

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.37	-6
US 2Y*	4.15	-5
Germany 10Y	2.47	0
UK 10Y	4.56	-1
Japan 10Y	1.36	-6

Source: Bloomberg, *semi-annual

G-sec yield:

G-Sec	Yield (in %)	1-Day Change in Bps
6.75% GS 2029*	6.64	-3
6.79% GS 2034* (10Y)	6.70	0
6.92% GS 2039*	6.86	-1
1-Month T-bill	6.34	4
3-Month T-bill	6.34	-6
6-Month T-bill	6.53	2
12-Month T-bill	6.52	-2

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	88	77	76	85
AA	163	162	160	167
A	353	355	354	362

Source: FIMMDA, as on 21 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	4.34

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	162.6	6.33
Triparty Repo	4,150.9	6.24
Market Repo	1,634.4	6.29
Repo in corporate bond	18.7	6.45

Source: RBI, as of 24 Feb, 2025

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	74,454	-1.1
NIFTY	22,553	-1.1
NASDAQ	19,287	-1.2
S&P 500	5,983	-0.5
Nikkei 225	38,777	0.0
Euro Stoxx 50	5,454	-0.4

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	75.1	0.9
Natural gas Nymex (USD/MMBtu)	4.0	-6.1
Gold Comex (USD/t oz.)	2,948.4	-0.2
Copper Comex (USD/lb)	454.6	-1.5
Wheat cbot (USD/bu.)	593.3	-1.8

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	86.71	0.0
GBP/ INR	109.58	0.3
EUR/ INR	90.78	0.3
EUR/USD	1.05	0.2
DXI Index	106.63	0.0

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: VRR Auction; Germany: GDP Q4CY24; Hungary: Policy Rate

News:

Domestic:

Union looks to boost trade with UK with FTA (Source: ET): Union Minister Mr. Goyal announced that Union has decided to resume talks with UK over proposed Free Trade Agreement, with an aim to significantly boost bilateral trade. He added that Union has flexibility to cut tariffs on UK.

Union's capex loan to states approaches target (Source: FE): The Union has released loans worth Rs. 1.15 trn to States, which is 92% of the annual target. A further Rs. 40-50 bn is expected to be released by Feb'25-end and by Mar'25, the FY25RE will likely be met. This is as per media sources.

Union considers universal pension scheme to boost social security (Source: ET): According to media sources, Union is considering a Universal Pension Scheme that would be voluntary, contributory and will not be tied to employment. The scheme will incorporate existing central pension programs to streamline the process.

RBI reviews prudential norms for UCBs (Source: RBI): The changes include revision of definition of small value loans as loans not worth more than Rs. 2.5 mn or 0.4% of Tier-1 Capital, from previous 0.2% and raising the limit for exposure to housing from 10% of total assets to additional 5% for priority sector classification. Further, UCBs' residential mortgages other than PSL shall not exceed 25% of total and the overall real estate exposure except housing loans will not exceed 5% of total loans.

IBC has led to increasing resolutions over liquidations (Source: BS): Chairperson of IBBI, highlighted a visible trend of lower number of companies going into liquidation, with 5 out of 6 cases going into liquidation in FY18, to ~44% in 9MFY25. Notably, amount realised by claimants is lower compared to CIRP and even liquidation value, calling for further reforms for improved realizations.

IT sector poised for strong returns in near future (Source: ET): According to Nasscom report, tech sector is expected to grow 5.1% y/y to USD 282 bn in FY25, and further crossing USD 300 bn mark in FY26, driven by AI innovation and shifts in business models. Domestic revenues grew 7% y/y to USD 58 bn, while exports grew 4.6% y/y to USD 224.4 bn in FY25.

VRR auction conducted successfully (Source: RBI): 1-day VRR worth Rs. 368 bn were auctioned, against a notified amount of Rs. 1.25 trn, at cut-off yield of 6.26%.

International:

POTUS persistent on tariffs on Canada and Mexico (Source: CNBC): POTUS Mr. Trump declared that the postponed tariffs on Canada and Mexico will come back in effect as the delay implementation expires, while reiterating plans of reciprocal tariffs.

US proposes steep port fees to deter Chinese vessels (Source: Reuters): US Trade Representative's Office has proposed charging upto USD 1.5 mn for Chinese vessels entering US ports, to curb China's growing domination of global shipbuilding. Chinese built ships will encounter USD 1.5 mn fees, 50% Chinese built ships would pay USD 1 mn, USD 750k for 25% - 50% and USD 500k for less than 25%.

US Fed official advocates for wait and watch strategy (Source: ForexLive): Mr. Goolsbee interjected that the Fed needs more clarity before enacting further rate cuts. He also stated that the Fed has to think further about impact of tariff policies.

South Korea trims policy rates to spur economy (Source: Reuters): BoK cut its policy rates by 25 bps to 2.75%, to boost growth impulses as South Korea grapples with economic impact of tariff wars and slowing corporate profits.

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