

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.16	17
US 2Y*	3.73	8
Germany 10Y	2.61	4
UK 10Y	4.62	17
Japan 10Y	1.21	5

Source: Bloomberg, *semi-annual

G-sec yield:

G- Sec	Yield (in %)	1-Day Change in Bps
6.75% GS 2029*	6.34	3
6.79% GS 2034* (10Y)	6.48	2
6.92% GS 2039*	6.59	2
1-Month T-bill	6.00	-1
3-Month T-bill	6.06	0
6-Month T-bill	6.16	-6
12-Month T-bill	6.20	0

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	84	76	47	41
AA	168	161	133	130
A	359	354	327	326

Source: FIMMDA, as on 04 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	4.35

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	172.4	6.16
Triparty Repo	4,310.8	6.11
Market Repo	2,176.3	6.14
Repo in corporate bond	15.7	6.39

Source: RBI, as of 07 Apr, 2025

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	73,138	-3.0
NIFTY	22,162	-3.2
NASDAQ	15,603	0.1
S&P 500	5,062	-0.2
Nikkei 225	31,137	-7.8
Euro Stoxx 50	4,656	-4.5

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	65.1	-0.8
Natural gas Nymex (USD/MMBtu)	3.7	-4.4
Gold Comex (USD/t oz.)	3,014.7	-0.7
Copper Comex (USD/lb)	430.9	-2.1
Wheat cbot (USD/bu.)	539.8	2.0

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	85.84	0.7
GBP/ INR	109.78	-0.4
EUR/ INR	94.17	0.6
EUR/USD	1.10	0.1
DXI Index	102.95	0.1

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: VRR, SGS auctions; **US:** EIA STEO Apr'25

News:

Domestic:

RBI may tolerate weaker INR (Source: ET): As per media sources, RBI may tolerate a sharper depreciation of INR if China lets the CNY weaken to cushion the impact of US tariffs. Depreciation of the CNY could affect Indian exports and widen its trade deficit with China. RBI is closely monitoring the situation.

Fuel demand drops in Mar'25 (Source: BS, CEIC): Fuel demand in Mar'25 fell by 3.1% y/y to 20.9 mn tonnes. The fall was driven by dip in pet coke by 15.8% and 6.2% fall in bitumen. Diesel demand grew by only 0.9%, whereas petrol consumption rose by 5.7%. For FY25, petroleum consumption increased by 2.1% y/y, driven by healthy uptick in ATF, pet coke, and motor spirit, offset by decrease in bitumen.

Union increases excise duty on key fuels (Source: ET, CNBC TV-18): The Union has increased Special Additional Excise Duty (SAED) on petrol and diesel by Rs. 2 per litre with effect from 08 Apr'25. With this, SAED on petrol will be Rs. 13/litre and diesel will be Rs. 10/litre. Oil Ministry commented that rise in excise duty will not impact consumers and that cuts could be in store if Brent prices crash below USD 60/bbl.

Auto sales end the fiscal on a sour note (Source: FADA): Auto retail sales fell 0.7% y/y in Mar'25 to 1.9 mn units, driven by slowdown across 2W and 3W segments. 2W sales fell 6.3%, while PV sales rose by 6.3%. In FY25, Auto retail sales rose by 6.5% y/y to 26.1 mn units, driven by 7.7% rise in 2W sales and 4.5% increase in PV sales.

Union may slash car import tariffs (Source: The Hindu Businessline): As per media sources, Union is open to phased reduction of tariffs to 10% from more than 100% on car imports to seal the trade deal with EU. Industry players are seeking to not tinker with import duties on EVs to protect domestic players.

VRR auction conducted successfully (Source: RBI): 1-day VRR worth Rs. 165 bn were auctioned, against a notified amount of Rs. 250 bn, at a cut-off rate of 6.26%.

International:

Mr. Trump threatens additional tariffs on China (Source: Reuters): POTUS warned that he may impose additional 50% tariff on China if it does not withdraw its retaliatory tariffs on US. Additionally, he also mentioned that all talks with China on negotiations will be terminated. China in response decried the threat as blackmail.

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

- EU proposed counter tariff of 25% to target around EUR 26 bn worth of US imports as countermeasure to tariffs on steel, aluminium and cars
- China's Central Bank promised to provide support to a sovereign fund to safeguard the stability of capital markets via re-lending program. China affirmed that it would protect the rights of foreign-funded firms in China, including those from US
- S. Korea said it would analyze impact of tariffs and prepare support measures for sectors with urgent needs, ahead of US's 25% tariff

US Fed officials mull over inflation risk (Source: Reuters):

- Mr. Goolsbee said that there is high risk of inflation if US decides to counter-retaliate, so Fed needs to look at hard data in its policy response
- Ms. Kugler commented that recent rise in inflation may be anticipatory, and Fed should focus on keeping inflation in check

China discusses accelerating stimulus to counter US tariffs (Source: Bloomberg): As per media sources, China has discussed measures to stabilise its economy and markets in response to US tariff policies, including accelerating the rollout of stimulus plans to boost consumption. They considered advancing measures as planned even before US's tariffs and providing subsidies for certain exports.

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