

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.23	4
US 2Y*	4.15	3
Germany 10Y	2.12	0
UK 10Y	4.32	5
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*	6.64	-2
7.10% GS 2034* (10Y)	6.75	-1
7.23% GS 2039	6.84	0
1-Month T-bill	6.35	0
3-Month T-bill	6.41	1
6-Month T-bill	6.55	2
12-Month T-bill	6.54	0

Source: CCL, Bloomberg, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	93	72	75	54
AA	171	156	163	147
A	361	344	354	343

Source: FIMMDA, as on 09 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	4.63

Source: RBI, Federal Reserve Bank of New York

## Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	126.5	6.67
Triparty Repo	4,173.3	6.64
Market Repo	1,552.4	6.66
Repo in corporate bond	13.3	6.80

Source: RBI, as of 10 Dec, 2024

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	81,510	0.0
NIFTY	24,610	0.0
NASDAQ	19,687	-0.3
S&P 500	6,034	-0.3
Nikkei 225	39,112	-0.1
Euro Stoxx 50	4,951	-0.7

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	72.6	1.0
Natural gas Nymex (USD/MMBtu)	3.2	0.6
Gold Comex (USD/t oz.)	2,735.2	1.7
Copper Comex (USD/lb)	431.2	1.4
Wheat cbot (USD/bu.)	563.5	1.1

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	84.85	0.1
GBP/ INR	108.45	0.4
EUR/ INR	89.35	-0.1
EUR/USD	1.05	-0.2
DXY Index	106.28	0.1

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

**India:** T-Bill Auction; **US:** CPI Nov'24; **Canada:** Policy Rate; **OPEC:** Monthly Report Dec'24; **Japan:** PPI Nov'24

## News:

Domestic:

**Mutual Fund flows drop in Nov'24 (Source: AMFI):** Net inflows in debt funds dropped to Rs. 129 bn in Nov'24, from Rs. 1.6 trn in Oct'24, with secular drop across funds, while flow into equity funds dropped 14% m/m to Rs. 360 bn in Nov'24. Total inflows in mutual funds stood at Rs. 603 bn in Nov'24 from Rs. 2.4 trn in Oct'24.

**Union directs firms to use domestically made solar PV modules (Source: BS):** Union mandates clean energy firms to use PV modules sourced locally from approved list of companies from Jun'26, to curb imports from China.

**Highway construction pace falls in 8MFY25 (Source: FE):** Construction of highways fell 6% y/y to 4,900 km in 8MFY25, with capex falling 12% y/y to Rs. 1.49 trn, reaching 54% of FY25BE against 66% of FY24BE.

**Life insurance premiums fall in Nov'24 (Source: BS):** New business premiums of life insurance companies fell 4.5% y/y to Rs. 253 bn in Nov'24, as industry adjusts to new surrender value norms. PSU insurer premiums fell 27.2% y/y to Rs. 118 bn, offset by 30.1% y/y rise in private insurers' premium to Rs. 135 bn in Nov'24.

**Union considering policies to incentivize global captive centres in Tier-2 and Tier-3 towns (Source: ET):** According to media sources, the incentives could be in the form of tax breaks. The policy will encourage large GCCs in centres which can allocate dedicated office zones. Further, the IT Ministry is mulling sops for small GCCs in centres which cannot offer such large office zones in dedicated areas such as healthcare, finance and others. Clarity on transfer pricing is also expected.

**RBI delegates ponder over targets and challenges (Source: ET, BS):** Outgoing RBI governor Mr. Das outlined inflation control as RBI's top priority and expressed optimism over the new leadership. Governor-designate Mr. Malhotra interjected that one must understand the landscape and do what is for the economy.

**SGS auctions conducted successfully (Source: RBI):** SGS worth Rs. 114 bn were auctioned by 6 states, against notified amount of Rs. 114 bn, with cut-off yield ranging between 7.04% - 7.10%. Notably, 10Y yields stood at 7.10%.

International:

**Lower growth expected in Asia in CY24 and CY25 (Source: ADB):** Growth forecast for developing Asia was slashed by 10 bps each in CY24 and CY25 to 4.9% y/y and 4.8% y/y respectively, citing softer consumption outlook. China's growth was unchanged at 4.8% y/y in CY24 and 4.5% y/y in CY25, with risks from US trade policy shift. India's growth forecast was revised downward 50 bps to 6.5% y/y in CY24 and by 20 bps to 7% y/y in CY25, citing weaker than expected performance in Q3CY24.

**Chinese President warns US of a tariff war (Source: CNN):** Mr. Xi has warned the US against restarting a tariff war, vowing to defend China's economic interests and claiming no winners would emerge.

**Global oil demand forecasts raised (Source EIA):** World oil demand forecast was raised by 300kbpd each in CY24 and CY25 to 102.4 mbpd and 104.2 mbpd respectively with growth coming from non-OPEC+. Production estimate was lowered 200 kbpd in CY24 to 102.4 mbpd and by 100 kbpd in CY25 to 104.6 mbpd.

**Airline revenues set to soar high in CY25 (Source IATA):** Total revenue of airlines globally is expected to surpass the evocative USD 1 trn mark in CY25. This, coupled with lower fuel prices will enable profits of USD 36.6 bn – a record high. Passenger traffic will likely reach a record high in CY24, with CY25 seeing slower growth as all regions surpass pre-pandemic levels.

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## SBICAPS Daily Digest

**Japan's producer prices surge beyond expectations (Source: BoJ):** Japan's PPI for Nov'24 clocked 3.7% y/y growth, above forecast of 3.4%. This print is expected to keep pressure on the BoJ for rate hikes before it translates to consumer prices.

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