

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.40	-1
US 2Y*	4.37	3
Germany 10Y	2.24	-7
UK 10Y	4.38	-6
Japan 10Y	1.07	-1

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.81	1
7.10% GS 2034* (10Y)	6.87	1
7.18% GS 2037*	6.94	1
1-Month T-bill	6.47	8
3-Month T-bill	6.45	0
6-Month T-bill	6.63	0
12-Month T-bill	6.61	-1

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	78	81	75	78
AA	159	164	160	165
A	349	352	355	370

Source: FIMMDA, as on 21 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	4.57

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	91.1	6.73
Triparty Repo	4,557.5	6.71
Market Repo	1,500.0	6.65
Repo in corporate bond	11.6	6.84

Source: RBI, as of 22 Nov, 2024

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	79,117	2.5
NIFTY	23,907	2.4
NASDAQ	19,004	0.2
S&P 500	5,969	0.3
Nikkei 225	38,284	0.7
Euro Stoxx 50	4,789	0.7

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	75.2	0.8
Natural gas Nymex (USD/MMBtu)	3.1	-12.1
Gold Comex (USD/t oz.)	2,737.2	0.9
Copper Comex (USD/lb)	413.3	-0.6
Wheat cbot (USD/bu.)	564.8	-1.1

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	84.46	-0.1
GBP/ INR	105.80	-0.5
EUR/ INR	87.89	-0.6
EUR/USD	1.04	-0.5
DXI Index	107.49	0.4

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Event:

Germany: IFO Index Nov'24

News:

Domestic:

RBI asks lenders to reduce speculative positions as forex reserves plummet (Source: BS): As per media reports, RBI instructed some banks to cut long positions on the USD-INR pair. It is seeking to reduce speculative positions and expects that it will induce USD sales in spot market which will support INR. It has also asked them to avoid buying spot dollars to execute arbitrage trades. This move came as India posted a weekly decline of USD 17.7 bn in its forex reserves, which fell to USD 657.9 bn as of 15 Nov'24 – the biggest such drop ever.

India rejects new climate finance package (Source: ET): India led developing countries in rejecting the new climate finance package of annual USD 300 bn till CY35 for developing nations, proposed at COP29. It argued that the amount falls short of USD 1.3 trn needed.

Union to offer incentives for electronic production (Source: BS): As per media sources, Union is likely to offer USD 5 bn incentives to make local components for gadgets from mobiles to laptops. It is aiming to expand electronics manufacturing to USD 500 bn by FY30, including production of components worth USD 150 bn.

Union mulls over ways to revitalise manufacturing sector (Source: FE): As per media sources, Union has started discussion to revitalise the manufacturing sector with new set of incentives. It will be a broader scheme than PLI where governments assistance would be linked to employment generation and fresh investments.

Monsoon hinders transmission work (Source: Mint): Construction of new power transmission lines fell by 50% y/y in 7MFY25 as above average monsoon slowed work. Till Oct'24 it added only 4,762 ckm lines of total targeted 15,253 ckm for FY25. Though its far from target it is in line with 7MFY25 target.

Skill Ministry bats for lower GST (Source: The Hindu Businessline): The Ministry has sought the status of 'merit services' for manpower services for applicability of GST, which would mean a lower GST of 5% vs. 18% currently applicable.

G-sec and VRR auctions concluded successfully (Source: RBI):

- 6.79% GS 2034 worth Rs. 220 bn were auctioned at a cut-off yield of 6.8618%. New GS 2074 worth Rs. 100 bn were auctioned at a cut-off yield of 7.09%.
- 6-day VRR worth Rs. 250 bn were conducted at a cut-off yield of 6.58%.

International:

US debt load tops financial stability risk says the FSR, inflation risk recedes to background (Source: US Federal Reserve): The US government's debt load is now seen as the biggest risk to financial stability, outweighing persistent inflation, which was the no. 1 risk in the last survey. Asset valuation pressures are "elevated," though corporate bond spreads remain low; business and household debt risks are considered "moderate." Financial sector leverage vulnerabilities remain notable, with hedge fund leverage near the highest levels since CY13. Further, liquidity conditions in the Treasury cash market appear challenged and could amplify shocks.

China keeps 1-year MLF unchanged (Source: Forexlive): PBoC issued 1-year MLF at unchanged rate of 2%. It added CNY 900 bn after CNY 1445 bn matured on Nov'24 leading to net drain of CNY 550 bn. Also, PBoC is expected to cut RRR and buy government bonds in Dec'24 to smoothen liquidity fluctuations.

China and EU close to agreement over EV tariffs (Source: Reuters): Mr. Lange, Chair of the Trade Committee of European Parliament said that it is nearing a solution over tariffs on Chinese EV imports. Is it expected that China could commit EVs at a minimum price which will eliminate the distortion of competition through unfair subsidies.

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Flash PMI shows divergent trend in developed economies (Source: S&P Global):

- US Flash Composite PMI rose to 55.3 in Nov'24 as business activity in private sector continued to expand at accelerating pace (Oct'24: 54.1)
- Eurozone services joined the manufacturing contraction in Nov'24 as flash composite PMI fell to a 10-month low of 48.1 from 50 in Oct'24

Germany's Q3CY24 GDP growth revised down (Source: Bloomberg): Germany's Q3CY24 growth was revised down to a weaker-than-expected 0.1% q/q from initial 0.2% q/q growth. It is struggling from slowdown in manufacturing sector due to weak demand for key exports. Exports fell by 1.9% q/q while consumption rose by 0.3% q/q.

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