

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.56	-1
US 2Y*	4.24	0
Germany 10Y	2.37	1
UK 10Y	4.59	3
Japan 10Y	1.07	0

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.73	0
6.79% GS 2034* (10Y)	6.79	1
7.23% GS 2039*	6.89	0
1-Month T-bill	6.45	0
3-Month T-bill	6.58	3
6-Month T-bill	6.67	-4
12-Month T-bill	6.67	-2

Source: CCL, Bloomberg, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	90	77	77	54
AA	166	165	164	139
A	356	354	359	342

Source: FIMMDA, as on 01 Jan, 2025

## 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	4.49

Source: RBI, Federal Reserve Bank of New York

## Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	104.6	6.47
Triparty Repo	3,784.2	6.22
Market Repo	1,562.8	6.35
Repo in corporate bond	20.7	6.57

Source: RBI, as of 02 Jan, 2025

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	79,944	1.8
NIFTY	24,189	1.9
NASDAQ	19,281	-0.2
S&P 500	5,869	-0.2
Nikkei 225	39,895	0.0
Euro Stoxx 50	4,918	0.4

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	76.1	1.5
Natural gas Nymex (USD/MMBtu)	3.7	1.7
Gold Comex (USD/t oz.)	2,674.7	1.1
Copper Comex (USD/lb)	404.2	-0.2
Wheat cbot (USD/bu.)	546.0	-1.0

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	85.76	0.1
GBP/ INR	106.30	-1.0
EUR/ INR	88.06	-0.5
EUR/USD	1.03	-1.0
DX Index	109.16	0.7

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

India: G-Sec Auction; US: ISM PMI Dec'24

## News:

Domestic:

**Manufacturing growth slows marginally in Dec'24 (Source: BS):** Manufacturing PMI fell marginally to 56.4 in Dec'24 from 56.5 in Nov'24. The fall is attributed to softer demand in sector despite easing cost pressures and strong jobs growth. Also, Output and new orders continued to rise in Dec'24 yet the improvement slowed.

**Union to ease spending norms in a bid to revive economy (Source: The Hindu Businessline, FE):**

- As per media sources, the Finance Ministry is likely to allow some departments and ministries to spend above their quarterly and monthly limits. Approval would be on a case-to-case basis
- The Union has relaxed norms regarding release of interest free capex loans to States. States which have faced severe natural disasters in FY25 will be provided up to 50% of the amount already allocated. Further, States which have utilised the first instalment under the untied category and availed the second instalment, would get additional allocation of 50% (100% for NE and Hill States)

**Banks urge RBI to inject liquidity (Source: BS):** As per media sources, Banks have asked RBI to inject liquidity using foreign exchange swaps as short-term currency financing costs surged. The surge in demand for rupee by global investors, driven by their participation in local IPOs, has contributed to a funding squeeze.

**Central schemes may not see changes in allocation for FY26 (Source: ET):** As per media sources, Union is expected to keep allocation for Centrally Sponsored Schemes (CSS) in FY26 at around Rs. 5.05 trn amid tighter monitoring of funds and consolidation of schemes. The allocation for CSS will be almost the same level as there will be consolidation of some of the schemes next year.

**Transmission lines, railway sidings to get central financial support (Source: The Hindu Businessline):** Union has included transmission lines, ropeways and railway sidings as part of enabling infrastructure. Now, these will get budgetary support in a bid to boost the hydropower potential.

International:

**Manufacturing sector remains weak in Dec'24 (Source: S&P Global):**

- Global manufacturing PMI slipped into contraction, clocking 49.6 in Dec'24, down from 50.0 in Nov'24. Lower production was seen in intermediate and investments goods industries
- US manufacturing PMI declines slightly to 49.4 in Dec'24 from 49.7 in Nov'24 as it saw sharper reduction in new orders
- Eurozone manufacturing downturn worsened as PMI fell further to 45.1 in Dec'24 as new orders and output saw accelerated contraction

**China may cut rates in CY25 (Source: Reuters):** China's Central Bank said that it is likely to cut interest rate in CY25 as part of broader policy shift. It commented that it would prioritise the role of interest rate adjustments and move away from quantitative objectives for loan growth.

**China proposes further export curbs (Source: Reuters):** China has proposed export restrictions on technology used in battery components and process critical minerals lithium and gallium. Also, some technologies to extract gallium would also be restricted. The proposed expansion could also hinder the overseas expansion plans of major Chinese battery makers.

**US initial jobless claims fall to 8 months low (Source: Bloomberg):** US initial jobless claims fell to 8 months low as they reduced by 9k to 211k lower than expectation in the week ended 28 Dec'24 (Forecast: 220k).

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