

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.35	-14
US 2Y*	3.83	-13
Germany 10Y	2.51	-5
UK 10Y	4.66	-9
Japan 10Y	1.33	5

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
6.75% GS 2029*	6.23	0
6.79% GS 2034* (10Y)	6.44	0
6.92% GS 2039*	6.56	0
1-Month T-bill	5.76	0
3-Month T-bill	5.95	0
6-Month T-bill	6.04	0
12-Month T-bill	6.04	0

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	109	79	57	93
AA	193	164	143	182
A	384	357	337	378

Source: FIMMDA, as on 09 Apr, 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	146.9	5.79
Triparty Repo	3,946.4	5.73
Market Repo	2,153.0	5.76
Repo in corporate bond	16.2	5.95

Source: RBI, as of 11 Apr, 2025

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	75,157	0.0
NIFTY	22,829	0.0
NASDAQ	16,831	0.6
S&P 500	5,406	0.8
Nikkei 225	33,982	1.2
Euro Stoxx 50	4,911	2.6

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	64.9	0.3
Natural gas Nymex (USD/MMBtu)	3.3	-5.4
Gold Comex (USD/t oz.)	3,238.9	-0.2
Copper Comex (USD/lb)	464.1	2.6
Wheat cbot (USD/bu.)	560.8	-1.7

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	86.05	0.0
GBP/ INR	113.32	1.0
EUR/ INR	97.37	-0.4
EUR/USD	1.13	-0.2
DX Index	99.64	-0.1

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: CPI, WPI, Trade Balance Mar'25, SGS, VRR Auctions; **Germany:** WPI Mar'25, **World:** IEA Monthly Report

News:

Domestic:

Industrial production was sluggish in Feb'25 (Source: PIB): IIP recorded a growth of 2.9% y/y in Feb'25, dragged down by mining (1.6%), even as manufacturing (2.9%), and electricity (4.9%) did not much better. Some traction was seen in the manufacture of computer, electronic and optical products and motor vehicles. For 11MFY25, IIP clocked 4.1% y/y.

Mutual funds see outflows in Mar'25, though FY25 performance is bright (Source: AMFI, CEIC): Mutual funds saw net outflows of Rs. 1.6 trn in Mar'25 as Rs. 2.0 trn outflow into open-ended debt schemes was barely compensated by a Rs. 251 bn trickle into open-ended equity schemes. For FY25, MF flows showed an excellent 130% y/y growth to Rs. 8.2 trn, due to stellar inflows in equity schemes, with the contribution of index funds being noteworthy.

India-US trade agreement in the works (Source: The Hindu Businessline): India and US are chalking out a bilateral trade agreement whose first tranche will be ready by Sep'25. The sectors will be discussed this week with coverage finalised by 31 May'25, as per media sources. Importantly, the deal is not expected to be a 'zero-for-zero' tariff deal.

G-sec and VRR auctions conclude (Source: RBI):

- 6.92% GS 2039 worth Rs. 160 bn was sold at cut-off yield of 6.5579%, with Rs. 160 bn of New GS 2065 sold at 6.90%
- 4-day VRR worth Rs. 143 bn was executed at cut-off yield of 6.01%

International:

Tariff offensive from the US underway in measured bursts (Source: AP, CNBC):

- POTUS also indicated possible exemptions to the 10% floor on tariffs
- Mr. Trump exempted smartphones, semiconductors, and some other electronic items from reciprocal tariffs. Commerce Secy. said the exemption was temporary and separate sector-based tariffs would be announced for these in approximately a month
- Mr. Lutnick said pharma tariffs would be imposed within the next month
- The POTUS said he was exploring temporary exemptions to tariffs on imported vehicles and parts to give auto companies more time

The globe responds to tariff changes (Source: Reuters, FT):

- China called on the US to completely cancel reciprocal tariffs. Further, it raised its duties on US goods to a whopping 125% and promised it would not raise tariffs anymore even if the US does so.
- ECB's Ms. Lagarde said the Central Bank is ready to deploy its instruments to maintain financial stability
- The UK has suspended import tariffs on 89 products and increased the loan facility for exporters

US Fed policymakers express derision on inflationary tariffs (Source: Bloomberg, Yahoo! Finance):

- Ms. Collins said that her model scenario reflects slower growth, not a outsized slowdown, with inflation persisting for some time
- Mr. Williams exclaimed that tariff would push up inflation and unemployment, which was agreed to by Mr. Musalem. Mr. Waller dismissed tariff inflation as transitory inflation
- Mr. Bostic said that big moves in any direction would not be prudent and inflation may not reach its goal till CY27
- Mr. Kashkari philosophised that rising bond yields and falling USD indicate that investors may be done with the US

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Chinese economic data radiates optimism in Mar'25 (Source: Reuters, Time):

- Chinese banks extended CNY 3.64 trn of new CNY loans in Mar'25 (forecast: Rs. 3.0 trn), with outstanding loans rising 7.4% y/y. Household loans emerged out of contraction. Growth of outstanding total social financing rose to 8.4% y/y from 8.2% in February
- Exports jumped 12.4% y/y while imports fell 4.3%, leaving a trade surplus of USD 102.6 bn. Exports to the US logged a 4.5% rise as trade surplus with the adversary clocked USD 27.6 bn

World oil demand to tank on tariff pressure (Source: OPEC): Global oil demand is expected to now chime in at only 105 mbpd, 0.2 mbpd less than Mar'25 estimate. This comes due to lesser demand from the Americas (ex. US) and Europe. India's oil demand was slower than anticipated in Q1CY25 but will gather pace to make good the year's demand of 5.8 mbpd.

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