

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.32	4
US 2Y*	4.19	3
Germany 10Y	2.20	8
UK 10Y	4.36	5
Japan 10Y	1.02	-5

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)	6.78	2
7.23% GS 2039	6.86	1
1-Month T-bill	6.40	-5
3-Month T-bill	6.43	-1
6-Month T-bill	6.59	0
12-Month T-bill	6.55	0

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	93	72	76	49
AA	171	156	164	142
A	361	344	355	338

Source: FIMMDA, as on 11 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	4.62

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	111.2	6.62
Triparty Repo	4,248.6	6.47
Market Repo	1,555.6	6.55
Repo in corporate bond	12.6	6.80

Source: RBI, as of 12 Dec, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	81,290	-0.3
NIFTY	24,549	-0.4
NASDAQ	19,903	-0.7
S&P 500	6,051	-0.5
Nikkei 225	39,849	1.2
Euro Stoxx 50	4,966	0.1

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	73.4	-0.2
Natural gas Nymex (USD/MMBtu)	3.5	3.3
Gold Comex (USD/t oz.)	2,708.8	-1.4
Copper Comex (USD/lb)	422.4	-1.3
Wheat cbot (USD/bu.)	557.5	-0.4

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	84.87	0.0
GBP/ INR	107.46	-0.8
EUR/ INR	88.71	-0.4
EUR/USD	1.05	-0.4
DX Index	106.96	0.2

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: G-Sec Auction; China: New Loans Nov'24; Russia: GDP Q3CY24

News:

Domestic:**Consumer prices ease on-year in Nov'24 (Source: PIB):**

- CPI inflation eased to 5.48% y/y (expectations: 5.53%) in Nov'24, from the 14-month high of 6.21% in Oct'24, settling within the RBI's upper tolerance level
- Food and Beverages inflation eased to 8.2% y/y (Oct'24: 9.7%) as vegetable price inflation moderated to 29.3% from 42.0% rise in Oct'24. Notably, other categories like pulses, cereals, etc. also saw moderation
- Fuel and light inflation continued to remain negative at -1.8%
- Core CPI rose by 3.7% y/y in Nov'24 unchanged from the Oct'24 print

Union places demand for supplementary grants in Parliament (Source: NDTV Profit):

The Finance Ministry sought the approval of Parliament for a gross additional expenditure of Rs. 877.6 bn involving a net cash outgo of Rs 441.2 bn. The gross additional spending would be matched by savings of Rs 436.2 bn. Max fresh cash spending will for Agriculture Ministry (Rs. 76 bn) and fertiliser subsidies (Rs. 65 bn). No impact is expected on fiscal deficit.

Industrial production continues to rebound in Sep'24 (Source: PIB):

IIP rose by 3.5% y/y in Oct'24 (Sep'24: 3.1%), owing to 4.1% growth in manufacturing. Electricity and mining grew by 2.0% and 0.9% respectively. Notably, intermediate goods grew by 3.7% while consumer durables rose by 5.9% and infrastructure/construction goods by 4.0%. The index grew by 4.0% in 7MFY25 period (FY24: 7.0%)

RBI wary of Fintech companies' vehicle loan drive (Source: ET):

RBI has expressed concerns over fintech companies' aggressive lending practices, particularly to first-time buyers of used vehicles. These practices, including excessive top-up loans, are increasing borrower vulnerability and impacting lender balance sheets. The regulator has warned against high loan-to-value ratios and has taken action against some lenders for non-compliance.

Union plans to raise coal stocks as power demand likely to go up in FY26 (Source: BS):

As per media sources, coal ministry is planning to increase stocks in the beginning of FY25 to 50 mn tonnes, as power demand is expected to new highs. With an average daily demand of 272k tonnes, a stockpile of 50 mn tonne would be sufficient to run power plants for nearly 18 days.

Union may increase green bond target (Source: Mint):

As per media sources, Union may increase green bond target by 25% to Rs. 250-260 bn in FY26 to fund renewable energy projects. An announcement on the same is expected in upcoming budget.

International:**US PPI accelerate in Nov'24 (Source: Reuters):**

Producer prices in Nov'24 increased above expectations by 0.4% m/m, the largest gain since Jun'24, after an upwardly revised 0.3% gain in Oct'24. Goods, primarily eggs account for bulk of rise in PPI while small gain in services bode well for core PCE.

US-China trade war intensifies (Source: Bloomberg):

US Trade Representative's reviewed tariffs imposed on green imports during Mr. Trump's first administration, with rates for solar wafers and polysilicon due to double in Jan'25 to 50%, while those on certain tungsten products will rise from 0% to 25%. In response, China pledged to increase the budget deficit, issue more debt, and loosen monetary policy as it gears up for more trade tensions with US.

ECB continues monetary policy easing (Source: Reuters):

ECB cut its key policy rate by 4th time this year, by 25-bps to 3.15% and kept the door open to further easing ahead as inflation closes in on its goal and the economy remains weak

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Swiss national bank cuts key policy rate (Source: Reuters): Swiss National Bank cut its key rate by 50 bps to 0.5%, against expectations of a 25 bps reduction, amid an ongoing tussle with depressed inflation and a strong currency

Oil demand expected to accelerate in CY25 (Source: IEA): As per IEA Oil Market Report for Dec'24, oil demand is expected at 102.8 mbpd in line with previous forecasts and expected to expand to 103.9 mbpd in CY25 (previous estimate: 103.8). Further, total oil supply is on track to increase to 104.8 mbpd in CY25, even in the absence of unwinding of OPEC+ cuts.

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