

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.50	1
US 2Y*	4.27	-2
Germany 10Y	2.36	-1
UK 10Y	4.46	-1
Japan 10Y	1.31	2

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.64	1
6.79% GS 2034* (10Y)	6.71	1
6.92% GS 2039*	6.86	1
1-Month T-bill	6.26	1
3-Month T-bill	6.41	1
6-Month T-bill	6.52	0
12-Month T-bill	6.52	0

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	86	81	87	74
AA	169	167	172	158
A	363	357	365	356

Source: FIMMDA, as on 07 Feb, 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	128.8	6.32
Triparty Repo	3,806.9	6.25
Market Repo	1,711.4	6.35
Repo in corporate bond	18.0	6.53

Source: RBI, as of 10 Feb, 2025

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	77,312	-0.7
NIFTY	23,382	-0.8
NASDAQ	19,714	1.0
S&P 500	6,066	0.7
Nikkei 225	38,801	0.0
Euro Stoxx 50	5,358	0.6

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	76.0	1.7
Natural gas Nymex (USD/MMBtu)	3.4	3.9
Gold Comex (USD/t oz.)	2,945.2	2.0
Copper Comex (USD/lb)	466.4	1.6
Wheat cbot (USD/bu.)	577.8	-0.9

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	87.48	0.1
GBP/ INR	108.13	-0.4
EUR/ INR	90.06	-0.4
EUR/USD	1.03	-0.3
DX Index	108.42	0.3

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: VRR, SGS Auctions; **Global:** EIA Report, WASDE Report; **China:** New Yuan Loans, Total Social Financing Jan'25

News:

Domestic:

RBI intensifies OMO purchases to prop up systemic liquidity (Source: CNBC-TV 18): RBI plans to purchase Rs. 400 bn worth of G-Sec on 13th Feb'25, against an earlier notified amount of Rs. 200 bn, to address core liquidity deficit, in conjunction with fine tuning operations like VRR, to provide sufficient liquidity for monetary policy transmission.

Union releases interest free loans to States (Source: ET): The Union has approved interest-free capex loans worth Rs. 1.22 trn to States in 10MFY25, of which, Rs. 1.11 trn has been released, at ~75% of FY25RE. Top beneficiaries include Bihar (Rs. 115 bn), Uttar Pradesh (Rs. 108 bn), Madhya Pradesh (Rs. 102 bn), and West Bengal (Rs. 98 bn).

Union finalising laws for taxing MNC profits (Source: Mint): According to media sources, the Union is set to issue new rules to determine profit attribution of MNCs' India operations to reduce litigation and bring clarity to taxation, on the back of US's withdrawal from global tax deal.

US official warns India on tariffs, Union official remains unfazed (Source: Reuters, BS): US Economic Adviser Mr. Hassett lashed out against high tariffs imposed by India, threatening reciprocal tariffs. India's Steel Secretary interjected that US announcement to impose tariffs on steel will not impact domestic steel manufacturers, since export to US is small and the domestic market remains strong.

VRR auction conducted successfully (Source: RBI): 1-day VRR worth Rs. 2.01 trn were auctioned, against a notified amount of Rs. 2.25 trn, at a cut-off yield of 6.26%.

International:

Global leaders weigh in on tariff war (Source: Reuters, Bloomberg, WSJ):

- The US clarified that there shall be no exceptions to the high tariffs imposed on select base metals. At the same time, media sources suggested that Australia may get an exemption
- German Economy Minister Mr. Habeck said the EU is prepared for a unified response. ECB's Ms. Lagarde averred that trade war brings in great risks to global growth and inflation, while Mr. de Guindos argued that risks to global growth outweigh those on inflation
- According to media sources, Chinese policymakers are shortlisting US technology companies that can be targeted with antitrust probes and other tools which can allegedly be used in possible trade negotiations.

Chinese policymakers pledge increased emphasis on boosting consumption (Source: Reuters): According to media sources, China's cabinet ministers have pledged to vigorously boost consumption and stimulate demand including increased support for trade-in programs, ensuring reasonable wage growth, stabilize foreign investments and better meet household consumption needs.

France unveils plans of AI development (Source: BS): France's President Mr. Macron announced that private investments worth USD 112.5 bn will be directed towards AI development in France, with significant portion of proceeds going into data centers.

Cold weather heats up European natural gas prices (Source: Financial Post): Benchmark front-month gas futures closed at EUR 58/MWh, the highest settlement price since Feb'23. This is due to slightly colder weather and a loss of Russian gas transit via Ukraine, coupled with more windless days limited wind power output. The region's reserves are depleting rapidly and are now less than half full – lowest level for such a time in the season since CY22.

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