

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.63	2
US 2Y*	4.28	5
Germany 10Y	2.53	-1
UK 10Y	4.66	-2
Japan 10Y	1.19	2

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
7.04% GS 2029*	6.71	2
6.79% GS 2034* (10Y)	6.77	2
7.23% GS 2039*	6.90	2
1-Month T-bill	6.40	3
3-Month T-bill	6.57	0
6-Month T-bill	6.62	-1
12-Month T-bill	6.64	-2

Source: CCL, Bloomberg, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	100	89	46	33
AA	175	175	131	113
A	366	365	325	312

Source: FIMMDA, as on 16 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	4.29

Source: RBI, Federal Reserve Bank of New York

## Money Market instruments (Term segment):

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Notice Money	106.0	6.58
Term Money	2.1	-
Triparty Repo	3,855.6	6.42
Market Repo	1,629.1	6.55
Repo in corporate bond	3.3	7.40

Source: RBI, as of 17 Jan, 2025

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	76,619	-0.5
NIFTY	23,202	-0.5
NASDAQ	19,630	1.5
S&P 500	5,997	1.0
Nikkei 225	38,451	-0.3
Euro Stoxx 50	5,148	0.8

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	80.8	-1.0
Natural gas Nymex (USD/MMBtu)	4.0	-7.1
Gold Comex (USD/t oz.)	2,748.7	0.1
Copper Comex (USD/lb)	436.9	-1.9
Wheat cbot (USD/bu.)	538.8	0.0

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	86.61	0.1
GBP/ INR	105.42	-0.5
EUR/ INR	88.21	-1.1
EUR/USD	1.03	-0.3
DXI Index	109.41	0.4

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

India: VRR Auction; China: Loan Prime Rate Jan'25

## News:

Domestic:

**EV sales to grow eight times by CY30: PM (Source: Deccan Herald):** Mr. Modi expressed that the boom would create opportunities for global and domestic manufacturers. He emphasised that approximately 14,000 electric buses will also be purchased, and over 70,000 fast chargers will be installed across the country.

**Union chalking out a plan for improving funding in EV, battery swapping could take a backseat (Source: Mint):** As per media sources, the Union is considering R&D investments, along with funding towards setting up dedicated assembly lines for EVs in existing factories to promote local manufacturing of high-end EVs. However, battery swapping policy may be on the backburner since it believes imposing common standards is not practical.

**Spending on rural housing scheme may fall short of FY25BE (Source: FE):** As per media sources, budget outlay for rural housing scheme (PMAY-G) may be around Rs. 350 bn lower than FY25BE of Rs. 545 bn. The actual spending may fall short as financial assistance for the second phase will likely commence only in FY26.

**RBI releases Monthly Bulletin for Jan'25 (Source: RBI):** Highlights:

- Economic growth is poised to rebound as domestic demand regains strength and HF indicators look up in Q2
- Though CPI eased for the second successive month in Dec'24, stickiness in food inflation warrants careful monitoring for second order effects
- Net FDI declined to USD 0.5 bn during 8MFY25 vs USD 8.5 bn last year, even as gross FDI experienced an increase
- ECB registrations were up 8.7% y/y in 8MFY25 to USD 33.2 bn, with net ECB flows at USD 13.5 bn more than doubling on-year
- USD 12.6 bn of NRI deposits flowed in during 8MFY25, up 7.2% y/y, boosted by FCNR(B) deposits
- Outstanding net forward sales of USD by RBI at the end of Nov'24 stood at USD 58.9 bn.

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

- 6.75% GS 2029 worth Rs. 140 bn were auctioned at a cut-off rate of 6.7289%. 6.92% GS 2039 worth Rs. 120 bn were auctioned at a cut-off rate of 6.8881%. 7.09% GS 2054 worth Rs. 100 bn were auctioned at a cut-off rate of 7.0677%. The yield curve is steepening
- 3-day VRR worth Rs. 335 bn were auctioned against notified amount of Rs. 500 bn at a cut-off rate of 6.51%

International:

**Global growth outlook raised on rosier future for US, China (Source: IMF)**

- IMF revised its projection for global real growth rate 0.1pp upwards to 3.3% y/y for CY25, while retaining CY26 at 3.3%
- The revision was helped by sharp uptick in US growth to 2.7% (Oct'24: 2.2%), with its near-term outlook titled to the upside
- China's growth forecast was upgraded to 4.6% (up 0.1pp) in CY25 and 4.5% (up 0.4pp) in CY26, though below reported figure in CY24
- Euro area is expected to witness another year of solemn growth at 1.0% in CY25, with broad-based weakness in Germany, France, and Italy
- India's economic growth is projected to remain at 6.5% y/y until FY27, with no changes in the numbers

**China holds policy rate amidst concerns over CNY depreciation (Source: Bloomberg):** China held the 1Y loan prime rate at 3.1% and the 5Y loan prime rate at 3.6% unchanged for third consecutive month, in line with market expectations, as weakening CNY limits scope for monetary easing.

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Jan 20, 2025



## SBICAPS Daily Digest

**US Fed official says inflation remain a problem (Source: Reuters):** Mr. Hammack said inflation problem still persist and it needs to address the rate of change problem. Additionally, Ms. Yellen, US Treasury Secretary said that it will reach its statutory borrowing limit on 21 Jan'25 and begin employing extraordinary measures to keep from breaching the cap and risking a catastrophic default.

**US may plan wealth fund revamp (Source: Reuters):** As per media sources, President-Elect Mr. Trump wants US International Development Finance Corp (DFC) to function more like a sovereign wealth fund and be an effective tool for deploying economic power. The fund is expected to be created through tariffs and may use to investments to boost US influence.

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