

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.17	-7
US 2Y*	4.15	-6
Germany 10Y	2.09	-3
UK 10Y	4.24	-3
Japan 10Y	1.03	-2

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.78	-2
7.10% GS 2034* (10Y)	6.84	-1
7.18% GS 2037*	6.91	-1
1-Month T-bill	6.43	-2
3-Month T-bill	6.47	-1
6-Month T-bill	6.65	0
12-Month T-bill	6.60	-4

Source: CCLIL, Bloomberg, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	88	72	58	80
AA	168	155	143	167
A	358	343	338	372

Source: FIMMDA, as on 28 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	9.00
SOFR	4.57

Source: RBI, Federal Reserve Bank of New York

## Money Market instruments (Term segment):

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Notice Money	101.6	6.75
Term Money	5.9	-
Triparty Repo	4,560.0	6.65
Market Repo	1,529.1	6.62
Repo in corporate bond	0.0	NA

Source: RBI, as of 29 Nov, 2024

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	79,802	1.0
NIFTY	24,131	0.9
NASDAQ	19,218	0.8
S&P 500	6,032	0.6
Nikkei 225	38,208	-0.4
Euro Stoxx 50	4,804	1.0

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	71.8	-1.9
Natural gas Nymex (USD/MMBtu)	3.4	1.8
Gold Comex (USD/t oz.)	2,681.0	-0.1
Copper Comex (USD/lb)	414.0	-0.5
Wheat cbot (USD/bu.)	548.0	-0.1

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	84.49	0.0
GBP/ INR	107.70	0.3
EUR/ INR	88.34	-1.0
EUR/USD	1.06	0.0
DXI Index	105.78	-0.1

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

Manufacturing PMI Nov'24: India, China, US, Eurozone, Japan

## News:

Domestic:**Real GDP growth for Q2FY25 well below expectations (Source: MoSPI):**

- Real GDP grew 5.4% y/y in Q2FY25, while nominal GDP rose 8% y/y with a reduction in deflator.
- Real GVA growth slowed to 5.6% y/y in Q2FY25, from 6.8% y/y in Q1FY25, with industry GVA slumping to 3.6% y/y in Q2FY25 (Q1: 8.3% y/y), owing to de-growth in mining and a sluggish manufacturing impacted by rains.
- Services GVA rose at a robust pace of 7.1% y/y in Q2FY25 (Q1: 7.2% y/y) as sub-indices grew faster than headline, despite fall in financial services
- From expenditure side, real PFCE grew 6% y/y in Q2FY25 sustaining momentum of Q1. GFCF was disappointing at 5.4% y/y and GFCE at 4.4% y/y in Q1FY25 indicates Union spending is yet to pick-up considerably

For more details please refer to our note on GDP titled "ANATOMY OF A SLOWDOWN: STRUCTURAL SLIP OR CYCLICAL BLIP?"

**Fiscal deficit widens in 7MFY25 even as capex spend remains slim (Source: PIB):**

- Tax receipts rose 8.3% y/y to Rs. 17.2 trn in 7MFY25, at 53.7% of FY25BE, Net tax revenues were flattish on year ay Rs. 13.05 trn, while non-tax revenue grew 50% y/y to Rs. 4 trn
- Total expenditure grew 3.3% y/y to Rs. 24.7 trn in 7MFY25, at 51.3% of FY25BE. Revex grew 8.7% y/y, while capex fell 15% y/y to Rs. 4.7 trn
- Fiscal deficit reached Rs. 7.5 trn in 7MFY25 at 46.5% of FY25BE, higher than 45% of FY24BE

**GST collections show moderate growth in Nov'24 (Source: PIB, CNBC):** Gross GST revenues grew 8.5% y/y to Rs. 1.8 trn. CGST clocked Rs. 341 bn, with SGST at Rs. 430 bn, IGST at Rs. 918 bn, and cess at Rs. 133 bn. GST on domestic transactions rose 9.4% y/y to Rs. 1.4 trn, while revenues from tax on imports rose 6% y/y to Rs. 426 bn. Net GST collections grew 11% y/y to Rs. 1.63 trn.

