

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.24	-5
US 2Y*	3.97	-7
Germany 10Y	2.80	-1
UK 10Y	4.63	-2
Japan 10Y	1.50	0

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
6.75% GS 2029*	6.56	-1
6.79% GS 2034* (10Y)	6.66	-1
6.92% GS 2039*	6.79	-2
1-Month T-bill	6.60	2
3-Month T-bill	6.48	-8
6-Month T-bill	6.59	-1
12-Month T-bill	6.53	-3

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	98	97	34	85
AA	180	181	118	169
A	371	373	312	365

Source: FIMMDA, as on 18 Mar, 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	4.31

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	185.0	6.37
Triparty Repo	3,533.9	6.20
Market Repo	1,816.7	6.50
Repo in corporate bond	24.1	6.64

Source: RBI, as of 19 Mar, 2025

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	75,449	0.2
NIFTY	22,908	0.3
NASDAQ	17,751	1.4
S&P 500	5,675	1.1
Nikkei 225	37,752	-0.2
Euro Stoxx 50	5,507	0.4

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	71.2	1.2
Natural gas Nymex (USD/MMBtu)	4.2	2.9
Gold Comex (USD/t oz.)	3,059.4	0.7
Copper Comex (USD/lb)	512.8	2.3
Wheat cbot (USD/bu.)	567.5	1.3

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	86.44	-0.1
GBP/ INR	112.36	-0.2
EUR/ INR	94.17	-0.6
EUR/USD	1.09	-0.2
DXI Index	103.34	0.0

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: VRR Auction; **Policy rate:** China, UK, S. Africa, Switzerland, Sweden; **US:** Existing Home Sales Feb'25; **Germany:** PPI Feb'25

News:

Domestic:

Central Bank hopeful of resilience amidst global trade risks (Source: RBI): Highlights of RBI Bulletin for Mar'25:

- The RBI sold USD 11.1 bn (on net basis) in the spot forex market in Jan'25, lower than Dec'24. The net short position in the forward market rose further to USD 77.5 bn from USD 67.9 bn in Dec'24. REER moderated to 102.4 in Feb'25 vs. 104.8 in Jan'25
- Outstanding NRI deposits rose 6% y/y to USD 161 bn as of Jan'25. Flows in 10MFY25 are supported by healthy FCNR(B) momentum
- Gross ECB registrations rose sharply by 29% y/y in Jan'25 to USD 4 bn. Net ECB flows in 10MFY25 stood at USD 18.4 bn, 2x+ the flows in 10MFY24

Cabinet approves multiple projects (Source: PIB):

- The Cabinet has approved a Rs 15 bn incentive scheme to promote UPI transactions under Rs. 2,000 for small merchants, effective from 1 Apr'24
- It also approved a 6-lane greenfield NH in Maharashtra and 1.3 mn tonne per annum brownfield ammonia-urea worth Rs. 106 bn in Assam

Union to provide Rs. 400 bn support under Sagarmala 2.0 (Source: BS): Mr. Sonowal, Union Minister said that it will soon launch Sagarmala 2.0 with a budgetary corpus of Rs. 400 bn, with a special focus on shipbuilding, repair, and recycling. The program aims to catalyse investments worth Rs. 12 trn over the next decade.

Telangana presents Budget for FY26 (Source: Govt. of Telangana): Highlights:

- Revenue receipts are Budgeted at Rs. 2.1 trn in FY26, up 13.5% vs. FY25RE.
- Total expenditure is estimated to cross Rs. 3 trn in FY26BE, up 14.6%. A 10.3% increase is expected in capex compared to revex, which is set to rise by 15.7% due to allocation of more budget to the salaries and welfare schemes
- Fiscal deficit is expected to clock 3% of GSDP in FY26BE (FY25RE: 2.9%). This would be met by open market loans of Rs. 645 bn in FY26
- Nominal GSDP is expected to grow by 10.1% y/y in FY26

International:

US Fed keeps policy unchanged, spells pessimism on growth and inflation (Source: US Federal Reserve, CNBC, WSJ): Highlights

- FOMC held the policy rate at 4.25% - 4.50%. The dot plot indicates that 11 of 19 members have pencilled in ≥ 2 rate cuts in CY25, lower than the 15 in the previous meeting, with median rate cuts expected at 2
- The committee decided to reduce monthly redemption cap on Treasury securities from USD 25 bn to USD 5 bn
- GDP forecast was trimmed to 1.7% y/y in CY25 (-0.4pp from Dec'24), 2% y/y in CY26 (-0.2 pp) and 1.9% y/y (+0.1 pp) in CY27
- Policymakers now expect PCE at 2.7% y/y (Dec'24: 2.5%), squarely driven by tariffs as per Mr. Powell. Core PCE is expected to clock 2.8% y/y, a significant 0.3pp above Dec'24 forecast

China holds rates steady amid tariff threats (Source: CNBC): China kept its key lending rates unchanged as it juggles propping up growth and stabilizing its currency amid mounting trade frictions. PBoC kept the 1-year loan prime rate unchanged at 3.1% and 5-year LPR at 3.6%. It also pledged to ramp up monetary easing measures this year including rate cuts at appropriate time.

Euro area inflation shows signs of cooling (Source: Eurostat): The euro area inflation rate continued to trend downwards as it was at 2.3% y/y in Feb'25 from 2.5% y/y in Jan'25. A year earlier, the rate was 2.6%. France, Ireland and Finland recorded the lowest annual inflation rates in the euro area.

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EU proposes cutting steel imports (Source: Reuters): EU proposed to tighten steel import quota to reduce inflows by further 15% from Apr'25 to restrict flow of cheap steel after imposition of tariff by US. Any steel imports outside the quota will be hit by a 25% tariff.

Indonesia holds policy rates whereas Brazil raises by 100 bps amid market uncertainties (Source: Reuters):

- Central Bank of Indonesia kept policy rates unchanged at 4.75% as expected. The Governor commented that there is still a room for rate cut.
- Central Bank of Brazil raises interest rates by 100 bps for third consecutive time to 14.25% and signalled a smaller hike in next meeting

Turkish lira plunges to record low (Source: Reuters): TRY tanked to an all-time low of 38.74 to the USD, with the country's benchmark stock index also tumbling, after authorities detained a main political rival.

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