

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.41	1
US 2Y*	4.34	3
Germany 10Y	2.31	-4
UK 10Y	4.44	-3
Japan 10Y	1.08	1

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.80	1
7.10% GS 2034* (10Y)	6.86	2
7.18% GS 2037*	6.93	2
1-Month T-bill	6.39	6
3-Month T-bill	6.45	0
6-Month T-bill	6.63	4
12-Month T-bill	6.62	4

Source: CCIL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	82	78	74	77
AA	162	161	159	164
A	352	349	354	369

Source: FIMMDA, as on 19 Nov, 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	8.95
SOFR	4.56

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	89.9	6.62
Triparty Repo	4,444.7	6.70
Market Repo	1,556.8	6.61
Repo in corporate bond	12.4	6.81

Source: RBI, as of 21 Nov, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	77,155	-0.5
NIFTY	23,349	-0.7
NASDAQ	18,972	0.0
S&P 500	5,949	0.5
Nikkei 225	38,026	-0.1
Euro Stoxx 50	4,756	0.6

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	74.6	2.0
Natural gas Nymex (USD/MMBtu)	3.6	10.2
Gold Comex (USD/t oz.)	2,712.2	2.0
Copper Comex (USD/lb)	415.7	-0.9
Wheat cbot (USD/bu.)	570.8	-0.6

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	84.50	0.1
GBP/ INR	106.34	-0.4
EUR/ INR	88.41	-0.6
EUR/USD	1.05	-0.7
DX Index	107.08	0.5

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: SGS Auction; Flash PMI Nov'24: India, US, Eurozone, Japan; Japan: CPI Oct'24

News:

Domestic:

RBI Governor calls for caution on inflation (Source: BS): Mr. Das said that in the long-run, price stability sustains high growth by reducing uncertainty, encouraging savings and spurring investments. He exclaimed that instances of multiple overlapping shocks to food and oil prices have been neutralized by co-ordination of monetary and fiscal policies. He noted that the liquidity injected during the pandemic years have been pulled back, evident from RBI's balance sheet size.

CIL increases coal availability to non-regulated sectors (Source: BS): CIL has permitted coal supply beyond the annual contracted quantity to non-regulated sectors, including steel, in long-term linkage auctions, starting tranche VIII linkage auction. Earlier, coal supply was capped at 85% of installed capacity annually.

Union considers increasing port autonomy to reduce infrastructure delays (Source: BS): According to media sources, Union is considering expanding autonomy of major ports in making capex decisions by using their internal resources and transform them into self-reliant commercial entities

SEBI scraps security deposit rule for IPOs (Source: CNBC TV-18): SEBI has removed the requirement for NOC to release refundable security deposits worth 1% of issue size available for public subscription.

T-Bill auctions conducted successfully (Source: RBI): 91-day T-Bills worth Rs. 125 bn were auctioned against a notified amount of Rs. 70 bn at a cut-off yield of 6.4581%. 182-day T-Bills worth Rs. 75 bn were auctioned against a notified amount of Rs. 60 bn at a cut-off yield of 6.6501%. 364-day T-Bills worth Rs. 70 bn were auctioned against a notified amount of Rs. 60 bn at a cut-off yield of 6.6200%.

International:

US Fed officials see vulnerabilities on inflation front (Source: Reuters, Forexlive):

- Mr. Goolsbee reflected that it makes sense to slow rate cut pace, but feels that neutral rate is quite lower than current scenario
- Mr. Barkin urges caution on rate cuts as inflation remains above target. He feels policy should not be adjusted pre-maturely.
- Mr. Williams expects rates to be cut to neutral levels over time while claiming that he wants to see inflation coming back to 2% target.

Chinese policymakers envisage 5% y/y growth target in CY25 (Source: Reuters):

- Government advisors have recommended 5% y/y growth target in CY25 despite challenges of global slowdown and US tariffs
- They have advocated for fiscal policies including raising budget deficit using special bonds for infrastructure and consumer subsidies, structural reforms like tax changes and municipal relief package
- Measures to boost trade amidst risk of rising US tariffs has been announced – especially for agri-exports and imports of core equipment and energy products

Hotter than expected inflation could push BoJ towards hikes (Source: Reuters): Japan's CPI print stood at 2.3% y/y in Oct'24, lower than 2.5% y/y clip in Sep'24, albeit higher than expectations of 2.2% y/y. Rising core inflation 2.3% y/y in Sep'24, above expected 2.2% y/y, could pressure the BoJ

Stimulus imminent in Japan to combat slowdown (Source: S&P Global, Bloomberg): According to media sources, Japan is planning to unveil a JPY 22 trn economic package through budget deficit to support wage gains, cash handouts for low-income groups and investments in semiconductors and AI sectors. Notably, PM Mr. Ishida stated the package is envisaged to have a JPY 39 trn (USD 252 bn) impact.

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Major economies adopt divergent policy paths (Source: South African Reserve Bank, WSJ):

- South Africa decided to reduce its policy rate by 25bps to 7.75%, with effect from 22 Nov’24. The decision was unanimous and the Committee agreed that the level of policy restrictiveness is still consistent with achieving the inflation target
- Turkey left its policy rate at 50%, in line with expectations. The Central Bank indicated that there were positive signals on inflation

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Details of Research Analysts

<u>Name</u>	Rajan Jain	<u>Name</u>	Soham Bobde
<u>Qualification</u>	PGDBA	<u>Qualification</u>	MBA
<u>Designation</u>	Head- Credit Research	<u>Designation</u>	Associate

Details of Research Analyst entity

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

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