**EPFO Board introduces several ease of doing business measures (Source: ET):**

Central Board of Trustees of EPFO approved guidelines for investment in units of PSU sponsored InvITs and REITs and Redemption Policy for ETF investments in CPSE and Bharat 22 indices.

**High frequency indicators show festive fervour in Nov'24 (Source: BS, NPCI, Mint):**

- Electrical energy supply rose by 4.0% y/y to 124.5 BU, the fastest on-year rise since Jul'24
- Clearing price at IEX dropped by 17% y/y even as traded amount rose by 8% y/y
- Coal production maintained momentum, rising 7.2% y/y to 90.6 mn tonnes, due to 38% y/y rise in captives
- UPI transaction value rose 10.3% y/y to Rs. 19.2 trn
- Domestic PV wholesales grew 4% y/y to 350k units

**Banking credit growth slows to lowest levels since Apr'22 (Source: RBI):**

- Non-food bank credit growth slowed to 11.5% y/y in Oct'24, from 13% y/y in Sep'24, to lowest levels since Apr'22
- Credit to industry grew 8% y/y in Oct'24, from 8.9% y/y in Sep'24, driven by iron and steel, telecom and railways.
- Services credit slowed to 12.7% y/y in Oct'24, from 13.7% y/y in Sep'24, with credit to NBFCs growing 6.4% y/y, its lowest in 3 years
- Personal loans slowed to 12.9% y/y in Oct'24, from 13.4% y/y in Sep'24

**Eight core industries recovery continues momentum (Source: PIB):** Eight core index grew 3.1% y/y in Oct'24, from 2.4% y/y in Sep'24, driven by 7.8% y/y rise in coal and 3.3% y/y rise in cement, while contraction in crude oil and natural gas extends for 4<sup>th</sup> straight month in Oct'24. Notably, eight core index grew 4.1% y/y in 7MFY25, driven by 6.2% y/y growth in coal and 5.9% y/y growth in steel.

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**G-Sec and VRRR auctions conducted successfully (Source: RBI):**

- 7.02% GS 2034 worth Rs. 100 bn were auctioned at a cut-off rate of 6.8213%. 7.34% GS 2064 worth Rs. 150 bn were auctioned at a cut-off rate of 7.0766%. New GOI SGrB 2034 worth Rs. 50 bn was auctioned at a cut-off rate of 6.79% - in this, Rs. 35 bn was devolved on primary dealers
- 14-day VRRR worth Rs. 24.8 bn was auctioned against a notified amount of 250 bn at a cut-off rate of 6.49%

**International:****China's economic activity continues its recovery, while Japan still a laggard (Source: Reuters, S&P Global):**

- China's official manufacturing PMI rose to 50.3 in Nov'24, from 50.1 in Oct'24, aided by government stimulus, while official non-manufacturing PMI falling to 50 in Nov'24, from 50.2 in Oct'24, with threats of tariffs stalling trade growth. Caixin PMI rose to 5-month high of 51.5 in Nov'24, from 50.3 in Oct'24, owing to rising export orders especially in the intermediate goods segment.
- Japan's manufacturing PMI fell slightly to 49 in Nov'24 from 49.2 in Oct'24 as sustained fall in new orders contributed to stronger reduction in production levels

**PBoC injects liquidity in bond markets as supply surges (Source: Bloomberg):** PBoC conducted USD 111 bn worth of outright reverse repo purchases in Nov'24, in order to flush liquidity in the banking system and ease the funding pressure that had been building after China launched USD 1.4 trn program for local governments by allowing them to sell more bonds.

**US President Elect threatens actions against de-dollarisation (Source: Reuters):** Mr. Trump has threatened 100% tariffs against BRICS countries if they act to undermine the USD, alluding to the alliance's intent to trade in non-USD currencies.

**Eurozone inflation rises in Nov'24 (Source: Euronews):** Eurozone inflation rose to 2.3% y/y in Nov'24, after reaching target 2% y/y in Oct'24, as deflationary impact of energy prices narrow. Core inflation inched up to 2.8% y/y in Nov'24, from 2.7% y/y in Oct'24. Notably, Eurozone inflation declined 0.3% m/m in Nov'24, with core inflation declining 0.4% m/m, suggesting continued easing of underlying price pressures.

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