

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.14	-7
US 2Y*	3.92	-7
Germany 10Y	2.49	9
UK 10Y	4.56	8
Japan 10Y	1.39	3

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
6.75% GS 2029*	6.65	1
6.79% GS 2034* (10Y)	6.74	1
6.92% GS 2039*	6.91	1
1-Month T-bill	6.28	0
3-Month T-bill	6.43	-4
6-Month T-bill	6.57	2
12-Month T-bill	6.54	1

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	73	60	49	47
AA	152	146	134	131
A	342	336	327	329

Source: FIMMDA, as on 28 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	9.05
SOFR	4.39

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	127.4	6.32
Triparty Repo	3,901.7	6.04
Market Repo	1,727.4	6.23
Repo in corporate bond	18.4	6.42

Source: RBI, as of 03 Mar, 2025

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	73,086	-0.2
NIFTY	22,119	0.0
NASDAQ	18,350	-2.6
S&P 500	5,850	-1.7
Nikkei 225	37,097	-0.2
Euro Stoxx 50	5,541	1.4

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	71.1	-2.4
Natural gas Nymex (USD/MMBtu)	4.1	8.1
Gold Comex (USD/t oz.)	2,898.6	1.8
Copper Comex (USD/lb)	458.4	0.8
Wheat cbot (USD/bu.)	548.8	-1.3

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	87.37	-0.2
GBP/ INR	110.83	0.7
EUR/ INR	91.48	0.9
EUR/USD	1.05	1.1
DXI Index	106.56	-0.9

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: VRR & SGS Auction; S. Africa: GDP CY24

News:

Domestic:

Manufacturing expansion slower in Feb'25 (Source: S&P Global): Manufacturing PMI slowed to a 14-month low of 56.3 in Feb'25, from 57.7 in Jan'25, being strongly expansionary, driven by a mild loss of momentum in new orders and production.

Global uncertainties lead to tepid FDI flows in Q3FY25 (Source: ET): Gross FDI equity inflows dipped 5.6% y/y to USD 10.9 bn in Q3FY25, as investors grew wary of global uncertainties. FDI inflows grew 27% y/y to USD 40.7 bn, buoyed by a fine Q2FY25, with flows congregating in services and non-conventional energy sectors.

Union sets ambitious asset monetization targets (Source: FE): According to Addl. Secy of MoRTH, the Union is planning to raise Rs. 3.5 trn from asset monetisation of highways under the NMP-II.

Highway awarding picks pace in Jan'25 (Source: MoRTH): Highway awarding grew 21% y/y to 4,204 km in 10MFY25, with ~27% of the awarding coming in Jan'25, while highway construction dropped 8.6% y/y to 7,000 km in 10MFY25.

Bihar Budget presented for FY26 (Source: Bihar Budget Documents):

- Revenue receipts are expected to grow 15% y/y to Rs. 2.6 trn in FY26BE, driven by 18.4% y/y rise in tax revenues, mainly from State's share of Central Taxes.
- Expenditures are expected to rise 13.7% y/y to Rs. 3.2 trn in FY26BE due to 22.3% y/y rise in capital expenditure to Rs. 649 bn.
- Fiscal deficit is expected at Rs. 327 bn in FY26BE at 2.98% of GSDP

Chhattisgarh Budget presented for FY26 (Source: Chhattisgarh Government):

- Revenue receipts are expected to grow 12% y/y to Rs. 1.4 trn, driven by 13% y/y rise in grants from Centre in FY26BE.
- Total expenditures in FY26BE rose 12% y/y to Rs. 1.65 trn due to 18% y/y rise in capital expenditure to Rs. 263 bn.
- Fiscal deficit is expected at Rs. 229 bn in FY26BE at 2.97% of GSDP.

Jharkhand Budget presented for FY26 (Source: Jharkhand Budget Documents):

- Revenue receipts are expected to grow 13.5% y/y to Rs. 1.25 trn in FY26BE
- Total expenditures are expected to rise 11.2% y/y to Rs. 1.45 trn in FY26BE, driven by 12.4% y/y rise in revex to Rs. 1.1 trn, while capex grew at a softer pace of 7.8% y/y to Rs. 348 bn.
- Fiscal deficit stood at Rs. 113 bn in FY26BE at 2.02% of GSDP.

VRR auctions conducted successfully (Source: RBI): 1-day VRR worth Rs. 165 bn were auctioned, against a notified amount of Rs. 250 bn, at a cut-off rate of 6.26%.

International:

US considers changing stance in the Russia-Ukraine scuffle (Source: Reuters): According to media sources, POTUS Mr. Trump has halted all military aid to Ukraine, citing a review of optimum use of US resources for peace in the region, while suggesting potential deal to open up Ukraine's minerals to US investments. Media sources have further stated that the US is drawing up plans to ease sanctions on Russia in a bid to restore ties with Moscow and stop the war in Ukraine.

China prepares stimulus plan to boost economy amidst trade war (Source: Bloomberg): According to media sources, China's President Mr. Xi is prepared to unveil stimulus plan, centred around breakthroughs in AI and private entrepreneurship. Further, China is considering several tariff and non-tariff measures on US agriculture and food products. China also voiced out against the 10% incremental tariffs imposed by the US.

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SBICAPS Daily Digest

Global manufacturing activity improves in Jan'25 (Source: S&P Global):

- Global manufacturing PMI rose to an eight-month high of 50.6 in Feb'25 (Jan'25: 50.1), due to improvement in output growth and new orders
- US manufacturing PMI jumped to 52.7 in Feb'25, as new orders rose at highest pace in a year due firms upping inventory before tariffs kick in
- Eurozone manufacturing PMI rose to 2-year high of 47.6 in Feb'25 as contractions in output and new orders ease to softest in 3 years.

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