

**Tables:**

**Foreign G-Sec Bond Yield:**

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.56	2
US 2Y*	4.93	-3
Germany 10Y	2.46	3
UK 10Y	4.20	6
Japan 10Y	0.84	-1

Source: Bloomberg, \*semi-annual

**G-sec yield:**

G- Sec	Yield (in %)	1-Day Change in Bps
7.06% GS 2028*	7.09	-3
7.18% GS 2033* (10Y)	7.11	-4
7.18% GS 2037*	7.15	-3
91-day T-bill	6.87	-1
182-day T-bill	7.03	1
364-day T-bill	7.05	0

Source: CCL, RBI, \*semi-annual

**Spreads in bps for Corporates**

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	61	31	45	58
AA	119	90	114	133
A	304	277	301	320

Source: FIMMDA, as on 08 Apr, 2024

**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	8.80
SOFR	5.31

Source: RBI, Federal Reserve Bank of New York

**Money Market instruments:**

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	126.1	6.55
Triparty Repo	3,821.9	6.55
Market Repo	1,926.7	6.37
Repo in corporate bond	8.1	6.78

Source: RBI, as of 10 Apr, 2024

**Major Equity Indices:**

Indices	Last	1-Day Change %
BSE SENSEX	75,038	0.5
NIFTY	22,754	0.5
NASDAQ	16,442	1.7
S&P 500	5,199	0.7
Nikkei 225	39,577	-0.2
Euro Stoxx 50	4,967	-0.7

Source: Google Finance

**Commodities futures:**

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	90.5	-0.1
Natural gas Nymex (USD/MMBtu)	1.8	-5.4
Gold Comex (USD/t oz.)	2,406.6	2.0
Copper Comex (USD/lb)	427.8	-0.2
Wheat cbot (USD/bu.)	565.5	2.1

Source: Bloomberg

**Exchange Rates:**

Currency pair	Rate	1-Day Change %
USD/ INR	83.19	0.0
GBP/ INR	104.62	0.1
EUR/ INR	89.30	-0.1
EUR/USD	1.07	-0.1
DXY Index	105.26	0.0

Source: Morningstar, Bloomberg, Marketwatch

**Today's Key Macro Events:**

**India:** G-sec auction, CPI Mar'24, IIP Feb'24; **China:** Trade balance Mar'24, New Loans Mar'24; **IEA:** Monthly Report Mar'24; **South Korea:** Policy rate

**News:**

**Domestic:**

**Equity mutual fund inflows drop 16% m/m, while debt sees massive outflows in Mar'24 (Source: AMFI, FE):** Equity mutual funds witnessed a 16% drop in inflows at Rs. 226 bn in Mar'24 against Rs. 269 bn in Feb'24 on account of investors pulling money out of small cap funds. Debt mutual funds saw net outflows of 1.98 trn as against inflows of Rs. 638.1 bn in Feb'24, within that liquid and corporate bond funds recorded a large outflow of Rs. 1.58 trn and Rs. 2.9 bn respectively.

**PLI incentives for FY24 at 62% of estimate (Source: BS):** DPIIT Secretary revealed that Rs 68 bn in incentives were disbursed in FY24 under PLI schemes, lower than government's estimate of Rs 110 bn. He added that efforts to boost PLI schemes for textiles, bulk drugs, food products, and solar PV modules include expanding product lines and extending timelines.

**Union ends easy tax relief for Mauritius-based FPIs (Source: FE):** India and Mauritius have signed a protocol to amend their DTAA, reducing tax benefits for Mauritian investors in India. The move aligns with the OECD's BEPS framework to combat tax abuse.

**CPSEs invest Rs 8.05 trn in FY24, exceed target by 9% (Source: FE):** The CPSE capex grew by 24% y/y to Rs. 8.05 trn in FY24 compared with Rs 6.48 trn in FY23. The capex target for the CPSEs and other agencies was set at Rs 7.42 trn as per the FY24RE. Among the major ones, the Railway Board and NHA invested Rs 2.49 trn and Rs 2.07 trn respectively, exceeding their annual targets.

