

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.23	7
US 2Y*	4.72	11
Germany 10Y	2.27	8
UK 10Y	4.04	8
Japan 10Y	0.75	-3

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.06% GS 2028*	7.25	2
7.18% GS 2033* (10Y)	7.27	3
7.18% GS 2037*	7.38	3
91-day T-bill	6.95	0
182-day T-bill	7.17	0
364-day T-bill	7.16	0

Source: CCL, RBI, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	52	56	63	45
AA	118	124	131	112
A	305	313	321	306

Source: FIMMDA, as on 07 Dec, 2023

## Key rates:

Policy	Rate (in %)
Repo rate	6.50
Standing Deposit Facility Rate	6.25
Bank rate	6.75
1-year median MCLR of SCBs	8.70
SOFR	5.32

Source: RBI, Federal Reserve Bank of New York

## Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	99.91	6.71
Triparty Repo	3520.42	6.75
Market Repo	1593.21	6.75
Repo in corporate bond	0.00	-

Source: RBI, as of 08 Dec, 2023

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	69,826	0.4
NIFTY	20,969	0.3
NASDAQ	14,404	0.4
S&P 500	4,604	0.4
Nikkei 225	32,308	-1.7
Euro Stoxx 50	4,523	1.1

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	75.8	1.0
Natural gas Nymex (USD/MMBtu)	2.6	0.0
Gold Comex (USD/t oz.)	2,014.5	-1.6
Copper Comex (USD/lb)	383.1	0.7
Wheat cbot (USD/bu.)	631.8	-1.7

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	83.39	0.0
GBP/ INR	104.61	-0.3
EUR/ INR	89.74	-0.3
EUR/USD	1.08	-0.3
DXY Index	103.98	0.4

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

Turkey: IIP Oct'23; Japan: BSI mfg. conditions.

## News:

## International:

**US non-farm payrolls rose in Nov'23 (Source: CNBC):** Nonfarm payrolls rose by 199k in Nov'23, slightly better than the estimated 190k and ahead of the Oct'23 gain of 150k. Health care, manufacturing and hospitality were major contributors. The unemployment rate declined to 3.7%, compared with the forecast for 3.9%, as the labour force participation rate edged higher. While Average hourly earnings increased by 4% y/y for Nov'23.

**Weak consumer prices continue in China for Nov'23, deflationary pressure deepens (Source: Bloomberg, Reuters):**

- Chinese CPI dropped 0.5% y/y in Nov'23 (forecast: -0.1%; Oct'23: 0.2%). However, core inflation fell by 0.6% y/y in Nov'23 as in Oct'23, pointing continued battle with disinflationary forces as weak domestic demand casts doubt over recovery
- PPI fell by 3.0% y/y in Nov'23 compared to a fall of 2.6% in Oct'23, its quickest decline against the predicted fall of 2.8%
- Also, Officials pledged to strengthen fiscal support and emphasises the importance of economic progress for a growth target of 5% next year

**World food prices hold steady in Nov'23 (source: FAO):** The Food Price Index averaged 120.4 points in Nov'23, unchanged from its revised Oct'23 level, as increases in the price indices for vegetable oils and dairy products counterbalanced decreases in those of cereals and meat. The FAO cereal and wheat price index declined by 3.0% and 2.4% m/m. The dairy price index rose by 2.2% m/m.

**COP28 clashes over fossil fuel phase-out (Source: Reuters):** Countries clashed over a possible agreement to phase-out fossil fuels at the COP28 summit, jeopardising attempts to deliver commitment to end the use of oil and gas in 30 years. Saudi Arabia and Russia were among several countries insisting that the conference focus only on reducing climate pollution.

## Domestic:

**RBI keeps repo rate steady (Source: RBI):** Highlights:

- Repo rate remains unchanged at 6.5% by a 6-0 vote, along with SDF and MSF at 6.25% and 6.75% respectively. Status quo was maintained with respect to the policy stance of withdrawal of accommodation.
- Real GDP growth exceeded expectations with an extraordinary 7.6% y/y growth in Q2FY24, leading the RBI to raise its FY24 projection by 50 bps to 7% y/y.
- It maintains its FY24 CPI growth expectation at 5.4% y/y, acknowledging significant disinflationary progress. However, potential blips in the Nov-Dec'23 prints are anticipated due to supply-side shocks
- RBI decided to allow reversal of LAF under both SDF and MSF even during weekends and holidays from 30 Dec'23.

**SEBI mulling framework for issuance of subordinate units by REITs, InvITs (Source: FE):** SEBI is looking to come out with a framework for the issuance of subordinate units by REITs and InvITs to sponsors and their associates. Also, it has proposed a framework for unit-based employee benefits in the context of REITs and InvITs.

**SEBI introduces consultation paper for NCS regulations and LODR regulations (Source: SEBI):** SEBI has introduced a consultation paper on review of provisions of NCS regulations and LODR regulations for ease of doing business. It also introduced for fast-track public issuance of debt securities.

**Inflow in equity mutual funds drops 22% in Nov'23 (Source: AMFI):**

- Inflow in equity mutual funds has dropped by 22% m/m to Rs. 155 bn in Nov'23 lower than the Rs. 199 bn inflow seen in Oct'23. Despite the decline, inflow through SIPs hit record high of Rs. 171 bn in Nov'23.
- Whereas the debt mutual funds saw an outflow of Rs. 47 bn in Nov'23. Overall mutual fund saw inflow of Rs. 256 bn inflow in Nov'23.

**Pre-pack scheme under IBC likely for large companies (Source: ET):** As per media sources, Union is preparing an enabling provision for a compact and largely informal bankruptcy settlement process for faster resolution for large firms under IBC on the lines of MSMEs.

**G-Sec auction conducted successfully (Source: RBI):** 7.32% GS 2030 worth Rs. 120 bn were auctioned, against a notified amount of Rs. 120 bn at a cut-off yield of 7.2811%. 7.18% GS 2037 worth Rs. 100 bn were auctioned, against a notified amount of Rs. 100 bn at a cut-off yield of 7.3703%. 7.25% GS 2063 worth Rs. 120 bn were auctioned, against a notified amount of Rs. 120 bn at a cut-off yield of 7.5039%. The New SGrB 2033 worth Rs. 50 bn were actioned, against a notified amount of Rs. 50 bn at a cut-off yield of 7.24%.

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