Chinese chips sector.

China's trade surplus expands in Nov'24 with falling import bill (Source: FX Street): China's Trade Balance for Nov'24, came in at CNY 692.8 bn, widening from Oct'24 figure of CNY 679.1 bn. This was better than expectations of CNY 682 bn. Exports rose by 6.7% y/y, a shallower rise than expected. Imports declined by 3.9%, against a prediction of a mild rise in the month.

Australia keeps policy rate unchanged in line with market expectations (Source: Bloomberg, The Guardian): Reserve Bank of Australia kept the benchmark cash reserve target rate unchanged at 4.35% for the 9th consecutive time since Nov'23. This comes despite softer than expected recent GDP print and inflation trending down. Prior to today's rates decision, markets were betting there was only about a one-in-four chance of a cut when the RBA holds its next meeting – 17-18 Feb'25.

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