

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.26	-6
US 2Y*	3.94	-10
Germany 10Y	2.83	4
UK 10Y	4.66	-3
Japan 10Y	1.51	2

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
6.75% GS 2029*	6.60	-3
6.79% GS 2034* (10Y)	6.68	-3
6.92% GS 2039*	6.86	-4
1-Month T-bill	6.34	-3
3-Month T-bill	6.46	-2
6-Month T-bill	6.57	-2
12-Month T-bill	6.53	-2

Source: CCIL, Bloomberg, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	106	62	58	76
AA	185	148	143	160
A	375	338	336	358

Source: FIMMDA, as on 05 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	140.3	6.21
Triparty Repo	3,367.6	5.87
Market Repo	1,821.6	5.98
Repo in corporate bond	18.3	6.14

Source: RBI, as of 06 Mar, 2025

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	74,340	0.8
NIFTY	22,545	0.9
NASDAQ	18,069	-2.6
S&P 500	5,738	-1.8
Nikkei 225	37,705	0.8
Euro Stoxx 50	5,520	0.6

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	69.6	-0.2
Natural gas Nymex (USD/MMBtu)	4.3	-3.8
Gold Comex (USD/t oz.)	2,913.1	-0.6
Copper Comex (USD/lb)	478.8	-0.4
Wheat cbot (USD/bu.)	551.5	-0.3

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	87.12	0.2
GBP/ INR	112.27	0.2
EUR/ INR	93.90	0.1
EUR/USD	1.08	-0.1
DX Index	104.12	-0.1

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

**India:** VRR Auction; **US:** Non-farm Payrolls Feb'25; **Eurozone:** GDP Q4CY24; **China:** Trade Balance Feb'25

## News:

Domestic:

**Auto sales witness broad-based downturn in Feb'25 (Source: FADA):** Auto retail sales fell 7.2% y/y in Feb'25 to 1.9 mn units, driven by base effects and broad-based slowdown across segments, amidst concerns over inventory buildup by dealers. 2W sales fell 6.3% y/y to 1.4 mn units due to aggressive repricing, PV sales fell 10.4% y/y to 303k units due to soft demand, while 3W contracted 1.9% y/y to 94k units due to tighter financing and pricing pressures.

**AIF commitments soar as HNIs prefer diversification (Source: BS):** Total investment commitment in AIFs reached Rs. 13 trn as of Dec'24, a 5% q/q jump. AIFs raised Rs. 5.3 trn, with total investments exceeding Rs. 5 trn. On year, commitments and investments have surged by over 27%.

**E-way bill generation maintains momentum in Feb'25 (Source: CEIC):** GST e-way bills run rate improved by 18.8% y/y in Feb'25. This indicates that GST collections are likely to show buoyancy in Mar'25.

**RBI considers tightening lending norms for gold loans (Source: BS):** According to media sources, a surge in gold loans has prompted the RBI to ensure stricter underwriting processes, monitoring and ascertaining the ownership of mortgaged gold to ensure financial stability and control out-of-bounds growth.

**VRR auction conducted successfully (Source: RBI):** 1-day VRR worth Rs. 44 bn were auctioned, against a notified amount of Rs. 250 bn, at a cut-off rate of 6.26%.

International:

**Tariff wars postponed in North America (Source: CNN, WSJ):** POTUS Mr. Trump signed an executive order to delay tariffs by one month on products from Mexico and Canada that are covered under the USMCA free trade treaty.

**US trade deficit widens in Jan'25 due to tariff front-running (Source: US BEA):** US trade deficit widened to USD 131.4 bn in Jan'25 as businesses ramped up imports on anticipation of tariffs. Exports rose 4.1% y/y to USD 270 bn while imports rose 23% y/y to USD 330 bn driven by industrial supplies and consumer goods.

**US considers plan to curb Iranian oil exports (Source: Reuters):** According to media sources, POTUS Mr. Trump is mulling a plan to restore pressure on Iran and curb its illegal oil trade by stopping and inspecting Iranian oil tankers at sea under an international accord aimed at countering spread of weapons of mass destruction.

**US Fed officials remain vigilant on incoming data (Source: Forexlive, Reuters):**

- Mr. Bostic said that heightened uncertainty makes policy decision unclear, advocating for patient approach, as clarity is expected only in H2CY25.
- Mr. Waller doesn't see a case for Mar'25 cuts, as impact of tariffs is still unclear, amidst softness in economic data.
- Mr. Harker opined that the economy looks fine but expressed concerns over stalling disinflation, state deficits and waning business confidence.

**US establishes a strategic crypto-reserve (Source: Reuters):** POTUS Mr. Trump has signed an executive order for creation of a strategic crypto currency reserve including currency forfeited as part of criminal or civil forfeiture proceedings.

**ECB cuts policy rates, highlighting uncertainty (Source: Eurostat):** ECB cut its policy rate by 25 bps to 2.5% to ease borrowing costs for firms and households as disinflation is well under progress. Ms. Lagarde refrained from pre-committing to a defined policy path, while advocating for an evolutionary approach to assess impact of infrastructure spending boost amidst times of huge uncertainties.

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Mar 07, 2025

## SBICAPS Daily Digest

### China's policymakers to use policy room to spur economy (Source: Reuters):

- PBoC governor Mr. Pan Gongsheng interjected that interest rates and RRR will be cut at appropriate times to provide stimulus to the economy, while reiterating commitment to keep CNY stable.
- Finance Minister Mr. Lan Fo'an said that China has room to act on fiscal policy, while Mr. Shanjie, Head of NDRC, claimed that a detailed plan for boosting consumption would be soon released.

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