

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.30	4
US 2Y*	4.00	6
Germany 10Y	2.83	0
UK 10Y	4.64	-2
Japan 10Y	1.51	0

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
6.75% GS 2029*	6.60	0
6.79% GS 2034* (10Y)	6.69	1
6.92% GS 2039*	6.87	0
1-Month T-bill	6.35	1
3-Month T-bill	6.47	1
6-Month T-bill	6.59	2
12-Month T-bill	6.53	0

Source: CCIL, Bloomberg, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	106	99	57	80
AA	185	185	142	164
A	375	375	335	362

Source: FIMMDA, as on 06 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	4.35

Source: RBI, Federal Reserve Bank of New York

## Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	168.1	6.25
Triparty Repo	3,963.3	6.13
Market Repo	1,821.5	6.12
Repo in corporate bond	15.5	6.13

Source: RBI, as of 07 Mar, 2025

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	74,333	0.0
NIFTY	22,553	0.0
NASDAQ	18,196	0.7
S&P 500	5,770	0.6
Nikkei 225	36,887	-2.2
Euro Stoxx 50	5,468	-0.9

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	70.4	1.1
Natural gas Nymex (USD/MMBtu)	4.4	3.3
Gold Comex (USD/t oz.)	2,914.1	0.0
Copper Comex (USD/lb)	471.0	-1.6
Wheat cbot (USD/bu.)	551.3	0.0

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	86.88	-0.3
GBP/ INR	112.51	0.2
EUR/ INR	94.31	0.4
EUR/USD	1.08	0.4
DXI Index	103.91	-0.2

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

India: VRR Auctions; Germany: Trade Balance Jan'25

## News:

## Domestic:

**India, US in advanced discussions on multi-sector Bilateral Trade Agreement (Source: BS, ET):** The MEA stated that both countries have announced plans to negotiate a mutually beneficial trade deal on the issue of reciprocal tariff and supply chain integration. This comes in the wake of US Commerce Secy. expressing the need for the same claiming that India has leaned on US with low tariffs, suggesting the agriculture sector should open up.

**FM voices her opinion on pressing economic issues (Source: ET):** Excerpts:

- The Government is close to further reducing GST rates and reviewing slabs
- There is added need of protection against dumping of excess inventory as inflows of goods are already visible
- Concerns over risky micro credit exposure of banks have dissipated due to RBI actions though some NBFCs are too aggressive
- Commerce Department was reviewing FTAs with Japan, S. Korea, and ASEAN to ensure India's interest were better protected in future FTAs

**CPSEs exhaust 94% of capex target till Feb'25 (Source: BS):** Capital expenditure of CPSEs is set to surpass its target for third consecutive year in FY25. Their capex touched 94% of the Rs. 7.87 trn for FY25RE target.

**VRR auctions conducted successfully (Source: RBI):**

- 3-day VRR worth Rs. 39.7 bn was auctioned against notified amount of Rs. 250 bn at cut-off yield of 6.26%
- 14-day VRR worth Rs. 83.7 bn was auctioned against notified amount of Rs. 500 bn at cut-off yield of 6.26%

**Karnataka presents State Budget for FY26 (Source: Govt. of Karnataka):** Highlights:

- Revenue receipts are expected to touch Rs. 2.92 trn in FY26BE, up 13.4% over FY25RE
- Expenditure is expected to go up to Rs. 4.09 trn boosted by revex as it is set to rise by a 10% to Rs. 3.12 trn, while 13% decline in capex is projected
- Fiscal deficit target for FY26 has been set at Rs. 904 bn, which is 2.95% of GSDP. Total liabilities are estimated to be Rs. 7.65 trn (24.9 % of GSDP)

## International:

**US labour markets remain resilient in Feb'25 (Source: US BLS):** US non-farm payrolls rose by 151k in Feb'25, higher than 125k additions in Jan'25 but lower than expectations of 159k, with the unemployment rate rising to 4.1% in Feb'25 from 4.0% in Jan'25, against market expectation of 4.0%.

**US Fed officials take divided view on policy path (Source: CNBC, Reuters)**

- Mr. Powell said that US Fed can wait to see results of POTUS's aggressive policy actions before it moves interest rate. He quipped that a re-drawing of the dot plot is in order
- Ms. Kugler felt that inflation risks would play on decisions more, contradicting Mr. Williams who felt there was no evidence for the same
- Ms. Bowman said that labour economic activity will become a larger factor policy, though Ms. Daly felt there was no imminent slowdown

**US gives two-sided signals on Russia sanctions (Source: Reuters):** POTUS said that he is considering imposing sweeping sanctions, including on banking, and tariffs in Russia if a peace agreement isn't reached by Russia and Ukraine. If a peace deal is reached, the US may negotiate an energy deal with Russia as per media sources.

**Canada commits aid to fight impact of US tariffs (Source: Reuters):** Canada unveiled USD 4.5 bn of aid and other forms of support to businesses expected to be directly affected by US tariffs

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**China consumer inflation contracts up in Feb’25 (Source: Reuters):** China’s consumer inflation in Feb’25 fell at quickest pace since Jan’24 as CPI declined by 0.7% y/y in Feb’25 from 0.5%y/y rise in Jan’25. The CPI dropped as seasonal demand faded while households are still cautious about spending amid job and income worries. The producer price index fell 2.2% y/y in Feb’25, improving from a 2.3% slide in Jan’25, but missing the forecast 2.1% decline.

**China exports miss expectations as US tariffs hit (Source: CNBC):** China's exports growth slowed more than expected in Jan-Feb’25 as it saw 2.3% y/y growth (forecast: 5%). Also, Imports surprisingly declined by 8.4% y/y in the 2MCY25, the sharpest fall since Jul’23 as lacklustre domestic demand and US tariffs challenge China’s bid to bolster sluggish growth.

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