

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.63	6
US 2Y*	4.33	1
Germany 10Y	2.39	7
UK 10Y	4.63	7
Japan 10Y	1.09	2

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.75	1
6.79% GS 2034* (10Y)	6.78	0
7.23% GS 2039*	6.90	0
1-Month T-bill	6.69	5
3-Month T-bill	6.67	12
6-Month T-bill	6.69	0
12-Month T-bill	6.69	1

Source: CCL, Bloomberg, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	92	78	80	50
AA	170	164	170	146
A	363	355	362	341

Source: FIMMDA, as on 23 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	4.53

Source: RBI, Federal Reserve Bank of New York

## Money Market instruments:

Instrument	Volume (in Rs. bn)	Weighted Avg Rate (%)
Call Money	111.6	6.77
Triparty Repo	4,139.2	6.75
Market Repo	1,537.3	6.70
Repo in corporate bond	23.9	6.91

Source: RBI, as of 27 Dec, 2024

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	78,699	0.3
NIFTY	23,813	0.3
NASDAQ	19,722	-1.5
S&P 500	5,971	-1.1
Nikkei 225	40,281	1.8
Euro Stoxx 50	4,899	0.8

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	74.2	1.2
Natural gas Nymex (USD/MMBtu)	3.4	-9.1
Gold Comex (USD/t oz.)	2,631.9	-0.8
Copper Comex (USD/lb)	412.2	-0.4
Wheat cbot (USD/bu.)	546.5	1.0

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	85.54	0.3
GBP/ INR	107.39	0.6
EUR/ INR	88.94	0.5
EUR/USD	1.04	0.1
DX Index	108.01	-0.1

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

US: Pending Home Sales Nov'24; Japan: Manufacturing PMI Dec'24

## News:

Domestic:

**T-bill auction calendar published for Q4FY25 (Source: RBI):** Gross issuances in Q4FY25 are indicated at Rs. 3.94 trn (Q3FY25A: Rs.3.98 trn, Q4FY24A: Rs. 4.30 trn). The issuances will be implemented through weekly auctions of Rs. 120 bn of 91-day T-bills (Rs. 140 bn from 20 Feb'25), Rs. 80 bn of 182-day T-bills (Rs. 120 bn from 20 Feb'25), and Rs. 80 bn of 364-day T-bills (Rs. 70 bn from 20 Feb'25).

**Current account deficit moderates marginally in Q2FY25 (Source: RBI):**

- Current account deficit moderated marginally to USD 11.2 bn (1.2% of GDP) in Q2FY25 against USD 11.3 bn in Q2FY24
- Merchandise trade deficit was up 17% y/y to USD 75.3 bn, partially offset by net services rising to USD 44.5 bn on the back of rising exports of across major categories including software, business and travel services
- In the financial account, net FDI witnessed an outflow of USD 2.2 bn as against an outflow of USD 0.8 bn in Q2FY24. FPI recorded a net inflow of USD 19.9 bn, higher than USD 4.9 bn in Q2FY24
- Non-resident deposits almost doubled to USD 6.2 bn in Q2FY25, and ECB recorded net inflows of USD 5 bn against outflows in Q2FY24

**Rural-urban consumption gap narrowed in FY24 (Source: PIB):** Highlights of Household Consumption Expenditure Survey (HCES) FY24:

- Monthly Per Capita Expenditure (MPCE) increased to Rs. 4,122 in rural areas and Rs. 6,996 in urban areas, marking a growth of 9% y/y and 8%, respectively. Urban-rural gap in MPCE has declined by 1 pp to 70% in FY24
- Non-food items remain the major contributor to MPCE with 53% and 60% share in rural and urban areas, respectively. Conveyance, clothing, and durable goods have major share in non-food

**RBI allows UPI access for prepaid payment instruments via third-party applications (Source: ET):** RBI has permitted the use of UPI for prepaid payment instruments via third-party applications. This move allows full-KYC PPI holders to make or receive UPI payments through the mobile app of third-party UPI providers. PPI transactions will be authenticated using existing credentials and pre-approved before entering the UPI system.

**Mandate for imported coal power plants to run at full capacity extended (Source: BS):** The mandate to run at full capacity on imported coal-based power plants has been extended until 28 Feb'25, despite slower growth of coal-fired power output.

**G-Sec and VRR auctions conducted successfully (Source: RBI):**

- New GS 2031 worth Rs. 100 bn was auctioned at cut-off yield of 6.79%. 6.92% GS 2039 worth Rs. 120 bn was auctioned at a cut-off yield of 6.91%. 7.09% GS 2054 worth Rs. 100 bn was auctioned at cut-off yield of 7.06%
- 14-day VRR worth Rs. 1.28 trn (notified: Rs. 1.5 trn) was auctioned at cut-off rate of 6.51%. 4-day VRR worth Rs. 852 bn (notified: Rs. 1.25 trn) was auctioned at cut-off rate of 6.51%

International:

**China set to continue multi-pronged stimuli (Source: Xinhua):** PBoC Governor Mr. Pan called for an intensification of monetary policy adjustments given the high rates in China vis-à-vis global Central Banks. Meanwhile, the Central Government urged local governments to give out cash handouts for New Year to prop up demand.

**Softer deterioration in manufacturing conditions in Japan seen in Dec'24 (Source: S&P Global):** Manufacturing PMI recorded 49.6 in Dec'24, with a milder decrease in output, and new order volumes moving closer to stabilisation. Low demand from key export markets – China and US, prevailed

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Dec 30, 2024



## SBICAPS Daily Digest

**US Treasury Secy issues warning as US nears debt limit (Source: Bloomberg):** Ms. Yellen said that extra-ordinary measures, or special accounting manoeuvres intended to prevent from hitting the debt ceiling as early as 14 Jan'25 are required to avert US debt default. Further, she urges lawmakers to raise borrowing limit.

**ECB policymaker expect delay in further cuts (Source: BS):** Mr. Holzmann said that ECB is likely to delay next rate cut due to recent increase in inflation led by upward trend in energy prices, and risks brewing with potentially stronger devaluation of the EUR.

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