

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.30	2
US 2Y*	4.24	-2
Germany 10Y	2.18	-3
UK 10Y	4.35	1
Japan 10Y	1.06	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	0
7.18% GS 2037*	6.92	0
1-Month T-bill	6.52	19
3-Month T-bill	6.48	0
6-Month T-bill	6.60	-3
12-Month T-bill	6.58	-3

Source: CCL, Bloomberg, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	85	81	84	69
AA	165	164	169	156
A	355	352	364	361

Source: FIMMDA, as on 25 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	4.58

Source: RBI, Federal Reserve Bank of New York

## Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	79.7	6.69
Triparty Repo	4,882.3	6.70
Market Repo	1,423.5	6.67
Repo in corporate bond	13.6	6.92

Source: RBI, as of 26 Nov, 2024

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	80,004	-0.1
NIFTY	24,194	-0.1
NASDAQ	19,176	0.6
S&P 500	6,022	0.6
Nikkei 225	38,442	-0.9
Euro Stoxx 50	4,762	-0.8

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	72.9	-0.3
Natural gas Nymex (USD/MMBtu)	3.4	3.9
Gold Comex (USD/t oz.)	2,662.8	0.4
Copper Comex (USD/lb)	413.7	0.0
Wheat cbot (USD/bu.)	554.8	0.1

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	84.34	0.1
GBP/ INR	106.02	0.3
EUR/ INR	88.34	0.2
EUR/USD	1.05	0.2
DXI Index	106.87	-0.4

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

**India:** T-Bill Auction; **US:** GDP Q3CY24, Jobless claims, Pending home Sales Oct'24; **China:** Industrial Profits Oct'24; **New Zealand:** Policy Rate

## News:

Domestic:

**Union plans insurance law changes for unified license (Source: BS):** As per media sources, the Union is planning this for insurers to provide life, general and health insurance under a single entity. It is also expected to raise the FDI limit to 100% from current 74% to boost investments and improve penetration in sector.

**SEBI introduces mark to market basis valuation (Source: SEBI):** SEBI introduced new valuation metrics for repurchase transactions (repo) by mutual funds. Securities in such transactions will be valued on mark to market basis from current cost-plus accrual basis to have uniformity in valuation methodology.

**Union working to enhance credit flow (Source: The Hindu Businessline, ET):** DFS Secy Mr. Nagaraju said that PSBs are planning to bolster credit flow through new products within 3-4 months. Union is also going to give credit guarantee for same. Separately, as per media sources, the Union is pushing lenders to create common utilities like shared collections entity and integrated bad loan recovery mechanism to foster collaboration. Banks are expected to roll out some initiatives within FY25.

**Protectionism, tariffs among major challenges: RBI Governor (Source: BS):** He added that while these are issues over which the RBI has no control, the country is well placed to deal with any spillover from external sources. He refrained from giving forward guidance on rates.

**Renewable energy bidders can cut tariff suo motu (Source: BS):** SECI clarified that a bidder of any project can lower the discover tariff after bidding process, if it can't find takers at higher rate.

**SGS and VRR auctions conducted successfully (Source: RBI):**

- SGS worth Rs. 307.9 bn were auctioned by 12 states, against a notified amount of Rs. 320 bn, with cut-off yields for 10Y paper being in the range of 7.14% to 7.18%
- 3-day VRR worth Rs. 250 bn was conducted at a cut-off yield of 6.6%

International:

**US FOMC advocates for gradual reduction in policy restraint (Source: US Federal Reserve, CNBC):** Minutes of the FOMC meeting held in Nov'24 indicate:

- Participants judged that economy continues to expand at solid pace. While expressing concern about the labour market, they said there was no sign in rapid deterioration, with layoffs remaining low
- Participants acknowledged the volatility in inflation numbers but reflected that data is consistent with sustainable decline towards 2%
- Participants observed that uncertainties about the neutral rate made it appropriate to reduce policy rate gradually, with some advocating for a pause in easing if inflation remained elevated

**ECB officials expect more rate cuts (Source: Bloomberg)**

- Mr. Centeno said that though inflation is getting close to 2%, salary and service inflation remain persistent
- Mr. Rehn expects that the inflation to reach its target of 2% by CY25. He also noted that ECB might cut rates in Dec'24 if data aligns expectations
- Mr. de Guindos commented that more reductions in rates are on the cards if forecasts for inflation holds

**Chinese industrial profits fall in Oct'24 (Source: CNBC):** China's industrial profits dropped further by 10% y/y in Oct'24 after 27% fall in Sep'24 as stimulus measures have yet to reverse slump in earnings.

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**Economies take divergent role on interest rate (Source: CNBC):**

- Nigeria raised its key interest rate by 25 bps to 27.5% sixth hike in CY24 totalling 875 bps
- New Zealand continued to slash interest rates as it lowered policy rate by 50bps to 4.25%

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