

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.54	4
US 2Y*	4.29	2
Germany 10Y	2.43	7
UK 10Y	4.51	5
Japan 10Y	1.31	0

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.64	0
6.79% GS 2034* (10Y)	6.70	-1
6.92% GS 2039*	6.85	-1
1-Month T-bill	6.25	-1
3-Month T-bill	6.40	-1
6-Month T-bill	6.51	-1
12-Month T-bill	6.54	2

Source: CCIL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	83	81	89	73
AA	166	167	174	157
A	360	357	367	355

Source: FIMMDA, as on 10 Feb, 2025

Key rates:

Policy	Rate (in %)
Repo rate	6.25
Standing Deposit Facility Rate	6.00
Bank rate	6.50
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	129.3	6.33
Triparty Repo	4,152.6	6.23
Market Repo	1,574.3	6.32
Repo in corporate bond	15.8	6.50

Source: RBI, as of 11 Feb, 2025

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	76,294	-1.3
NIFTY	23,072	-1.3
NASDAQ	19,644	-0.4
S&P 500	6,068	0.0
Nikkei 225	38,801	0.0
Euro Stoxx 50	5,391	0.6

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	76.8	1.1
Natural gas Nymex (USD/MMBtu)	3.5	2.0
Gold Comex (USD/t oz.)	2,920.3	-0.8
Copper Comex (USD/lb)	459.9	-1.4
Wheat cbot (USD/bu.)	577.5	0.0

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	86.83	-0.7
GBP/ INR	108.01	-0.1
EUR/ INR	89.84	-0.2
EUR/USD	1.04	0.7
DXI Index	107.96	-0.4

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: CPI Jan'25, IIP Dec'24, VRR Auction, West Bengal Budget; **US:** CPI Jan'25; **China:** New Loans Jan'25, Total Social Financing Jan'25

News:

Domestic:

Gross direct tax collections continue to register steady growth in FY25 (Source: PIB): Gross direct tax collections increased 19.1% y/y to Rs. 21.9 trn as of 10 Feb'25, with direct tax net of refunds growing 14.7% y/y to Rs. 17.8 trn. Notably, net growth in corporate income tax stands at 6.1% y/y and that in non-corporate tax stands at 20.8% y/y in same period while refunds worth Rs. 4.1 trn were issued.

GST cuts likely soon, rationalising of rates possible: FM (source: ET): Ms. Sitharaman emphasised it is borrowing resources for financing effective capital expenditure. She added there is no cut in transfer to states and Rs. 25 trn will be transferred in FY26. She highlighted that there has been a significant decrease in GST rates, decreasing from 15.8% in the previous tax system to 11.3% currently and a reduction in GST rates can be expected.

Union plans to cut tariffs to avoid US reciprocal duties (Source: BS): As per media sources, Union is considering cutting tariffs on over 30 products and boost US imports in defence and energy to avoid higher reciprocal duties.

Funding deals surge in volume but drop in value for Jan'25 (Source: The Hindu Businessline): The total number of deals in Jan'25 rose by 11% m/m to 217 deals, but the value of the deals saw a 42% m/m decline to USD 9 bn. M&As made up USD 5.4 bn, PE deals accounted for USD 2.1 bn, USD 1 bn was raised from 12 IPOs and USD 500 mn from 7 QIPs.

Thermal coal imports to fall for second consecutive year (Source: ET): Thermal coal imports are expected to fall for second straight year in CY25 due to decreasing dependence on coal for power generation. Imports declined by 2% y/y to 173 mn tonnes in CY24 and are expected to further decline by 8 to 10% in CY25.

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

- SGS worth Rs. 183.2 bn were auctioned by 9 states. Notably, 10Y yields ranged between 7.09% - 7.16%.
- 1-day VRR worth Rs. 2 trn were auctioned at a cut-off yield of 6.26%

International:**US Fed officials circumspect on interest rate cuts (Source: Reuters)**

- Chair Mr. Powell said that it is not in hurry to lower rates as he wants to make more progress on inflation. He also added implementation of tariffs are likely to remain a key focus
- Mr. Williams said that policy is in place to achieve maximum employment and price stability to get inflation back to target
- Ms. Hammack commented that policy is now moderately restrictive and risk to inflation skewed to the upside and Fed is likely to hold rates steady

Japan requests US to exclude from tariffs (Source: Reuters): Japan has requested US to exempt it from steel and aluminium imports after POTUS mentioned that it will consider exemption of Australia due to its trade deficit with US.

China car sales witness biggest drop in a year (Source: Reuters): China's car sales fell 12% y/y in Jan'25, the first decline since Sep'24 and the biggest drop in almost a year. Whereas Sales of electric vehicles and plug-in hybrids, grew 10.5% y/y to make up 41.2% of total sales.

World grain output for CY25 revised downwards further (Source: USDA): As per Feb'25 WASDE, world grains output is expected at 2,818.9 mn tonnes, marginally lower than 2,820.4.2 in Jan'25 led by downward revision in coarse grains which offset by a similar upward revision in wheat.

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Details of Research Analysts

Name	Rajan Jain	Name	Siddharth Sarma
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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