

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.63	3
US 2Y*	4.26	-3
Germany 10Y	2.55	2
UK 10Y	4.63	0
Japan 10Y	1.20	1

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.67	0
6.79% GS 2034* (10Y)	6.73	1
7.23% GS 2039*	6.85	1
1-Month T-bill	6.49	9
3-Month T-bill	6.59	-1
6-Month T-bill	6.67	-2
12-Month T-bill	6.61	-6

Source: CCL, Bloomberg, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	93	79	38	68
AA	168	165	123	151
A	359	355	317	350

Source: FIMMDA, as on 22 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	4.30

Source: RBI, Federal Reserve Bank of New York

## Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	107.2	6.57
Triparty Repo	3,818.7	6.54
Market Repo	1,494.7	6.61
Repo in corporate bond	11.6	6.91

Source: RBI, as of 23 Jan, 2025

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	76,520	0.2
NIFTY	23,205	0.2
NASDAQ	20,054	0.2
S&P 500	6,119	0.5
Nikkei 225	39,959	0.8
Euro Stoxx 50	5,217	0.2

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	78.1	-0.9
Natural gas Nymex (USD/MMBtu)	3.9	-0.8
Gold Comex (USD/t oz.)	2,771.1	0.7
Copper Comex (USD/lb)	436.1	2.3
Wheat cbot (USD/bu.)	549.3	-0.8

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	86.47	0.2
GBP/ INR	106.96	0.5
EUR/ INR	90.11	0.2
EUR/USD	1.04	0.3
DX Index	107.98	-0.3

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

**India:** VRR Auction, G-sec Auction; **Japan:** Policy Rate, CPI Dec'24; **Flash PMI Jan'25:** India, US, Eurozone

## News:

Domestic:

**SEBI to ease rules for GIFT city transactions (Source: BS):** As per media sources, SEBI is set to ease norms for merchant bankers to establish in GIFT city. It plans to waive certain approval requirements for domestic merchant banks to facilitate their entry into the financial hub such as NOC requirements. It is expected to issue revised registration process and guidelines shortly.

**India to overcome trade policy impact (Source: BS):** Mr. Vaishnav, Union Minister said that India will overcome any negative impacts from shifts in global trade under newly elected POTUS. He added that trust will outweigh any of the negative impacts. On growth front he claimed reasonable high government capital spending along with revival of private investment will boost growth.

**Indian companies at better place despite fall in INR: Moody's (Source: ET):** Companies with strong cash flow and credit profiles will remain resilient despite 5% decline in INR against USD. Companies which may face risks have mitigating factors like natural hedge, government ties, and active debt management for offsets.

**G-Sec buyback conducted successfully (Source: RBI):** 5.22% GS 2025 worth Rs. 59.9 bn, 5.15% GS 2025 worth Rs. 17.5 bn, 7.72% GS 2025 worth 13.5 bn and 8.20% GS 2025 worth 5.8 was bought back as against an aggregate offered and notified amount of Rs. 233 bn and Rs. 200 bn, respectively.

**VRR auctions conducted successfully (Source: RBI):**

- 1-day VRR worth Rs. 1.25 trn were auctioned, with bids worth Rs. 1.69 trn, at a cut-off rate of 6.52%
- 1-day VRR worth Rs. 207 bn were auctioned against notified amount of Rs. 500 bn, at a cut-off rate of 6.51%

International:

**Mr. Trump outlines policy initiatives in speech at WEF, Davos (Source: Bloomberg):** Highlights:

- US Fed must cut interest rates immediately. He added that they should drop all over the world in unison
- Oil producers are keeping prices too high. He said the US has the largest amount of oil and gas in the world and would use it
- US to become a manufacturing superpower (Make in US initiative) and the world capital of AI and crypto
- European regulators are too tough on US tech companies. He also accused EU of treating the US unfairly and threatened tariffs

**Japan raises interest rate as expected (Source: BoJ):** The BoJ raised the uncollateralised overnight call rate to around 0.5% from around 0.25% previously by an 8-1 vote. This is even as the forecast for real GDP for FY24 (ending Mar'25) was downgraded from 0.6% y/y to 0.5% y/y, with no changes being made for two subsequent fiscals. Forecasts for CPI (less fresh food) was raised sharply by 0.2pp in FY24 to 2.7% y/y and 0.5pp in FY25 to 2.4%. Reference core core CPI is not expected to reach the target even by FY26.

**Japan inflation rises as expected in Dec'24 (Source: Reuters):** Japan's CPI rose by 3.96% y/y in Dec'24 (Nov'24: 2.9% y/y), driven by services-sector inflation. Notably, core inflation's rose by 3.0% y/y in Dec'24 as expected to hit 16-month high.

**China willing to promote stable relations with US (Source: Xinhua):** China Said that it is willing to work with US to promote stable, healthy and sustainable economic and trade relation. It expressed that tariff measures are not conducive to interest of both countries.

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**Global Central Banks at different stages of cut cycle (Source: Reuters):**

- Turkey's cut its benchmark interest rate for second consecutive time as it reduced 1-week repo rate to 45% from 47.5%
- Norway's Central Bank held its policy rate unchanged at 17 years high of 4.5% as inflation though declined remained above target
- Singapore eased monetary policy for first time since CY20 by slightly reducing the slope of its exchange rate policy band

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