

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.53	-1
US 2Y*	4.22	0
Germany 10Y	2.52	-6
UK 10Y	4.56	-6
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*	6.62	0
6.79% GS 2034* (10Y)	6.68	-1
7.23% GS 2039*	6.81	-1
1-Month T-bill	6.42	3
3-Month T-bill	6.55	0
6-Month T-bill	6.61	-4
12-Month T-bill	6.60	-3

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	98	55	24	65
AA	173	141	109	148
A	364	331	303	347

Source: FIMMDA, as on 29 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	149.4	6.58
Triparty Repo	3,857.7	6.55
Market Repo	1,430.7	6.59
Repo in corporate bond	19.1	6.76

Source: RBI, as of 30 Jan, 2025

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	76,760	0.3
NIFTY	23,250	0.4
NASDAQ	19,681	0.2
S&P 500	6,071	0.5
Nikkei 225	39,514	0.3
Euro Stoxx 50	5,282	1.0

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	77.3	0.8
Natural gas Nymex (USD/MMBtu)	3.1	-12.4
Gold Comex (USD/t oz.)	2,848.7	1.9
Copper Comex (USD/lb)	430.9	0.4
Wheat cbot (USD/bu.)	562.8	0.0

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	86.63	0.1
GBP/ INR	107.65	-0.2
EUR/ INR	89.97	-0.2
EUR/USD	1.04	-0.3
DX Index	108.09	0.2

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: Economic Survey, Fiscal Balance 9MFY25, G-Sec, VRR Auction, Eight Core Index Dec'24; **US:** PCE Dec'24

News:

Domestic:

Union envisages steady GDP growth in FY26 driven by policy push (Source: Mint): According to media sources, Union has pegged real GDP growth at 6.5% - 7% for FY26, driven by policy push, citing the upcoming Union Budget FY26 which is expected to include fiscal incentives to boost consumption, support for MSME sector and measures for middle class, young people and women.

Union unveils plan and support for domestic AI models (Source: ET): Union Minister Mr. Vaishnav announced that 18.7k GPUs have been empanelled, which will be used for creating AI models, distillation and developing new algorithms. He launched a framework for developing foundational models for AI in the Indian context and envisages the model to be ready in the next 4 – 8 months.

ARCs expected to display improved recovery rates (Source: BS): According to CRISIL, ARCs are likely to see cumulative recovery rates of security receipts to rise ~20pp in FY25 to 65% - 70% and by 15 pp in FY26 to 75% – 80% due to healthy recoveries from infrastructure sectors like thermal power and roads and increase in debt restructuring due to deterrence from IBC.

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

- Under OMO, RBI purchased securities worth Rs. 200 bn against notified amount of Rs. 200 bn. 7.18% GS 2033 worth Rs. 44 bn was purchased at cut-off yield of 6.7764%, 7.10% GS 2034 worth Rs. 41 bn was purchased at 6.7448%, 6.79% GS 2034 worth Rs. 50 bn was purchased at 6.6747% and 7.18% GS 2037 worth Rs. 65 bn was purchased at 6.8521%.
- 1-day VRR worth Rs. 1.2 trn was auctioned, against a notified amount of Rs. 1.5 trn, at cut-off yield of 6.51%.

International:

US real GDP momentum ends CY24 on a slower note (Source: US BEA): US real GDP grew 2.5% y/y in Q4CY24, lower than 2.7% y/y in Q3CY24, due to slowdown in investment activity, offset by strong consumer spending and stable government spending. Notably, durable goods rose 5.7% y/y in Q4CY24 (Q3CY24: 3.5% y/y) while non-residential investments rose only 2.5% y/y in Q4CY24 (Q3CY24: 4.1% y/y). For CY24, real GDP rose by 2.8% y/y (CY23: 2.9%).

POTUS doubles down on tariffs on neighbours, considers scope (Source: Reuters): Mr. Trump has reiterated his intentions of imposing 25% tariffs on neighbouring Canada and Mexico starting 1 Feb'24, while admitting that the decision on whether to include oil or not is yet to be made. Further, China could face a 10% duty.

ECB cuts rates amidst concerns of slowing economic growth (Source: CNBC): ECB cut its policy rate by 25 bps to 2.75%, its 5th since Jun'24, in line with market expectations, despite reaccelerating inflation as economic growth remains sluggish. Chair Ms. Lagarde interjected that economy is set to remain weak in the near term, while hinting at further cuts and sticking to easing path.

Eurozone GDP rises at a stable rate in Q4CY24 (Source: Europa, CNBC): Eurozone GDP grew by 0.9% y/y in Q4CY24, same as Q3FY24, tad below expectations of 1% y/y. Notably, Spain's GDP grew 3.5% y/y in Q4CY24, France grew 0.7% y/y, offset by 0.2% y/y fall in Germany's GDP. For CY24, GDP increased by 0.7% y/y in the euro area.

BoJ Deputy Governor envisages path for rate hikes (Source: Reuters): Mr. Himino exclaimed that BoJ could raise rates and adjust degree of monetary support if the economic and price forecasts are achieved. He expects rising wages to lead to increased consumption leading to moderate inflation.

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South Africa cuts policy rates with hawkish undertones (Source: Reuters): South Africa cut its policy rates by 25 bps, 3rd time in a row, to 7.5%, expressing concerns over global uncertainty amidst looming trade wars.

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