**Renewable energy achieves record capacity addition in FY24 (Source: HBL):** In FY24, the renewable energy sector achieved its highest-ever annual grid capacity addition. Solar power led this surge, contributing 81% of the new capacity, totaling 18.48 GW, surpassing the previous record of 15.27 GW in FY23.

**T-Bill auctions conducted successfully (Source: RBI):** 91-day T-bill worth Rs. 329 bn were auctioned (notified: Rs. 120 bn) at a cut-off yield of 6.8702%. 182-day T-bill worth Rs. 97 bn were auctioned (notified: Rs. 70 bn), at a cut-off yield of 7.0297%. 364-day T-bill worth Rs. 80 bn were auctioned (notified: Rs. 80 bn) at a cut-off yield of 7.049%

**International:**

**US Fed wants more confidence that inflation is south-bound (Source: US Federal Reserve, CNBC):** In the minutes of the Mar'24 FOMC, US Fed officials expressed concern that inflation wasn't moving lower quickly enough, though they still expected to cut rates at some point in CY24. Officials disagreed on whether recent high inflation prints were broad-based or seasonal. Market expectation of the first rate cut have moved to Sep'24 from Jun'24 post release of FOMC Minutes and US CPI.

**US inflationary pressures unabating (Source: BLS, CNBC):** US CPI print came out at 3.5% y/y in Mar'24 (Feb'24: 3.2%, forecast: 3.4%), led by shelter costs and transportation. Core CPI rose by 3.8% y/y in Mar'24, same as in Feb'24 (forecast: 3.7%). On a sequential basis, CPI rose by 0.4% m/m in Mar'24 (Feb'24: 0.4%, forecast: 0.3%).

**US Mar'24 deficit shrinks as outlays fall, tax receipts rise (Source: Reuters):** In Mar'24, the US federal budget deficit decreased by 38% y/y to USD 236 bn, attributed to reduced outlays, down 18% to USD 569 bn. Receipts increased by 6% to USD 332 bn. For the 6MFY24 (FY- Oct-Sep), the deficit decreased by 3% y/y to USD 1.07 trn, led by high interest costs.

Contd..

April 12, 2024



## SBICAPS Daily Digest

### Global Central Banks hold policy rates (Source: Reuters, Bloomberg):

- The ECB held interest rates steady for a 5th straight meeting but said that it would be appropriate to reduce the current level of monetary policy restriction if inflation continues to move toward its target
- The Bank of Canada held its policy rate steady for the 6th consecutive meeting, as officials signalled they're getting closer to rate cuts but still need more evidence of slowing inflation
- Bank of Korea kept its benchmark interest rate on hold for 10<sup>th</sup> consecutive time to rein in inflationary pressure in steady manner. It kept its 7-day repurchase rate at 3.5%, characterized as restrictive, in line with expectations

**China CPI rise at slower rate in Mar'24, while PPI falls (Source: ET):** The CPI for Mar'24 barely rose 0.1% y/y, lower than Feb'24's 0.7% and forecast of a 0.4% gain. Further, PPI continued to slump and was down 2.8%, slightly sharper than a decline of 2.7% in Feb'24.

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**Details of Research Analysts**

Name	Rajan Jain	Name	Siddharth Sarma
Qualification	PGDBA	Qualification	MBA
Designation	Head- Credit Research	Designation	Associate

**Details of Research Analyst entity**

Name	SBI Capital Markets Limited
Registration Number	INH000007429
Address	15th floor, A & B Wing, Parinee Crescenzo Building, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400 051
Telephone Number	+91 22 4196 8300
Compliance Officer	Bhaskar Chakraborty
Email id	<a href="mailto:compliance.officer@sbicaps.com">compliance.officer@sbicaps.com</a>
Telephone Number	+91 22 4196 8542

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