

Tables:

Foreign G-Sec Bond Yield:

G-sec	Yield (in %)	1-Day Change in Bps
US 10Y*	4.45	13
US 2Y*	3.82	2
Germany 10Y	2.57	-1
UK 10Y	4.65	1
Japan 10Y	1.35	1

Source: Bloomberg, *semi-annual

G-sec yield:

G-Sec	Yield (in %)	1-Day Change in Bps
6.75% GS 2029*	6.28	-5
6.79% GS 2034* (10Y)	6.44	-3
6.92% GS 2039*	6.55	-2
1-Month T-bill	5.69	-27
3-Month T-bill	6.01	-5
6-Month T-bill	6.05	-10
12-Month T-bill	6.06	-11

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates

Annualized Spreads	3-year	5-year	7-year	10-year
AAA	101	51	63	48
AA	185	136	149	137
A	376	329	343	333

Source: FIMMDA, as on 08 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	4.42

Source: RBI, Federal Reserve Bank of New York

Money Market instruments:

Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	142.6	5.91
Triparty Repo	3,972.5	5.76
Market Repo	2,152.1	5.86
Repo in corporate bond	15.7	6.08

Source: RBI, as of 09 Apr, 2025

Major Equity Indices:

Indices	Last	1-Day Change %
BSE SENSEX	73,847	-0.5
NIFTY	22,399	-0.6
NASDAQ	16,387	-4.2
S&P 500	5,268	-3.4
Nikkei 225	34,609	9.0
Euro Stoxx 50	4,819	4.3

Source: Google Finance

Commodities futures:

Commodities	Last	1-Day Change %
Brent Crude (USD/bbl)	62.9	0.3
Natural gas Nymex (USD/MMBtu)	3.5	-2.5
Gold Comex (USD/t oz.)	3,236.7	2.1
Copper Comex (USD/lb)	434.3	-1.1
Wheat cbot (USD/bu.)	538.3	0.3

Source: Bloomberg

Exchange Rates:

Currency pair	Rate	1-Day Change %
USD/ INR	86.71	0.0
GBP/ INR	112.24	0.5
EUR/ INR	97.37	1.1
EUR/USD	1.13	1.2
DX Index	100.24	-0.9

Source: Morningstar, Bloomberg, Marketwatch

Today's Key Macro Events:

India: CPI Mar'25, IIP Mar'25, G-Sec, VRR Auctions; **US:** PPI Mar'25; **Germany:** CPI Mar'25; **China:** Total Social Financing, New Yuan Loans Mar'25

News:

Domestic:**RBI MPC cuts repo rate, pledges further easing (Source: RBI):**

- RBI's MPC unanimously decided to cut policy repo rate by 25 bps to 6%, while changing the stance to accommodative, signaling more supportive policy approach to economic growth amidst global trade friction
- GDP growth forecast for FY26 was trimmed downwards by 20 bps to 6.5% y/y
- Consumer Inflation was pegged downwards by 20 bps to 4% y/y for FY26
- Governor Mr. Malhotra interjected that going forward, in the absence of global uncertainty, the MPC will only consider cut or status quo

Refer to our report titled "MONETARY POLICY AND YIELD OUTLOOK: Risk, Rates, and the Unknown - A Bond Market Story"

Regulatory changes slow non-life insurers' premium in FY25 (Source: The Hindu Businessline):

Gross direct premium of all non-life insurers grew by 6.2% y/y in FY25 to Rs. 3.1 trn, slower than 13.2% in FY24, impacted by transition of accounting regulations. Notably, standalone health insurers grew 16% to Rs. 384 bn.

CPSE capex in FY25 at 103% of target (Source: FE):

CPSEs and other state-run agencies invested Rs. 8.1 trn, 103% of the target in FY25. Capital expenditure was aided by a surge in investments by the NHA and ONGC. Railways and NHA's investments accounted for 55% of capex target for FY25.

Finance Ministry asks ministries to frontload capex in FY26 (Source: ET):

The Finance Ministry suggested this to support domestic growth amid global uncertainty. Ministries and Departments have also been asked to hasten structuring of schemes for examination by the Expenditure Finance Committee.

International:**POTUS announces tariff pause, excludes China (Source: Reuters):**

Mr. Trump announced pause for 90 days and lowered reciprocal tariffs on 75 countries to 10%, excluding China. He raised tariffs on Chinese goods to 125%.

US CPI slows down unexpectedly ahead of tariff impact (Source: CNBC):

US CPI declined 0.1% m/m in Mar'25, first fall in 5 years, driven by decrease in energy costs and softer services inflation. Notably, CPI rose 2.4% y/y in Mar'25, from 2.8% y/y in Feb'25. Core CPI rose 2.8% y/y in Mar'25, its lowest since CY21.

US FOMC participants worry on tariff impact on outlook (Source: US FOMC):

As per the Minutes of the Mar'25 FOMC, participants noted weaker outlook for GDP growth amidst slowing consumer spending and potential inflationary effects of tariffs. They deemed the FOMC was well positioned to wait for more clarity on economic outlook.

China retaliates against US tariff onslaughts (Source: Reuters, Bloomberg):

- China's Finance Ministry announced 84% tariff on US goods imports
- China Commerce Ministry added 12 US firms to export control list and another 6 in unreliable list
- Onshore CNY slid to lowest since Dec'07 with USD/CNY at 7.3498, with PBoC instructing state banks to reduce USD purchases
- According to media sources, China's top leaders plan to meet to hammer out measures to boost economy and stabilise capital markets

China remains deflationary in Mar'25 (Source: CNBC):

China's CPI slid 0.1% y/y in Mar'25, from -0.7% in Feb'25, driven by fall in food prices. Notably, core inflation rose 0.5% in Mar'25, from 0.1% in Feb'25. China PPI fell 2.5% in Mar'25, extending a 29-month falling streak.

Contd..

April 11, 2025

SBICAPS Daily Digest

EU policymakers pledge policy support against US levies (Source: Reuters, WSJ):

- EU launched retaliatory tariffs on US goods starting from 15 Apr'25, targeting agriculture produce worth EUR 20 bn and relaunching old levies, with Hungary notably dissenting. Later, the EC paused the move, as President Ms. von der Leyen welcome Mr. Trump's decision
- ECB policymakers indicated willingness to provide support with Mr. Rehn, Mr. de Galhau, and Mr. Cipollone arguing for policy easing in Apr'25

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