

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.53	-10
US 2Y*	4.24	-9
Germany 10Y	2.36	-3
UK 10Y	4.61	-2
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*	6.74	-1
6.79% GS 2034* (10Y)	6.77	-1
7.23% GS 2039*	6.88	-2
1-Month T-bill	6.68	-1
3-Month T-bill	6.54	-13
6-Month T-bill	6.63	-6
12-Month T-bill	6.62	-7

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	93	93	81	29
AA	171	179	171	120
A	364	370	363	315

Source: FIMMDA, as on 27 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	4.46

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	108.6	6.74
Triparty Repo	3,876.4	6.70
Market Repo	1,473.2	6.74
Repo in corporate bond	20.3	6.93

Source: RBI, as of 30 Dec, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	78,248	-0.6
NIFTY	23,645	-0.7
NASDAQ	19,487	-1.2
S&P 500	5,907	-1.1
Nikkei 225	39,895	-1.0
Euro Stoxx 50	4,869	-0.6

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	74.4	0.3
Natural gas Nymex (USD/MMBtu)	3.9	16.0
Gold Comex (USD/t oz.)	2,618.5	-0.5
Copper Comex (USD/lb)	408.9	-0.8
Wheat cbot (USD/bu.)	546.8	0.0

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	85.53	0.0
GBP/ INR	107.40	0.0
EUR/ INR	88.99	0.1
EUR/USD	1.04	-0.2
DXI Index	107.96	0.0

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: SGS Auction, Fiscal Deficit Nov'24; China: Official PMI Dec'24

News:

Domestic:

Financial system resilient, SCB exhibit strong profitability and declining NPAs (Source: RBI, ET, BS): As per RBI's FSR for Dec'24:

- Banks' GNPA declined further to 12-year low at 2.6% in Sep'24 (Mar'24: 2.8%), with NNPA remaining at 0.6%. Under stress conditions, GNPA could slip to 5.0%-5.3% by Mar'26
- Profitability during H1FY25 surged by 22.2% y/y leading the RoA and RoE to reach highs of 1.4% (Mar'24: 1.3%) and 14.1% (Mar'24: 13.8%), respectively
- CRAR and CET1 ratio stood at 16.7% and 14.0%, respectively. Banks remain resilient in the stress tests, with system level CRAR maintained at 14.3%-15.7% by Mar'26. No bank fell short of regulatory capital
- CRAR of NBFCs remained healthy at 26.1% (Mar'24: 26.6%) and GNPA improved to 3.4% as of Sep'24 from 4.0% in Mar'24

External debt crosses USD 700 bn: FinMin (Source: BS): External debt rose to USD 711.8 bn as of Sep'24, up 4.3% q/q and 11.7% y/y. The external debt to GDP ratio stood at 19.4% in Sep'24 (Jun'24: 18.8%), with USD denominated debt constituting 53% of the total, followed by 31% denominated in rupee.

Sown area for rabi crops up marginally in FY25 (Source: PIB): Area sown for rabi crops was marginally by 0.3 mn ha y/y to 61.5 mn ha in FY25, with maximum gains in area sown for wheat (up 0.7 to 32.0 mn ha), offset by lower area sown for oil seeds (down 0.5 mn ha to 9.6 mn ha), particularly rapeseed and mustard. Notably, area coverage for pulses remained flattish at 13.6 mn ha.

Union pushes for land availability for wind projects (Source: Mint): As per media sources, the Union has asked states to ease land availability for renewable energy projects with focus on wind power, citing industry concerns over the pace of progress. States are looking at consolidating unutilized government land for wind projects.

Draft guidelines on establishing EV charging infrastructure issued (Source: The Hindu Businessline): As per media sources, MHI has issued draft guidelines for setting up EV charging infrastructure under the PM E-DRIVE Scheme, envisaging installation of over 22,000 EV chargers for 4-wheelers and 1,800 chargers for e-buses, with provisions for charging infra for light EVs too. Additionally, higher subsidies and incentives to state governments are also outlined.

VRR auction conducted successfully (Source: RBI): 4-day VRR auction was conducted worth Rs. 832.4 bn (notified: Rs. 1.0 trn) at a cut-off rate of 6.51%.

International:

Chinese manufacturing remains expansionary in Dec'24 (Source: SCMP): Official manufacturing PMI eased to 50.1 in Dec'24 (Nov'24: 50.3, estimate: 50.3). Non-manufacturing PMI (which includes construction and services) recovered to 52.2 in Dec'24, striding well beyond estimates.

Saudi Arabia's FDI inflows drop significantly (Source: Bloomberg): Gross FDI flows plunged 21% y/y to USD 4.8 bn in Q3CY24. Sequentially, they were down 8% q/q. The tally brings inflows to USD 14.5 bn for 9MCY24, just half-way to reaching the government's target of USD 29 bn for CY24. To meet that goal, Saudi Arabia would need one of its biggest quarterly hauls ever for foreign investment.

US pending home sales hit 21-month high (Source: Reuters): Previously owned US home sales index advanced 2.2% m/m in Nov'24 to 79, against expectations of 0.9% up move (Oct'24: 1.8%), notching a 4th consecutive month of gains as buyers take advantage of improved inventory despite stubbornly high mortgage rates.

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