

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.23	-5
US 2Y*	4.02	-6
Germany 10Y	2.41	-2
UK 10Y	4.51	1
Japan 10Y	1.36	-1

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
6.75% GS 2029*	6.63	1
6.79% GS 2034* (10Y)	6.71	0
6.92% GS 2039*	6.88	2
1-Month T-bill	6.32	-4
3-Month T-bill	6.43	10
6-Month T-bill	6.58	6
12-Month T-bill	6.54	2

Source: CCL, Bloomberg, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	97	88	75	66
AA	172	173	159	148
A	362	366	353	343

Source: FIMMDA, as on 25 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	4.33

Source: RBI, Federal Reserve Bank of New York

## Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	184.0	6.31
Triparty Repo	3,973.5	6.21
Market Repo	1,512.4	6.27
Repo in corporate bond	15.3	6.41

Source: RBI, as of 27 Feb, 2025

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	74,612	0.0
NIFTY	22,545	0.0
NASDAQ	18,544	-2.8
S&P 500	5,862	-1.6
Nikkei 225	38,256	0.2
Euro Stoxx 50	5,473	-1.0

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	73.8	1.3
Natural gas Nymex (USD/MMBtu)	3.9	0.3
Gold Comex (USD/t oz.)	2,885.2	-1.5
Copper Comex (USD/lb)	456.9	0.1
Wheat cbot (USD/bu.)	564.0	-2.3

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	87.20	0.0
GBP/ INR	109.92	-0.5
EUR/ INR	90.63	-0.6
EUR/USD	1.04	-0.8
DXI Index	107.24	0.6

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

**India:** GDP Q3FY25, Eight Core Index Jan'25, Fiscal Balance Jan'25, Sectoral Deployment of Bank Credit Jan'25, G-sec Auction; **US:** PCE Jan'25, Goods Trade Balance Jan'25; **CPI Feb'25:** Eurozone, Japan; **Canada:** GDP CY24

## News:

## Domestic:

**IMF sees rising risks for India, calls for structural reforms (Source: NDTV Profit, BS):** Even while maintaining growth projections for FY25 and FY26, the IMF said that downside risks exist – highlight geo-economic fragmentation affecting external demand and regional conflicts impacting oil prices. It called for structural reforms to boost private investment and employment. In response, the Union argued that reducing its fiscal deficit to 3% of GDP was difficult and that the risk is less as G-secs are largely long-dated, denominated in INR, at fixed rates, and held by residents.

**Further tariff cuts to appease Mr. Trump on the way (Source: Bloomberg):** As per media sources, cars, chemicals, critical pharmaceuticals, agricultural products, and certain medical devices and electronics may be the latest import items to see slashed tariffs. Deliberations are also on whether to reduce average tariffs or adopt a sector-by-sector approach.

**Specialised Investment Fund (SIF) for the wealthy soon (Source: SEBI):** The Securities Regulator said that it will allow asset managers with more than 3-year track record to offer this. The minimum ticket size is Rs. 1 mn. Notably, this will allow investments in long-short equity, debt funds.

**FM expounds her conclusions at BS Event (Source: BS):** Ms. Sitharaman said that while India Inc is the best judge, the government would like speedier private investment. She added that global trade is set for a complete reset with bilateral agreements in favour instead of multilateralism.

**Domestic air traffic surged in Jan'25 (Source: DGCA):** Domestic air traffic grew by 11.3% y/y to 14.6 mn pax in Jan'25. Feb'25 is also expected to be strong with a major festival in North India driving traffic.

## T-bill and VRR auctions conducted successfully (Source: RBI):

- Rs. 201 bn (notified: Rs. 140 bn) of 91-day T-bills were issued at a cutoff yield of 6.4490%. Rs. 137.5 bn (notified: Rs. 120 bn) of 182-day T-bills worth were issued at a cutoff yield of 6.5989%. Rs. 72.3 bn (notified: Rs. 70 bn) of 364-day T-bills were issued at a cutoff yield of 6.5409%.
- 1-day VRR auction for a notified amount of Rs. 500 bn was conducted, seeing bids and allotment of Rs. 499.55 bn at a cut-off yield of 6.26%

## International:

**US GDP estimate for CY24 remains unchanged (Source: BEA):** The second estimate for real GDP growth in CY24 stood at 2.8% y/y. Similarly, the real GDP growth for Q4CY24 chimed in unchanged at 2.3% q/q saar. Notably, price indices were higher than the advance estimate in Q4CY24.

## US to impose additional tariffs even as trade deals continue (Source: CNBC):

- The US will impose sweeping 25% tariffs on imports from Mexico and Canada starting 04 Mar'25. China will also face additional 10% duty from that date, with further tariffs from 02 Apr'25
- POTUS and UK PM decided to work on an economic deal with AI at its core. They also claimed to be working on a 'great' trade deal which could see Britain avoiding tariffs
- South Korea and US Finance Chiefs have resolved to discuss tariffs and investments

**OPEC+ hesitant to roll out supply hikes (Source: Reuters):** As per media sources, a combination of fresh US sanctions on Venezuela, Iran, and Russia, and tariffs have made the OPEC+ debate on freezing the scheduled supply hike in Apr'25. It is said that while UAE and Russia want to hike production, Saudi Arabia doesn't.

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**US Fed speakers maintain caution on inflation (Source: Reuters, Forexlive):**

- Mr. Schmid cautioned there were sharp upward movements in some measures of expected inflation in the past two months, though accepting growth risks loom large
- Mr. Harker expressed willingness to keep policy rates on hold, while agreeing progress on inflation has slowed. He was quick to add that the Fed should not take any action off the table
- Ms. Hammack said that the US Fed is likely to hold rates for some time and that they are not meaningfully restrictive

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