SBICAPS Daily Digest



Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.60	1
US 2Y*	4.29	1
Germany 10Y	2.53	2
UK 10Y	4.63	4
Japan 10Y	1.19	1

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.67	-1
6.79% GS 2034* (10Y)	6.72	-1
7.23% GS 2039*	6.84	-2
1-Month T-bill	6.40	-3
3-Month T-bill	6.60	2
6-Month T-bill	6.69	1
12-Month T-bill	6.67	-2

Source: CCIL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	110	47	39	69
AA	185	133	124	152
Α	376	323	318	351

Source: FIMMDA, as on 21 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.	Weighted Avg
	Bn)	Rate (%)
Call Money	114.9	6.56
Triparty Repo	3,652.8	6.59
Market Repo	1,610.6	6.66
Repo in corporate bond	18.6	6.89

Source: RBI, as of 22 Jan, 2025

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	76,404	0.7
NIFTY	23,155	0.5
NASDAQ	20,009	1.3
S&P 500	6,086	0.6
Nikkei 225	39,646	1.6
Euro Stoxx 50	5,206	0.8

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	78.8	-0.5
Natural gas Nymex (USD/MMBtu)	4.0	5.6
Gold Comex (USD/t oz.)	2,752.6	-0.4
Copper Comex (USD/lb)	426.5	-1.2
Wheat cbot (USD/bu.)	553.8	-0.3

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	86.33	-0.3
GBP/ INR	106.45	-0.3
EUR/ INR	89.89	-0.2
EUR/USD	1.04	-0.1
DXY Index	108.30	0.2

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: VRR Auction; US: Initial Jobless Claims; Japan: Trade Balance Dec'24; Policy Rate: Turkey, Norway; S. Korea: GDP CY24

News:

Domestic:

Union evaluates measures to counter potential US tariffs (Source: BS): According to media sources, Union officials are considering measures to narrow trade surplus with US, due to threat of potential tariffs, including trade deals, cutting tariffs and importing more goods like whiskey, steel and oil from the US.

RBI MPC member moots two inflation measures for policy making (Source: ET): Mr. Kumar advocated for two inflation rates, one including food and one excluding, so that relevant rate can be used in policy making, as food prices are prone to bouts of volatility owing to seasonal demand.

Air passenger traffic ends CY24 with robust growth (Source: Deccan Herrald): Domestic air passenger traffic grew 8.2% y/y in Dec'24 to 14.9 mn, driven by festive season travel. Notably, air passenger traffic grew 6.1% y/y to 161.3 mn in CY24, lower than 23.4% y/y in CY23 as pandemic base effects died down.

PE/VC investments slowly turn a corner in CY24 (Source: ET): According to media sources, domestic PE/VC investments grew 5% y/y in CY24 to USD 56 bn, after falling for 2 successive years, driven by ~3.5x surge in credit deals to USD 10.8 bn. Notably, real estate and infrastructure investments had a marginal fall of 3% y/y.

SEBI proposes small ticket SIPs to boost mutual fund penetration (Source: SEBI): In a consultation paper, SEBI has proposed Rs. 250 small ticket SIPs, with discounted rates offered by intermediaries restricted to 3 SIPs, to expand financial inclusion. Further, the SIPs are restricted to individuals without any other SIPs or lumpsum investments, under the growth option only, through NACH or UPI auto pay mode.

VRR and T-Bill auctions conducted successfully (Source: RBI):

- 91-day T-bill worth Rs. 195 bn were auctioned (notified amount: Rs. 120 bn), at cut-off rate of 6.6089%. 182-day T-bill worth Rs. 90 bn were auctioned (notified amount: Rs. 80 bn), at cut-off rate of 6.7068%. 364-day T-bill worth Rs. 90 bn were auctioned (notified amount: Rs. 80 bn), at cut-off rate of 6.6789%.
- 1-day VRR worth Rs. 1.25 trn were auctioned, with bids worth Rs. 1.72 trn, at a cut-off rate of 6.51%

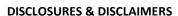
International:

China introduces policies to boost financial sector (Source: Reuters): Chinese financial regulators have directed state-owned insurers and commercial insurance funds to raise the size and proportion of their investments in Chinese stocks listed on the mainland. Separately, China has allowed foreign financial institutions to offer new type of financial services not yet available in China in some free trade zones.

Saudi Arabia intends to expand investments and trade with US (Source: Reuters): According to media sources, Saudi Arabia plans to put USD 600 bn into expanded investments and trade with US over next 4 years, citing benefits from the unprecedented economic prosperity envisaged under POTUS Mr. Trump.

S. Korean GDP growth lacklustre in CY24 (Source: WSJ): S. Korean economy expanded by 2.0% y/y in CY24, 0.2pp below the Bank of Korea's forecast made in Nov'24. This is attributable to slow growth in Q4CY24 (1.2% y/y) owing to political turmoil crushing private and government consumption.

Japan's trade shows a surprise surplus in Dec'24 (Source: WSJ): Japan's exports rose 2.8% y/y in Dec'24 (Exp: 2.3% y/y), while imports grew 1.8% y/y (Exp: 2.6% y/y), taking the trade surplus to JPY 131 bn, significantly higher than expectations of JPY 53 bn deficit.





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