

**Tables:**

**Foreign G-Sec Bond Yield:**

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.00	-6
US 2Y*	3.66	-15
Germany 10Y	2.65	-7
UK 10Y	4.52	-12
Japan 10Y	1.19	-17

Source: Bloomberg, \*semi-annual

**G-sec yield:**

G- Sec	Yield (in %)	1-Day Change in Bps
6.75% GS 2029*	6.37	1
6.79% GS 2034* (10Y)	6.50	2
6.92% GS 2039*	6.61	1
1-Month T-bill	6.00	-9
3-Month T-bill	6.08	-18
6-Month T-bill	6.23	-4
12-Month T-bill	6.23	-4

Source: CCL, Bloomberg, \*semi-annual

**Spreads in bps for Corporates**

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	81	105	106	40
AA	165	190	192	129
A	356	383	386	325

Source: FIMMDA, as on 02 Apr, 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	9.00
SOFR	4.37

Source: RBI, Federal Reserve Bank of New York

**Money Market instruments:**

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	169.4	5.99
Triparty Repo	3,883.1	5.61
Market Repo	1,788.9	5.76
Repo in corporate bond	15.3	6.04

Source: RBI, as of 03 Apr, 2025

**Major Equity Indices:**

Indices	Last	1-Day Change %
BSE SENSEX	76,295	-0.4
NIFTY	23,250	-0.4
NASDAQ	16,551	-6.0
S&P 500	5,397	-4.8
Nikkei 225	34,736	-2.8
Euro Stoxx 50	5,113	-3.6

Source: Google Finance

**Commodities futures:**

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	69.8	-4.8
Natural gas Nymex (USD/MMBtu)	4.1	3.3
Gold Comex (USD/t oz.)	3,127.5	-1.3
Copper Comex (USD/lb)	478.2	-2.8
Wheat cbot (USD/bu.)	536.5	0.8

Source: Bloomberg

**Exchange Rates:**

Currency pair	Rate	1-Day Change %
USD/ INR	85.44	-0.1
GBP/ INR	111.67	-0.3
EUR/ INR	94.33	0.9
EUR/USD	1.11	1.4
DXY Index	101.86	-1.2

Source: Morningstar, Bloomberg, Marketwatch

**Today's Key Macro Events:**

**India:** VRR & G-Sec Auction, Services PMI Mar'25; **US:** Nonfarm Payrolls Mar'25

**News:**

**Domestic:**

**RBI maintains FPI investment caps in Government securities (Source: BS):** RBI has maintained the existing investment limits of 6% or G-secs, 2% for SGS and 15% for corporate bonds for FY26. Currently, foreign investors have utilised 22.3% and 15.7% of their limit in government bonds and corporate bonds respectively.

**Union to look opportunities that may arise from new US trade policy (Source: PIB):** Union is studying the opportunities that may arise from new development in US trade policy as it is examining the implications of the various measures. It also reiterated the 'Mission 500' announcement that aims to more than double bilateral trade to USD 500 bn by CY30.

**Impact of levies should be nullified: NITI Aayog Member (Source: ET):** Mr. Virmani said that the first phase of the US-India Bilateral Trade Agreement, expected to take effect by CY25 and it will offset most of the impact of the new US tariffs on India's manufactured exports. He added that the direct impact of the reciprocal tariffs on most market economies is minimal.

**SGS, VRR and OMO auctions conducted successfully (Source: RBI):**

- SGS worth Rs. 118 bn were auctioned by 6 states, with 10Y yields ranging between 6.84% - 6.88%
- 1-day VRR worth Rs. 60 bn was conducted for a notified amount of Rs. 250 bn at cut-off rate of 6.26%
- RBI purchased Union G-Secs worth Rs. 200 bn in OMO auction, with cut-off rates ranging between 6.35% - 6.64%

**International:**

**Fitch cuts China's foreign currency rating (Source: Reuters):** Fitch has downgraded China's long-term foreign currency credit rating to 'A' from 'A+', on expectations of weak public finances and rapidly rising debt. Notably, the latest U.S. reciprocal tariffs have not been incorporated in the forecast which may raise debt to GDP ratio further along with subdued domestic demand and deflationary pressure.

**World leaders around the denounce US tariffs (Source: Reuters, Bloomberg)**

- WTO director warned that tariffs could lead to a contraction of around 1% in global merchandise trade volumes in CY25
- IMF's MD Ms. Georgieva commented that US tariffs pose significant threat to sluggish global economy
- China urged US to immediately cancel its latest tariffs and vowed retaliation to safeguard its interest
- UK published indicative list of thousands of goods which could face retaliatory tariffs. Spain has prepared USD 15.7 bn plan, including new financing, to cushion the impact of new US tariffs on economy. France urged its companies to pause any US investments
- Thailand said it will reduce tariffs on some US goods and address non-tariff barriers. Taiwan mentioned that US tariffs are unreasonable and blamed US policies for trade surplus

**Countries need to allow in more US products to bring down tariffs (Source: CNBC):**

Mr. Lutnick, US Commerce Secretary said countries need to allow in more US products if they want to bring down the tariffs. He added that US administration is negotiating with major trading partners to reduce tariffs and increase US imports.

**US overall trade deficit narrows in Feb'25 (Source: BEA):** US trade deficit narrowed by 6.1% in Feb'25 to USD 122.7 bn as imports remained high as businesses front-loaded goods before new tariffs took effect. Exports hit a record USD 278.5 bn, driven by industrial supplies and capital goods.

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**US Fed officials say time for patience on policy amid risks (Source: Reuters):**

- Mr. Jefferson said he is inclined to keep policy at its currently modestly restrictive level as Fed need time to assess the impact of tariffs
- Ms. Cook commented that Fed can take time to assess the environment before moving interest rates again

**Services sector gains momentum in Mar'25 (Source: S&P Global):**

- Global composite PMI clocked 52.1 in Mar'25, up from 51.5 in Feb'25. Services activity rebounded while manufacturing expansion slowed though remaining expansionary
- US services sector picked momentum in Mar'25 as services PMI rose to 54.4 in Mar'25 from 51.0 in Feb'25. Consequently, composite PMI ticked up to 53.5 in Mar'25 from 51.6 in Feb'25
- Eurozone services PMI rose to 51 in Mar'25 from 50.6 in Feb'25 companies cleared backlogs at a faster rate. Consequently, composite PMI ticked up 0.7 to 50.9 in Mar'25

**OPEC+ unexpectedly speeds up oil output hike (Source: Reuters):** The bloc was expected to raise oil output in May'25 by around 135 kbpd. However, now it will be going with that alongside two additional monthly increments. Thus, the production adjustment in May'25 will be roughly 411 kbpd.

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