

14 May 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.46	1
US 2Y*	3.99	0
Germany 10Y	2.68	3
UK 10Y	4.67	3
Japan 10Y	1.43	-1

Source: Bloomberg, *semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.75% GS 2029*	6.01	-7
6.33% GS 2035* (10Y)	6.28	-6
6.92% GS 2039*	6.45	-5
1-Month T-bill	5.88	-4
3-Month T-bill	5.85	-4
6-Month T-bill	5.88	-3
12-Month T-bill	5.86	-3

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	108	122	87	64
AA	193	205	173	157
A	383	395	366	354

Source: FIMMDA, as on 09 May, 2025

Key rates	
Policy	Rate (in %)
Repo rate	6.00
Standing Deposit Facility Rate	5.75
Bank rate	6.25
1-year median MCLR of SCBs	9.00
SOFR	4.28

Source: RBI, Federal Reserve Bank of New York

Money Market instruments		
Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	160.4	5.83
Triparty Repo	3,726.1	5.72
Market Repo	1,981.1	5.61
Repo in corporate bond	16.7	5.94

Source: RBI, as of 13 May, 2025

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	81,148	-1.6
NIFTY	24,578	-1.4
NASDAQ	19,010	1.6
S&P 500	5,887	0.7
Nikkei 225	38,183	-0.3
Euro Stoxx 50	5,416	0.4

Source: Google Finance

Commodities futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	66.2	2.2
Natural gas Nymex (USD/MMBtu)	3.6	-2.2
Gold Comex (USD/t oz.)	3,241.2	0.0
Copper Comex (USD/lb)	468.2	1.5
Wheat cbot (USD/bu.)	516.5	0.9

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	85.34	0.0
GBP/ INR	113.18	1.3
EUR/ INR	95.10	0.9
EUR/USD	1.12	0.7
DXY Index	100.97	-0.7

Source: Morningstar, Bloomberg, Marketwatch

Key events

India: WPI Apr'25, T-bill, VRR Auctions; **China:** New Loans, Total Social Financing Apr'25, **World:** OPEC Report; **Japan:** PPI Apr'25

Domestic

Inflation remains firmly within RBI's tolerance band (Source: PIB):

CPI stood at 3.16% y/y in Apr'25, printing below 4% y/y for 3 consecutive months, driven by softening food and commodity prices. Food inflation eased to 2.1% in Apr'25 (Mar'25: 2.9%), driven by significant easing in vegetable and pulses prices. Core inflation steadied at 4% in Apr'25 from 4.1% in Mar'25.

PPA signing timeline may be extended (Source: ET):

As per media sources, the Union is considering extending the timeline by 2-3 years for power projects awarded under the Mega Power Policy that are yet to sign PPAs or have signed partial pacts with DISCOMs. If implemented the move will benefit at least six plants with a capacity of around 8 GW (of which 4 GW remains not under PPA). Deadline for signing PPAs ends in CY25 and CY26 for most projects.

Union's retaliatory tariffs on US could dent ongoing negotiations:

GTRI (Source: BS): GTRI has stated that Union's proposal to impose retaliatory import duty on certain US products could cast a shadow over ongoing negotiations. According to Union sources, the actions are procedural measures meant to reserve right to take countermeasures if required.

SEBI proposes relaxing of FPI norms for G-Sec investments (Source: BS):

SEBI has proposed regulatory relaxations for FPIs investing under VRR and FAR routes, suggesting easing registration and compliance requirements, allowing NRIs, OCIs and RIs to invest in IGB-FPI without restrictions.

Insurance premiums display robust growth in Apr'25 (Source: BS):

- Life insurers' new business premium rose 8.5% y/y to Rs. 220 bn in Apr'25, driven by 9.9% y/y rise in public insurer's premiums to Rs. 136 bn, while private grew 6% y/y to Rs. 83 bn.
- Non-life insurance premiums rose 13.5% y/y in Apr'25 to Rs. 336 bn, driven by 13.9% y/y rise in general insurance premiums to Rs. 306 bn.

CPSE capex expected to remain steady in FY26 (Source: ET):

According to media sources, Union CPSE capex is expected to remain flattish y/y at Rs. 7.85 trn in FY26BE, in line with FY25BE of Rs. 7.87 trn, but tad lower than Rs. 8.07 trn in FY25RE

International

Trade tensions lighten as terms of trade ease (Source: Reuters):

- US cut the de-minimis tariff for low-value imports from China from 120% to 54%, wef 14th May'25, following a broader truce.
- China has lifted ban on delivery of US airplanes post agreement
- USTR Mr. Greer urged China to reduce non-tariff barriers

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- US Treasury Secretary Mr. Bessent gleaned over productive deals with Japan, Indonesia and Taiwan, while claiming to onshore strategic industries

US CPI drops to lowest levels in 4-years in Apr'25 (Source: US BLS, WSJ): US CPI dropped to 2.3% y/y in Apr'25 (Mar'25: 2.4% y/y, Exp: 2.4% y/y), its lowest print since Feb'21, driven by a stable core and falling energy prices. Core inflation clip stood at 2.8% y/y in Apr'25, same as Mar'25, with shelter prices accounting for more than half of headline. Energy prices fell 3.7% y/y while food prices rose 2.8% y/y in Apr'25.

US secures investment commitments from Saudi Arabia in key sectors (Source: Reuters): POTUS Mr. Trump has secured massive USD 600 bn worth of investment commitments from Saudi Arabia, encompassing key sectors such as energy, advanced technologies, infrastructure and healthcare. Notable commitments include USD 20 bn in AI data centers, USD 15 bn worth of gas turbines and energy solutions and USD 80 bn in transformative technologies in both countries.

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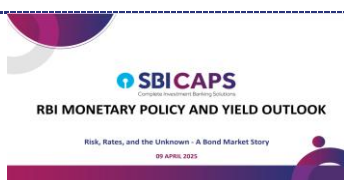


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Details of Research Analysts

<u>Name</u>	Rajan Jain	<u>Name</u>	Siddharth Sarma
<u>Qualification</u>	PGDBA	<u>Qualification</u>	MBA
<u>Designation</u>	Head- Credit Research	<u>Designation</u>	Associate

Details of Research Analyst entity

<u>Name</u>	SBI Capital Markets Limited
<u>Registration Number</u>	INH000007429
<u>Address</u>	15th floor, A & B Wing, Parinee Crescenzo Building, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400 051
<u>Telephone Number</u>	+91 22 4196 8300
<u>Compliance Officer</u>	Bhaskar Chakraborty
<u>Email id</u>	compliance.officer@sbicaps.com
<u>Telephone Number</u>	+91 22 4196 8542

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