

## Tables:

## Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	3.99	-1
US 2Y*	3.65	-1
Germany 10Y	2.57	-8
UK 10Y	4.45	-7
Japan 10Y	1.16	-3

Source: Bloomberg, \*semi-annual

## G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
6.75% GS 2029*	6.31	-6
6.79% GS 2034* (10Y)	6.46	-3
6.92% GS 2039*	6.57	-4
1-Month T-bill	6.01	1
3-Month T-bill	6.06	-2
6-Month T-bill	6.22	-1
12-Month T-bill	6.20	-3

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	4.39

Source: RBI, Federal Reserve Bank of New York

## Money Market instruments (Term segment):

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Notice Money	147.5	6.11
Term Money	12.7	-
Triparty Repo	4,459.9	6.03
Market Repo	2,041.9	5.97
Repo in corporate bond	0.0	NA

Source: RBI, as of 04 Apr, 2025

## Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	75,365	-1.2
NIFTY	22,905	-1.5
NASDAQ	15,588	-5.8
S&P 500	5,074	-6.0
Nikkei 225	33,781	-2.8
Euro Stoxx 50	4,878	-4.6

Source: Google Finance

## Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	65.6	-6.0
Natural gas Nymex (USD/MMBtu)	3.8	-6.8
Gold Comex (USD/t oz.)	3,035.4	-2.9
Copper Comex (USD/lb)	440.2	-7.9
Wheat cbot (USD/bu.)	529.0	-1.4

Source: Bloomberg

## Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	85.24	-0.2
GBP/ INR	110.20	-1.3
EUR/ INR	93.62	-0.8
EUR/USD	1.10	-1.0
DXI Index	102.89	1.0

Source: Morningstar, Bloomberg, Marketwatch

## Today's Key Macro Events:

India: VRR auction; Eurozone: Retail Sales Feb'25; Germany: Trade Balance Feb'25

## News:

## Domestic:

**Union officials upbeat on growth prospects amidst uncertainty (Source: BS):** According to media sources, Union officials expect real GDP to clock in growth in the range of 6.3% y/y – 6.8% y/y in FY26 despite rising global uncertainty and sweeping US tariffs which could pose a conundrum in the near term

**Overall exports estimated to grow at robust pace in FY25 (Source: ET):** According to media sources, overall exports are expected to surpass USD 800 bn in FY25, driven by surge in services exports while merchandise exports remain flattish. Officials believe merchandise exports to display positive growth trend in FY26.

**Union likely to exceed capex targets for FY25RE (Source: BS):** According to media sources, the Union is poised to exceed capex target for FY25RE by a modest margin as per incoming data.

**Domestic economic activity rises to 7-month high in Mar'25 (Source: S&P Global):** Services PMI stood at 58.5 in Mar'25 (Feb'25: 59), remaining expansionary and above long-run average, with demand strength underpinning sales growth. Composite PMI rose to 7-month high of 59.5 in Mar'25.

**Union mulls relaxing regulations to fast-track mergers (Source: BS):** Union has proposed to expand the scope of fast-track mergers to include unlisted debt companies with significant debt exposure, but not more than Rs. 500 mn, enabling a host of small and medium companies for mergers.

## G-Sec and VRR auctions conducted successfully (Source: RBI):

- 6.64% GS 2027 worth Rs. 60 bn were auctioned at cut-off rate of 6.2478%.
- 6.79% GS 2034 worth Rs. 30 bn were auctioned at cut-off rate of 6.4904%.
- 3-day VRR worth Rs. 125 bn were auctioned (notified amount: Rs. 250 bn) at cut-off rate of 6.26%.

## International:

**Mr. Powell commits to wait and hold approach in times of uncertainty even as POTUS urges cuts (Source: WSJ, Reuters):** Mr. Powell said that US faces highly uncertain economic outlook due to the new reciprocal levies which could stoke even higher inflation, unemployment and slower growth. Mr. Powell committed to pause on rate trajectory amidst uncertainty over tariff impact and higher inflation expectations. However, POTUS Mr. Trump has urged US Fed Chair Mr. Powell to cut rates.

**US remains unrelenting in tariff tirade (Source: Reuters, Bloomberg):** The US tweaked 14 tariff levels impacting 20 countries. India's tariff was reduced 1pp to 26%. POTUS announced intentions of levying separate tariffs on pharmaceutical companies. He also expressed willing to negotiate trade agreements.

## Tariff war continues with differential approaches (Source: Reuters, Bloomberg)

- China retaliated with announcement of imposition of 34% tariffs on all US goods from 10 Apr'25, with additional restrictions on rare earth metals
- India would focus on a bilateral trade deal by H2CY25 rather than slap retaliatory tariffs, as per media sources
- EU's Trade Commissioner Mr. Sefcovic reiterated his commitment to meaningful negotiations. Italy's Ms. Meloni said all tariffs must be lifted. ECB's Ms. Schnabel said uncertainty will get worse in the near term
- UK PM Mr. Starmer is readying plans to protect industries from tariffs. Taiwan announced financial help worth USD 8.8 bn for industries
- Vietnam's General Secretary has declared preparedness to cut tariffs to zero if US is willing to do the same

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April 07, 2025



## SBICAPS Daily Digest

**US labour market displays strength in Mar'25 (Source: Bloomberg):** US non-farm payrolls rose 228k in Mar'25, stronger than expectations of 135k, and higher than 151k in Feb'25, driven by strong gains in leisure and hospitality. Notably, unemployment rate ticked higher from 4.1% in Feb'25 to 4.2% in Mar'25.

**PBoC may have room to cut rates in near term (Source: ForexLive):** According to Chinese State Media, PBoC has room to cut borrowing costs or RRR for lenders, amidst room for expansion of fiscal deficit and special treasury bonds, in order to stimulate a tariff hit economy.

**Vegetable oil prices drive global food prices in Mar'25 (Source: FAO):** FAO food price index rose 7% y/y in Mar'25, driven by vegetable oil and dairy prices offset by cereals. Vegetable oil prices rose 24% y/y in Mar'25 driven by tight supply and seasonal lows in South-East Asian countries. Notably, sugar prices fell 12.3% y/y and cereal prices fell 1.1% y/y due to lower demand and improved supply respectively.

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