

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.55	-7
US 2Y*	4.21	-6
Germany 10Y	2.53	-4
UK 10Y	4.58	-5
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*	6.61	-5
6.79% GS 2034* (10Y)	6.68	-4
7.23% GS 2039*	6.80	-3
1-Month T-bill	6.42	-6
3-Month T-bill	6.56	-2
6-Month T-bill	6.67	1
12-Month T-bill	6.65	5

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	94	54	41	69
AA	169	139	126	152
A	360	329	320	351

Source: FIMMDA, as on 24 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	4.34

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	122.1	6.57
Triparty Repo	3,828.1	6.53
Market Repo	1,518.7	6.60
Repo in corporate bond	17.5	6.80

Source: RBI, as of 27 Jan, 2025

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	75,366	-1.1
NIFTY	22,829	-1.1
NASDAQ	19,342	-3.1
S&P 500	6,012	-1.5
Nikkei 225	39,566	-0.9
Euro Stoxx 50	5,188	-0.6

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	77.2	-1.6
Natural gas Nymex (USD/MMBtu)	3.7	-7.9
Gold Comex (USD/t oz.)	2,771.7	0.0
Copper Comex (USD/lb)	426.3	-1.4
Wheat cbot (USD/bu.)	536.0	-1.5

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	86.34	0.2
GBP/ INR	107.58	0.1
EUR/ INR	90.16	-0.3
EUR/USD	1.04	-0.6
DXI Index	107.85	0.4

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: SGS Auction, VRR Auction; US: Durable Goods Orders Dec'24

News:

Domestic:

RBI moves to ease liquidity conditions (Source: RBI): RBI has proposed a host of measures for this purpose. The operations include OMO purchase auctions of Rs. 600 bn in three tranches (30 Jan'25, 13 Feb'25, and 20 Feb'25), a 56-day VRR auction for Rs. 500 bn on 7 Feb'25, and a USD-INR Buy-Sell Swap auction of USD 5 bn on 31 Jan'25.

Union may double tax rebate for scrapping vehicle (Source: ET): MoRTH has proposed doubling the motor vehicle tax rebate for scrapping older vehicles as it aims to reduce vehicular pollution. Buyers scrapping BS-II or older vehicles can receive up to a 50% discount when purchasing new vehicles.

Area sown under rabi crops rises by 1.8% y/y (Source: PIB): Total farm area sown under rabi crops crossed 65.6 mn hectares from 64.4 mn hectares in FY24. The area sown under wheat has shot up by 2.8% y/y to 324.4 mn hectares while under pulses has increased 2.3% y/y to 142.5 mn hectares.

Union shifts strategy for PSUs (Source: BS): As per media sources, Union has shifted its strategy from reducing role of state in business by divestment to pouring investments in PSUs. It is planning to invest USD 1.5 bn as rescue package for two PSUs. It has also decided to put in abeyance privatisation of 9 PSUs.

States remain on the slow track in capex (Source: The Hindu Businessline): 7 of the 10 largest States have spent less than 50% of FY25BE in 9M, with Andhra Pradesh, West Bengal, Maharashtra, Gujarat, and UP being laggards. Telangana (76% of FY25BE) and Madhya Pradesh (65% of FY25BE) are the leaders in top 10 States. 5 of the top 10 States have lower capex in 9MFY25 on year.

Thermal power capacity addition may fall below target of 15 GW in FY25 (Source: ET): As per media sources, thermal power capacity addition is likely to fall to 8 GW from targeted 15 GW due to delay in project commissioning. The delays have been attributed to issues in land acquisition, balance of plant work, and supply of materials.

VRR auction conducted successfully (Source: RBI): 1-day VRR worth Rs. 1.94 trn were auctioned against notified amount of Rs. 2 trn, at a cut-off rate of 6.51%

International:

US government remains gung-ho on tariffs (Source: ET): US Treasury Secretary Mr. Bessent asked for new universal tariffs on US imports to start at 2.5%, with a similar rise each month. POTUS Mr. Trump said he wants the universal tariff at a much higher rate, and emphasised that tariffs will be placed on steel, aluminium, and copper.

White House pauses all federal grants and loans (Source: Washington Post): As per media sources quoting an internal memo, the White House will temporarily pause all activities related to obligations or disbursement of all Federal financial assistance to carry out a comprehensive analysis to ensure policy is consistent with Mr. Trump's policies.

US new home sales beat expectations in Dec'24 (Source: Bloomberg): New home sales surged by 3.6% m/m in Dec'24 to 698k above expectations as customers took advantage of incentives from builders. The median sales price of new homes sold was rose 6.2% m/m at USD 427k even as inventory hit a 17-year high.

China to accept return of illegal Chinese migrants (Source: Bloomberg): China pledged to accept the return of undocumented Chinese citizens in US, after POTUS's threats to hit Colombia with a tariff of up to 50%.

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