

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.59	5
US 2Y*	4.28	6
Germany 10Y	2.51	-1
UK 10Y	4.59	-7
Japan 10Y	1.18	1

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.68	-3
6.79% GS 2034* (10Y)	6.74	-2
7.23% GS 2039*	6.86	-3
1-Month T-bill	6.43	3
3-Month T-bill	6.58	1
6-Month T-bill	6.68	1
12-Month T-bill	6.69	0

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	90	81	39	83
AA	165	167	124	166
A	356	357	318	365

Source: FIMMDA, as on 20 Jan, 2025

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	4.29

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	136.0	6.58
Triparty Repo	3,978.5	6.58
Market Repo	1,518.5	6.60
Repo in corporate bond	17.6	6.73

Source: RBI, as of 21 Jan, 2025

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	75,838	-1.6
NIFTY	23,045	-1.3
NASDAQ	19,757	0.6
S&P 500	6,049	0.9
Nikkei 225	39,027	0.3
Euro Stoxx 50	5,166	0.0

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	79.2	-1.5
Natural gas Nymex (USD/MMBtu)	3.8	-1.3
Gold Comex (USD/t oz.)	2,763.0	0.8
Copper Comex (USD/lb)	431.8	0.5
Wheat cbot (USD/bu.)	555.3	1.0

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	86.59	0.0
GBP/ INR	106.74	0.6
EUR/ INR	90.03	0.4
EUR/USD	1.04	0.3
DXI Index	108.12	-0.2

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: T-Bill and VRR Auction; S. Africa: CPI Dec'24

News:

Domestic:

Banks planning to ask RBI to delay Apr'25 liquidity rule (Source: ET): As per media reports, some of India's largest lenders are planning to request concessions from the RBI Governor regarding proposed LCR regulations, arguing the rules could hamper efforts to boost lending. Lenders also plan to ask the RBI to consider the money already set aside for the cash reserve ratio as LCR, reducing the funds needed to meet the new requirement. The request will be made through CII.

SEBI plans pre-listing trading for public offers (Source: FE): Ms. Buch said that SEBI is working on regulated trading mechanism to curb grey market activity. It is planning to introduce 'when listed' facility on exchanges to where securities will be available for trading in three days post the closure of an IPO and prior to their listing.

Interest rate cut not enough to boost growth: Mr. Kumar (Source: ET): Mr. Kumar, MPC member argued that interest rate cut alone may not be sufficient to boost growth. He added growth rate recovery is complex phenomenon and requires combination of measures to drive momentum.

More energy supply from US is expected: Mr. Puri (Source: The Indian Express): Mr. Puri, Petroleum Minister said that there is potent possibility of more US oil and gas import in India. He added that it is willing to buy oil from anyone in the market. He commented on the backdrop of Mr. Trump asking for boosted US production.

Union disburses Rs. 16 bn in 6 PLI schemes in H1FY25 (Source: ET): Union has disbursed Rs. 16 bn under PLI schemes for 6 sectors. The maximum amount of Rs. 9.6 bn was under large scale electronics manufacturing followed by pharma (Rs. 6 bn), food products (Rs. 0.1 bn). Telecom, bulk drugs and drones saw disbursements of Rs. 90, 60 and 20 mn respectively.

SGS and VRR auctions conducted successfully (Source: RBI):

- SGS worth Rs. 175 bn were auctioned by 7 states with 10Y cut-off yields ranging between 7.10% - 7.14%.
- Overnight VRR worth Rs. 719 bn was auctioned, against a notified amount of Rs. 1.5 trn, at a cut-off rate of 6.51%.

International:

US provides clues as to new tariff regime, announces AI investments (Source: CNBC, CNN): Mr. Trump said a 10% duty on China could take effect from 1 Feb'25. He reiterated that his team was talking about a tariff of approximately 25% on Mexico and Canada. Further, he warned that he would impose tariffs on EU to straighten out the trade balance. Separately, POTUS announced USD 500 bn in private sector AI investments through a company created called Stargate.

China does not pursue trade surplus: Vice Premier (Source: Reuters): Mr. Ding said that China is not seeking a trade surplus and is willing to import more competitive and quality products to balance trade. He warned against the rising protectionism and challenges posed by possible US tariff hikes.

China's non-financial outbound direct investment rises in CY24 (Source: Reuters): China's non-financial outbound direct investment rose 10.5% y/y to USD 143.9 bn in CY24. In CY23 non-financial outbound direct investment was at USD 130.8 bn.

ECB official expects rate cuts in each meeting (Source: Bloomberg): Mr. de Galhau said that it is possible that ECB may lower interest rate at each of its upcoming meetings. He also added that inflation task is on track despite US trade tariff threats.

German economic sentiment index declines in Jan'25 (Source: FXStreet): The headline German ZEW Economic Sentiment Index declined to 10.3 in Jan'25 from 15.7 in Dec'24, missing the market consensus of 15.3.

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