

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.62	-1
US 2Y*	4.27	1
Germany 10Y	2.57	2
UK 10Y	4.63	0
Japan 10Y	1.21	1

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.66	-1
6.79% GS 2034* (10Y)	6.72	-1
7.23% GS 2039*	6.83	-2
1-Month T-bill	6.48	-1
3-Month T-bill	6.58	-1
6-Month T-bill	6.66	-1
12-Month T-bill	6.60	-1

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	89	89	33	64
AA	164	175	118	147
A	355	365	312	346

Source: FIMMDA, as on 23 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	4.35

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	115.7	6.57
Triparty Repo	3,811.9	6.58
Market Repo	1,538.6	6.61
Repo in corporate bond	18.2	6.86

Source: RBI, as of 24 Jan, 2025

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	76,190	-0.4
NIFTY	23,092	-0.5
NASDAQ	19,954	-0.5
S&P 500	6,101	-0.3
Nikkei 225	39,932	-0.1
Euro Stoxx 50	5,219	0.0

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	78.5	0.5
Natural gas Nymex (USD/MMBtu)	4.0	2.3
Gold Comex (USD/t oz.)	2,770.6	0.0
Copper Comex (USD/lb)	432.1	-0.9
Wheat cbot (USD/bu.)	544.0	-1.0

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	86.21	-0.3
GBP/ INR	107.52	0.5
EUR/ INR	90.41	0.3
EUR/USD	1.05	0.6
DXI Index	107.47	-0.5

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: VRR Auctions; **China:** Industrial Profits Dec'24, Official PMI Jan'25; **US:** New Home Sales Dec'24, Building Permits Dec'24

News:

Domestic:

RBI directs banks to assess impact of new LCR norms (Source: BS): As per media sources, RBI has requested commercial banks to provide the details regarding potential impact on them due to proposed changes in LCR. Banks may need to purchase Rs. 4-6 trn worth of government securities to comply with new LCR norms.

Union notifies United Pension Scheme (Source: Mint): This is for government employees and is effective from 1 Apr'25. Existing Union government employees can choose to either take the UPS option under the NPS or continue without the UPS option.

ATF likely to be included in GST ambit: Mr. Puri (Source: The Hindu Businessline): The MOPNG Minister said that ATF is likely to be brought under GST soon. He further stated that natural gas is also under consideration for inclusion.

India showcases growth vision at Davos (Source: The Hindu): It secured USD 240 bn worth of investment commitments focused on green energy, cutting edge technology and data centres. Maharashtra grabbed highest commitments worth USD 188 bn followed by USD 21.5 bn worth commitments for Telangana

PLI scheme in works for telecom sector (Source: BS): As per media sources, the Union is planning to introduce a PLI scheme for non-electronic components used in manufacturing of key telecom products. Union has proposed two alternatives for linking incentives for localisation roadmap one of which expects 30% localisation of electromechanical, plastic and optical components in second year

India and Indonesia decide to boost defence and trade ties (Source: The Tribune): India and Indonesia decided to work jointly in defence manufacturing and supply chain. They promised to diversify trade basket and boost maritime security ties. They also decided to further strengthen cooperation in areas such as FinTech, AI, IoT and digital public infrastructure.

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

- 6.79% GS 2034 worth Rs. 220 bn were auctioned at a cut-off rate of 6.7270%. 7.09% GS 2074 worth Rs. 100 bn were auctioned at a cut-off rate of 7.0266%
- 3-day VRR auction worth Rs. 2 trn was conducted, seeing bids worth Rs. 2.23 trn, at a cut-off rate of 6.52%
- 14-day VRR worth Rs. 1.62 trn were auctioned against notified amount of Rs. 1.75 trn, at a cut-off rate of 6.51%

International:**Chinese indicators show mixed impact of stimuli (Source: CNBC, Reuters):**

- Chinese manufacturing activity unexpectedly shrank in Jan'25 as PMI fell to 49.1. Non-manufacturing PMI slid to 50.2 (Dec'24: 52.2)
- China's industrial profits grew by 11% y/y in Dec'24 following a drop of 7.3% in Nov'24. For whole CY24 earnings at industrial firms dropped 3.3% y/y compared to 3.3% decline in CY23
- China failed to meet its spending target for CY24 as total augmented spending was 5% less than budgeted target at USD 5.3 trn.

Colombia caves in to US tariff pressure (Source: BBC, Tol): In response to Colombia refusal to accept deportation flights from US, the POTUS had implemented punitive 25% tariff on all Colombia goods entering US with tariff set to double within week. Colombia relented and offered planes for migrant repatriations. Further Colombia too has promised tariffs of 25%, later escalated to 50%.

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Global manufacturing activity rebounds while services slow (Source: S&P Global):

- US flash composite PMI contracted to 52.4 in Jan'24, with moderate growth in service activity while manufacturing saw return to growth
- Eurozone composite PMI expanded to 50.2 in Jan'24 as service activity saw moderation at 51.4, while manufacturing PMI posted 8M high of 46.1

Global steel output down a tad in CY24 (Source: The Hindu Businessline): Global steel production dropped marginally by 0.8% y/y to 1882.6 mn tonnes in CY24 from 1897.9 in CY23. China saw its output drop 1.7% y/y to 1022.5 mn tonnes whereas India's production rose by 6.3% y/y to 149.6 mn tonnes in CY24

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Details of Research Analysts

Name	Rajan Jain	Name	Soham Bobde
Qualification	PGDBA	Qualification	MBA
Designation	Head- Credit Research	Designation	Associate

Details of Research Analyst entity

Name	SBI Capital Markets Limited
Registration Number	INH000007429
Address	15th floor, A & B Wing, Parinee Crescenzo Building, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400 051
Telephone Number	+91 22 4196 8300
Compliance Officer	Bhaskar Chakraborty
Email id	compliance.officer@sbicaps.com
Telephone Number	+91 22 4196 8542

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