

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.32	7
US 2Y*	4.04	6
Germany 10Y	2.79	30
UK 10Y	4.69	15
Japan 10Y	1.49	6

Source: Bloomberg, *semi-annual

G-sec yield:

G-Sec	Yield (in %)	1-Day Change in Bps
6.75% GS 2029*	6.63	-2
6.79% GS 2034* (10Y)	6.71	-4
6.92% GS 2039*	6.90	-3
1-Month T-bill	6.37	1
3-Month T-bill	6.48	1
6-Month T-bill	6.59	2
12-Month T-bill	6.55	3

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	105	87	61	62
AA	184	173	146	146
A	374	363	339	344

Source: FIMMDA, as on 04 Mar, 2025

Key rates:

Policy	Rate (in %)
Repo rate	6.25
Standing Deposit Facility Rate	6.00
Bank rate	6.50
1-year median MCLR of SCBs	9.05
SOFR	4.33

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	132.5	6.23
Triparty Repo	3,431.9	5.90
Market Repo	1,757.1	6.00
Repo in corporate bond	17.6	6.24

Source: RBI, as of 05 Mar, 2025

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	73,730	1.0
NIFTY	22,337	1.2
NASDAQ	18,553	1.5
S&P 500	5,843	1.1
Nikkei 225	37,418	0.2
Euro Stoxx 50	5,489	1.9

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	69.8	-1.5
Natural gas Nymex (USD/MMBtu)	4.4	2.8
Gold Comex (USD/t oz.)	2,931.8	0.3
Copper Comex (USD/lb)	480.7	5.0
Wheat cbot (USD/bu.)	553.3	2.5

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	86.96	-0.4
GBP/ INR	112.09	0.6
EUR/ INR	93.83	1.5
EUR/USD	1.08	1.9
DX Index	104.22	-1.4

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: VRR Auction; **Eurozone:** Policy Rate; **US:** Initial Jobless Claims, Trade Balance Jan'25

News:

Domestic:

Additional measures to manage liquidity announced (Source: RBI): The Central Bank said that it would conduct two OMO purchases of Union G-secs of Rs. 500 bn each on 12 Mar'25 and 18 Mar'25. Further, a USD/INR Buy/Sell Swap auction of USD 10 bn for a tenor of 36 months would be held on 24 Mar'25.

Services activity accelerates in Feb'25 (Source: S&P Global): Services PMI recovered from a 26-month low in Jan'25 to 59.0 in Feb'25, indicating a sharp rate of expansion well above long-run average. Productivity gains, favourable underlying demand and greater intakes of new business were the key determinants of output growth. With this, composite PMI clocked a superb 58.8.

Cabinet announces approval of several projects (Source: PIB): Two ropeway projects, the 12.4 km stretch from Govindghat to Hemkund Sahib Ji (Rs. 27.3 bn), and 12.9 km stretch from Sonprayag to Kedarnath (Rs. 40.8 bn) were approved under the auspices of Parvatmala.

Captive coal production reaches new heights (Source: PIB): Production from captive and commercial mines in 11MFY25 has reached 167.4 mn tonnes, up 32.5%. Despatches also rose by a splendid 32.9% y/y to 170.66 mn tonnes.

T-bill and VRR auctions conducted successfully (Source: RBI):

- Rs. 216 bn of 91-day T-bills (notified: Rs. 140 bn) were auctioned at a cut-off rate of 6.4896%. Rs. 137 bn of 182-day T-bills (notified: Rs. 120 bn) were auctioned at a cut-off rate of 6.6070%. Rs. 71.2 bn of 364-day T-bills (notified: Rs. 70 bn) were auctioned at a cut-off rate of 6.5710%
- 1-day VRR auction worth Rs. 50.9 bn was conducted against the notified amount of Rs. 250 bn, at cut-off yield of 6.26%

International:

Certain tariffs by the US delayed (Source: Reuters, CNBC): A one-month tariff exemption has been given to automakers, honouring the 2020 US-Mexico-Canada Agreement's rules of origin (USMCA). As per media reports, there is a possibility that the USMCA deal could also eliminate the 10% tariff on compliant Canadian energy imports. Further, Mr. Trump's administration is also exemptions for agricultural produce (potash and fertiliser were mentioned) from Mexico and Canada.

Mr. Trump issues tariff threats to more countries (Source: ET): Claiming that India charges the US auto tariffs "higher than 100%", Mr. Trump said that reciprocal tariffs will kick in of 2 Apr'25. He also named the EU and Brazil, besides his usual targets of China, Canada, and Mexico.

POTUS vows to short-circuit CHIPS (Source: Reuters): Addressing lawmakers, Mr. Trump urged them to get rid of the landmark 2022 bipartisan "CHIPS" Act which gives USD 52.7 bn in subsidies to semiconductor chips. He declared that the amount should instead be used to pay back national debt.

China doubles down on climate goals (Source: Reuters): Offshore wind farms and new energy bases in desert areas are in the works, as per the NDRC. A hydropower facility in Tibet and a direct transmission route from Tibet to Hong Kong, Macao and Guangdong is in the works.

Services growth on a weak footing in Feb'25 (Source: S&P Global):

- Global services PMI crashed to a 14-month low at 51.6. This dragged composite PMI to 51.5 in Feb'25 from 51.8 in Jan'25
- US services growth came in at 51.0 in Feb'25, with the soft pace of expansion reflecting uncertainty and job losses
- Eurozone services activity expanded at a snail's pace in Feb'25, with PMI clocking 50.6. This took composite PMI to 50.2, unchanged on month

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