

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.32	1
US 2Y*	3.80	-1
Germany 10Y	2.47	-3
UK 10Y	4.57	-3
Japan 10Y	1.27	-2

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
6.75% GS 2029*	6.10	-1
6.79% GS 2034* (10Y)	6.37	-2
6.92% GS 2039*	6.51	-1
1-Month T-bill	5.86	15
3-Month T-bill	5.89	-3
6-Month T-bill	5.96	-4
12-Month T-bill	5.94	-6

Source: CCIL, Bloomberg, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	103	117	93	97
AA	188	202	179	185
A	378	391	371	382

Source: FIMMDA, as on 16 Apr, 2025

## Key rates:

Policy	Rate (in %)
Repo rate	6.00
Standing Deposit Facility Rate	5.75
Bank rate	6.25
1-year median MCLR of SCBs	9.00
SOFR	4.31

Source: RBI, Federal Reserve Bank of New York

## Money Market instruments (Term segment):

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Notice Money	146.0	5.88
Term Money	6.2	-
Triparty Repo	3,810.9	5.72
Market Repo	2,098.3	5.86
Repo in corporate bond	0.0	NA

Source: RBI, as of 17 Apr, 2025

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	78,553	2.0
NIFTY	23,851	1.8
NASDAQ	16,286	-0.1
S&P 500	5,282	0.1
Nikkei 225	34,730	2.4
Euro Stoxx 50	4,935	-0.6

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	68.0	2.4
Natural gas Nymex (USD/MMBtu)	3.3	-0.3
Gold Comex (USD/t oz.)	3,328.0	-0.6
Copper Comex (USD/lb)	479.1	1.4
Wheat cbot (USD/bu.)	562.3	-0.3

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	85.38	-0.3
GBP/ INR	113.22	0.1
EUR/ INR	97.03	-0.2
EUR/USD	1.14	0.2
DXY Index	99.23	-0.2

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

India: VRR Auction; China: Policy Rate

## News:

Domestic:**Senior officials express confidence in ability to survive trade war (Source: BS):**

- The RBI Governor said the volatile global environment called for more agile and proactive approach on policy, even as the economy remained resilient. He urged banks to improve liquidity in call money markets to increase pace of rate transmission
- These sentiments were echoed by the FM who expressed confidence on the ability of the economy to weather the storm.

**Union hopes to ramp up trade discussions with US (Source: ET):** According to media sources, Union officials are set to visit the US to explore an early tranche of bilateral trade deal including limited set of mutually beneficial issues before agreeing to a broader agreement spanning regulatory matters and tariff measures.

**Union plans on capping Chinese investments in electronics JVs (Source: FE):** According to media sources, Union is considering limiting Chinese companies to 10% equity stake in electronics JVs, on condition of technology transfer, prioritizing domestic manufacturing, with US tariff wars increasing China's willingness.

**Securities regulatory moots changes in norms for mutual fund investments in REITs and InvITs (Source: SEBI):** In a Consultation Paper, SEBI proposed inclusion of such instruments in equity indices for purpose of investment by mutual funds, dedicated schemes for such instruments and raising exposure limit of these securities from 10% to 20% in equity and hybrid schemes.

International:**US agrees to negotiate on tariffs (Source: Reuters, Bloomberg):**

- The POTUS has lashed out on global trading partners accused of using non-tariff measures to undermine US products. The measures including currency manipulation, VAT which act as tariffs, dumping below cost, export subsidies, protectionist standards and IP theft are seen as a playbook for global economic sabotage
- Mr. Trump is confident of negotiating a deal with China in the next 4-6 weeks, as further raising tariffs on China could dampen US demand.
- White House expects Mr. Trump to soon announce trade deals with EU and Japan, albeit with substantial number of baseline tariffs.
- USTR announced actions to boost US shipbuilding by levying port fees on Chinese vessels and operators while decreasing that on US ships.

**Economies adopt differential approaches to counter US tariffs (Source: Reuters, Bloomberg):**

- China's Commerce Ministry claimed to be open to negotiations on economic and trade areas, resolving issues on basis of mutual respect. Further, China has warned other countries against making trade deals with US, especially those that harm China, promising countermeasures
- Canada PM Mr. Carney ruled out imposing reciprocal tariffs on US, but implementing measures targeting selective US industries

**US Fed officials lean towards holding policy rates (Source: Reuters):**

- Chair Mr. Powell reiterated that larger than expected quantum of tariffs would have higher than envisaged impact on inflation and lower growth
- Mr. Williams feels monetary policy is well positioned and need not be changed, as tariffs are intended to boost inflation and lower growth
- Ms. Daly emphasized on gradual policy rate reductions with expectations of fewer cuts as heightened inflation risks need vigilant monitoring
- Mr. Goolsbee advocated for independence of monetary policy in light of heightened uncertainty, higher inflation and slower growth

Contd...

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## SBICAPS Daily Digest

**US brokers peace plans with Russia in Ukraine war (Source: Bloomberg):** According to media sources, US has proposed to enable a peace deal between Russia and Ukraine including terms to end fighting and ease sanctions on Russia in case of lasting cease fire. Mr. Trump remained optimistic of getting a deal.

**ECB cuts policy rates as trade tensions suppress growth urges (Source: Reuters):** ECB cut rates by 25 bps for 7<sup>th</sup> time in a year to 2.25%, as fast changing trade policies sap business confidence and depress growth. Ms. Lagarde noted increased downside risks to growth with trade uncertainties dampening export prospects. ECB officials hinted at cuts in Jun'25 being default case, with only trade policy easing persuading for a pause.

**China keeps policy rate steady amidst pressure on CNY (Source: CNBC):** China held its 1Y LPR at 3.1% and 5Y LPR at 3.6%, with the PBoC focused on stabilizing the CNY amidst trade tensions with US amidst concerns of a tepid recovery.

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