

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.18	-12
US 2Y*	3.86	-14
Germany 10Y	2.83	0
UK 10Y	4.65	1
Japan 10Y	1.50	-1

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
6.75% GS 2029*	6.61	1
6.79% GS 2034* (10Y)	6.70	1
6.92% GS 2039*	6.87	1
1-Month T-bill	6.38	3
3-Month T-bill	6.47	0
6-Month T-bill	6.58	-1
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	103	99	54	88
AA	182	185	139	172
A	372	375	332	370

Source: FIMMDA, as on 07 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	4.34

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	172.8	6.26
Triparty Repo	3,864.8	6.18
Market Repo	1,751.5	6.29
Repo in corporate bond	20.0	6.37

Source: RBI, as of 10 Mar, 2025

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	74,115	-0.3
NIFTY	22,460	-0.4
NASDAQ	17,468	-4.0
S&P 500	5,615	-2.7
Nikkei 225	37,028	0.4
Euro Stoxx 50	5,387	-1.5

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	69.4	-1.4
Natural gas Nymex (USD/MMBtu)	4.5	1.1
Gold Comex (USD/t oz.)	2,900.4	-0.5
Copper Comex (USD/lb)	466.6	-0.9
Wheat cbot (USD/bu.)	557.8	1.2

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	87.34	0.5
GBP/ INR	112.54	0.0
EUR/ INR	94.72	0.4
EUR/USD	1.09	0.2
DXI Index	103.77	-0.1

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: SGS, VRR auction; Japan: GDP CY24; Global: EIA STEO, WASDE

News:

Domestic:

Union seeks Parliament nod for extra spending in FY25 (Source: ET): A net additional spend of Rs. 514.6 bn is expected, with gross spending at Rs. 6.78 trn, offset by Rs. 6.27 trn in savings and receipts. Major items of additional expenditure are fertiliser subsidy (Rs. 120 bn), pension towards government employees (Rs. 135 bn), defence pension (Rs. 85 bn), and Dept. of Telecom (Rs. 53 bn).

DGTR moots additional duties on steel (Source: The Hindu Businessline): The body, post an initial investigation following allegations of dumping, has recommended a safeguard duty of 12-15% on select grades of steel imports. This is as per media sources.

Second Advance Estimates for crops in 2024-25 released (Source: PIB): Production estimate for kharif foodgrains is revised upwards to a record 166.4 mn tonnes (FAE: 164.7 mn tonnes), due to sharp uptick in oilseeds and rice. Rabi production (excluding summer) could reach 164.5 mn tonnes, helped by record wheat production of 115.4 mn tonnes. Estimate for cotton production is slashed.

Thermal coal imports remain off the burner (Source: ET): Imports tanked 15.3% y/y to 12.2 mn tonnes, posting the sixth decline in as many months. In 6 months ended Feb'25 imports are down 20%.

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

- Revenue receipts are Budgeted at Rs. 5.61 trn in FY26, up 4.6% vs. FY25RE. The moderate pace is due to projected reduction in non-tax revenue. State motor vehicle tax rate has been increased by 1pp
- Total expenditure is estimated to cross Rs. 7.00 trn in FY26BE, up 4.2%. A sharp 15% reduction is expected in capex, with attention shifting to revex, which is set to rise by 7.8%. Major initiatives include metro to link Mumbai and Navi Mumbai airport and Rs. 640 bn for projects in Mumbai
- Fiscal deficit is expected to chime in at 2.78% as per FY26BE (FY25RE: 2.93%). This will be met by net public debt issuance of Rs. 978 bn in FY26, of which Rs. 889 bn is internal debt of the State
- Nominal GSDP is expected to grow by 9.0%, slower than 11.7% clocked in FY25RE

State Budget FY26 for Assam presented (Source: Govt. of Assam): Highlights:

- Revenue receipts are expected at Rs. 1.17 trn in FY26BE, 4.5% y/y above FY25RE. Professional tax up to a monthly income of Rs. 15,000 is exempt
- Revenue expenditure is estimated at Rs. 1.17 trn in FY26BE (up 6.5%), while capex is forecast at Rs. 388 bn (up 14.7%). Orunodai scheme with Rs. 50 bn scheme, Rs. 30 bn for women entrepreneurs, and Rs. 3 bn electricity subsidy were the highlights
- Fiscal deficit is expected to clock 3.69% of GSDP in FY26BE. This will be financed by net debt of Rs. 280 bn
- Nominal GSDP is expected to skyrocket by 15.2% y/y in FY26 as compared to 12.7% in FY25

VRR auction conducted successfully (Source: RBI):

- 1-day VRR for a notified amount of Rs. 750 bn saw allocation of Rs. 295 bn at a cut-off rate of 6.26%

International:

US Fed official quashes rate cut hopes (Source: CNBC): Ms. Kugler averred that inflation could prove sticky while prices might pick up again. She added that it could be appropriate to hold rates steady for some time.

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The White Houses lashes out against recession fears (Source: Reuters): The Head of the National Economic Council of the US said that tariffs are bringing back manufacturing jobs to the US, though conceding there could be some blips in data for Q1CY25. He attributed the latter to the tendency to hold off investment decisions immediately following elections.

USA explores reviving coal plants (Source: Bloomberg): Interior Secy. Mr. Burgum said that the National Energy Emergency entails bringing back coal-based power plants which have shut and stop others from shutting. About 700 US coal-fired units have been shut since CY00, bringing down share of coal-based power by more than a half to 15% in the period.

Canadian state slaps tariffs on USA (Source: The Independent): The state of Ontario announced a 25% tariff on energy supplied by it to 1.5 mn US residents in the states of Minnesota, New York, and Michigan. This is over and above Federal tariffs imposed by Canada.

Sullen GDP data complicates matters for the BoJ (Source: CNBC): Japan posted real output growth of 2.2% q/q (annualised), below the initial estimate and forecasts. The slump is attributable to downward revision in private consumption. This was corroborated by limp household spending which rose just 0.8% y/y in Jan'25 (forecast: 3.6%).

German economic data disappoints in Jan'25 (Source: Destatis):

- Exports dipped 0.1% y/y, while imports rose 8.7% y/y. This meant that trade surplus clocked EUR 16 bn as against EUR 20 bn expected.
- Industrial production lost steam, dipping 1.5% y/y. However, a m/m rise signalled some stabilisation

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