

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.24	0
US 2Y*	3.96	-1
Germany 10Y	2.78	-2
UK 10Y	4.65	2
Japan 10Y	1.51	1

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
6.75% GS 2029*	6.53	-3
6.79% GS 2034* (10Y)	6.64	-2
6.92% GS 2039*	6.77	-2
1-Month T-bill	6.57	-3
3-Month T-bill	6.47	-1
6-Month T-bill	6.56	-3
12-Month T-bill	6.50	-3

Source: CCL, Bloomberg, \*semi-annual

## Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	99	94	33	86
AA	181	178	117	170
A	372	370	311	366

Source: FIMMDA, as on 19 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	4.29

Source: RBI, Federal Reserve Bank of New York

## Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	171.7	6.36
Triparty Repo	3,513.8	6.16
Market Repo	1,717.7	6.46
Repo in corporate bond	21.2	6.65

Source: RBI, as of 20 Mar, 2025

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	76,348	1.2
NIFTY	23,191	1.2
NASDAQ	17,692	-0.3
S&P 500	5,663	-0.2
Nikkei 225	37,752	0.0
Euro Stoxx 50	5,451	-1.0

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	72.2	1.4
Natural gas Nymex (USD/MMBtu)	3.9	-7.6
Gold Comex (USD/t oz.)	3,043.4	-0.5
Copper Comex (USD/lb)	512.2	-0.1
Wheat cbot (USD/bu.)	555.5	-2.1

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	86.37	-0.1
GBP/ INR	111.83	-0.5
EUR/ INR	93.51	-0.7
EUR/USD	1.08	-0.6
DXI Index	103.89	0.5

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

India: VRR auctions; Japan: CPI Feb'25; Russia: Policy rate

## News:

## Domestic:

**Additional funds to be pumped in to buttress defence (Source: BS):** The Defence Acquisition Council approved Acceptance of Necessity to 8 capital acquisition proposals totalling over Rs. 540 bn. Amongst items approved include engine upgrade for T90 tanks, acquisition of torpedoes by the Navy, ATAGS system, and AEW&C modules.

**SEBI floats Consultation Paper reform debt markets (Source: SEBI, BS):** If implemented, EBP would become mandatory for all private placements above Rs. 200 mn, from Rs. 500 mn currently. For private placement of InvIT and REIT above Rs. 10 bn, issue will need to access EBP. The greenshoe portion in issues may also be reduced to 3x the base issue size instead of the current 5x. For the RFQ platform, the regulator has proposed aligning the yield-to-price computation days for non-convertible securities with those of government securities.

**S&P downplays tariff risks from the US (Source: ET):** India's limited exposure to the US reduces tariff risks but indirect effects such as trade redirection to the country could impact the steel and chemicals sectors, as per S&P Global. India's exposure to US tariffs of 25% on aluminium and steel is 4.5%, less than South Korea's exposure of 4.7%, which is the highest among Asia-Pacific economies, it said.

**Feb'25 air passenger tariff surges (Source: The Hindu Businessline):** Domestic air traffic rose 11% y/y, with 14 mn passengers flown. This was helped by a major festival in North India, with 559k passengers landing in Allahabad airport during the 46 days of the festival.

**RBI conducts VRR auction, promises more (Source: RBI):** A 1-day VRR auction for a notified amount of Rs. 1.50 trn saw allotment of Rs. 1.24 trn at a cut-off yield of 6.26%. For 21 Mar'25, the RBI has announced a Rs. 500 bn 5-day VRR in addition to Rs. 1.5 trn daily VRR.

## International:

**Europe reconsiders tariffs as costs weigh on minds (Source: Reuters):** The European Trade Commissioner Mr. Sefcovic said the EU could delay imposition of a first set of counter-tariffs against the US until mid-Apr'25 (current timeline is of phased implementation on 1 Apr and 13 Apr). This comes as realisation dawns of the potential impact, with ECB Chief Ms. Lagarde spelling out that a 25% tariff imposed by the US on imports from Europe would lower eurozone growth by 0.3pp in the first year, and retaliatory measures by the EU could force a 0.5pp spike in inflation.

**Bank of England stays put on interest rates (Source: BoE):** The MPC voted 8-1 to maintain the Bank Rate at 4.5%, with the lone dissenter voicing for a cut of 25bps. It noted persistent inflation pressures amidst high financial market volatility, with slightly stronger GDP estimates to boot.

## Major Central Banks diverge on policy decisions (Source: CNBC, Riksbank, SARB, Bloomberg):

- Switzerland trimmed its rate by 0.25% to take the rate to 0.25%, in line with consensus, as the economy grapples with low inflation
- Sweden kept its policy rate unchanged at 2.25% as inflation is expected to stay above target in CY25
- S. Africa kept its repo rate unchanged at 7.50% and prime rate at 11% with the SARB welcoming inflation near the lower end of its band
- Turkey hiked its policy rate by 1pp to 46% to assuage a tanking TRY, with forex liquidity measures also introduced in a surprise meeting

**OPEC+ issues new plan for oil cuts (Source: Reuters):** The new schedule indicates that 7 members of the cartel would make compensation cuts. The plan represents monthly cuts of 189-435 kbpd. The scheduled cuts will last till Jun'26.

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