

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.40	8
US 2Y*	4.24	5
Germany 10Y	2.25	5
UK 10Y	4.41	5
Japan 10Y	1.03	1

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)	6.77	-1
7.23% GS 2039	6.84	-2
1-Month T-bill	6.56	16
3-Month T-bill	6.45	2
6-Month T-bill	6.61	2
12-Month T-bill	6.57	2

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	91	70	72	45
AA	169	154	160	138
A	359	342	351	334

Source: FIMMDA, as on 12 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	162.6	6.68
Triparty Repo	3,759.5	6.65
Market Repo	1,587.8	6.44
Repo in corporate bond	12.4	6.87

Source: RBI, as of 13 Dec, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	82,133	1.0
NIFTY	24,768	0.9
NASDAQ	19,926	0.1
S&P 500	6,051	0.0
Nikkei 225	39,470	-1.0
Euro Stoxx 50	4,968	0.0

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	74.5	1.5
Natural gas Nymex (USD/MMBtu)	3.3	-5.5
Gold Comex (USD/t oz.)	2,648.2	-2.2
Copper Comex (USD/lb)	419.7	-0.6
Wheat cbot (USD/bu.)	552.3	-0.9

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	84.80	-0.1
GBP/ INR	107.03	-0.4
EUR/ INR	88.97	0.3
EUR/USD	1.05	0.4
DXI Index	106.95	0.0

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: WPI Nov'24, Trade Balance Nov'24; **China:** Industrial Production, Retail sales Nov'24

News:

Domestic:

PV sales show strength in Nov'24 (Source: SIAM): The demand momentum seen in Oct'24 during festive season continued as whole although 2W and 3W segments witnessed minor degrowth. PV sales grew 4.1% y/y to 348k units. 2W sales fell by 1.1% y/y, while 3W sales fell by 1.3% y/y.

Switzerland scraps MFN clause in tax treaty with India (Source: ET): Switzerland announced that it will suspend most favoured nation (MFN) clause in Double tax avoidance agreement with India. It is expected to rise the tax outgo on dividend income for Indian entities operating in European country. The suspension of MFN will be effective from 1 Jan'25.

Union likely to continue full budget funding for NHAI (Source: FE): Union likely to continue capex requirements of NHAI for next decade till it can withstand on the toll revenues. This is as per media sources.

SEBI chalks out multiple reforms in capital markets (Source: SEBI):

- SEBI introduced exemptions to requirement of maintaining pro-rata rights in investments and distribution of proceeds under AIF
- SEBI provided relaxation to issuers aiming to list their unlisted ISINs outstanding as of 31 Dec'23 to encourage listing
- SEBI notified changes to LODR in areas of RPTs, promoter reclassification, and secretarial audits. It includes extended timeline for certain disclosures and the disclosure of certain tax disputes

G-sec and VRR auctions concluded successfully (Source: RBI):

- 6.79% GS 2034 worth Rs. 220 bn were auctioned at a cut-off yield of 6.7543%. The New GOI SGRB 2054 worth Rs. 50 bn were auctioned at a cut-off yield of 6.98%. 7.09% GS 2074 worth Rs. 100 bn were auctioned at a cut-off yield of 7.0120%
- 14-day VRR worth Rs. 750 bn were conducted at a cut-off yield of 6.52%.

International:**China's economic indicators suggest a mixed picture (Source: Bloomberg, WSJ):**

- Industrial output rose by 5.4% y/y in Nov'24 from 5.3% in Oct'24 signalling tentative stabilisation due to recent stimulus measures
- Fixed asset investment increased by 3.3% y/y in 11MCY24 marginally lower than expected 3.4% y/y. It grew by 3.4% y/y in 10MCY24
- New loans issued by banks came in lower than expected in Nov'24. Lenders issued CNY 580 bn in Nov'24, up from CNY 500 bn in loans issued in Oct'24. Outstanding total social financing grew less than expected to CNY 2.34 trn in Nov'24 from CNY 1.4 trn in Oct'24
- Retail sales slowed down as it grew by 3% in Nov'24 lower than 4.8% rise in Oct'24 and projected 4.8% y/y rise
- China's new home prices dropped by 0.2% m/m while used home prices fell by 0.35% in Nov'24, slower than Oct'24

US Treasury Secretary does not rule out sanctions on Chinese banks (Source: Reuters): Ms. Yellen said that US is looking further sanctions on dark fleet tankers and will not rule out sanctions on Chinese banks as it seeks to reduce Russia's oil revenue and access to foreign supplies to fuel its war in Ukraine. She added US could consider lowering their USD 60/bbl oil price cap on Russian oil.

Japan's factory activity softens while service activity gains in Dec'24 (Source: S&P Global): Japan's factory activity shrank for the sixth straight month on lacklustre demand while the service sector extended gains in Dec'24. The Flash manufacturing PMI posted 49.5 in Dec'24 from 49.2 in Nov'24 while flash services PMI grew to 51.4 in Dec'24 from in Nov'24.

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