

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.28	5
US 2Y*	4.16	1
Germany 10Y	2.12	0
UK 10Y	4.31	-1
Japan 10Y	1.07	2

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.65	2
7.10% GS 2034* (10Y)	6.76	1
7.23% GS 2039	6.85	1
1-Month T-bill	6.45	10
3-Month T-bill	6.44	3
6-Month T-bill	6.59	4
12-Month T-bill	6.55	1

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	91	74	75	52
AA	169	158	163	145
A	359	346	354	341

Source: FIMMDA, as on 10 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	110.1	6.70
Triparty Repo	4,243.0	6.65
Market Repo	1,510.0	6.67
Repo in corporate bond	13.7	6.86

Source: RBI, as of 11 Dec, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	81,526	0.0
NIFTY	24,641	0.1
NASDAQ	20,035	1.8
S&P 500	6,084	0.8
Nikkei 225	39,372	0.7
Euro Stoxx 50	4,959	0.2

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	73.6	1.3
Natural gas Nymex (USD/MMBtu)	3.4	5.3
Gold Comex (USD/t oz.)	2,746.6	0.4
Copper Comex (USD/lb)	428.0	-0.7
Wheat cbot (USD/bu.)	559.8	-0.7

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	84.84	0.0
GBP/ INR	108.31	-0.1
EUR/ INR	89.04	-0.3
EUR/USD	1.05	-0.3
DXY Index	106.71	0.4

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: CPI Nov'24, IIP Oct'24; **US:** PPI Nov'24, Initial Jobless Claims; **Eurozone:** Policy Rate; **IEA:** Monthly Report Dec'24

News:

Domestic:

Finance Minister outlines priorities for economic growth (Source: ET, BS): Ms Sitharaman underscored inflation as the pressing global challenge that strains household budgets, driven by geopolitical tensions and supply chain disruptions. She further stressed on addressing climate challenges more than them being just a rhetoric. She also advocated for managing debt at national and sub-national levels, without it being a burden on future generations, while creating assets.

Incoming RBI Governor establishes pillars for his tenure (Source: CNBC TV-18): Mr. Malhotra emphasised the significance of "stability, trust, and growth" as key pillars for policymakers to work on. He said that the principle of continuity will be upheld, keeping adaptability also in mind. He outlined financial inclusion as his key priority calling for greater collaboration between BFSI and Governments.

CEA opines on the trade-off between regulation and growth (Source: Mint): CEA Mr. Nageswaran warned against over-regulation and called for the right balance in optimizing growth and regulation. He advocated for perfect competition in non-financial sectors without regulation but called for regulations in financial sectors.

E-way bill generation slumps after festive peak (Source: Mint): E-way bill generation dropped to a 5-month low of 101.8 mn in Nov'24, from historic high of 117.8 mn in Oct'24, as waning festive fervour leads to reducing inventories.

Union revises wheat stock limits to curb runaway prices (Source: ET): Union reduced wheat stock limits by 50% with wholesalers allowed to hold 1k tonne, while retailers and big chains allowed 5 tonnes per outlet to increase wheat supply and arrest price rise.

International:

US inflation surges in Nov'24, in line with expectations (Source: US BLS): US CPI surged 2.7% y/y in Nov'24, from 2.6% y/y in Oct'24, matching market expectations, with 3.3% y/y rise in core CPI and 2.4% y/y rise in food prices, offset by 3.2% y/y drop in energy prices. Notably, shelter inflation rose by 4.7% y/y in Nov'24, while transportation services rose 7.1% y/y.

US policymakers consider tariffs to ring-fence domestic industries (Source: FT): According to media sources, outgoing US President Mr. Biden is poised to unveil new tariffs on imports of from China, doubling levy on solar wafers and polysilicon to 50% and that on tungsten to 25% in order to protect US manufacturers from cheap Chinese suppliers.

US budget deficit climbs in Nov'24 (Source: Reuters): Budget deficit for 2MFY25 rose 64% y/y to USD 624 bn, with receipts down 7% y/y to USD 629 bn despite record high Nov'24, while outlays rose 18% y/y to USD 1.2 trn, owing to benefit spending related to hurricanes.

OPEC reduces oil demand forecasts (Source: OPEC Monthly Report): Global oil demand for CY24 was cut 200 kbpd to 103.8 mbpd, while that for CY25 was cut 300 kbpd to 105.3 mbpd, owing to lack of consumption in Q3CY24 and prospective US trade embargo. India's oil demand was lowered 50 kbpd to 5.6 mbpd and 5.8 mbpd in CY24 and CY25. China's oil demand was raised 20 kbpd to 16.8 mbpd and 17.5 mbpd in CY24 and CY25, with recovery on the cards as stimulus ramp up.

Policy in Americas diverges from north to south (Source: Reuters):

- Bank of Canada cut policy rate by 50 bps to 3.25%, with slower pace of further reductions, owing to added uncertainty of potential tariffs
- Brazil raised interest rates by 100 bps to 12.25%, while signalling further hikes of similar magnitude in the near term. This hike was more than the expected 75-bps

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