

## In Focus: Yubi Daily Wrap

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### News update

Global yields retreated on both short and long dated bonds as markets price in the possibility of a full percentage point rate cut by the Fed by end-2023. Mounting concerns on rising financial instability increased the demand of safe-haven assets, as steep declines in US and European stocks prompted flight-to-quality towards government debt.

Shares of Switzerland's second largest bank Credit Suisse, plunged by 20% as the company's biggest shareholder Saudi National Bank (SNB) ruled out investing ahead in the bank. Resultantly, CDS jumped above 900 bps – highest in two decades indicating an increasing probability of default. As a mitigant, Switzerland's Central Bank has sent liquidity backstop of CHF 50 billion and Credit Suisse has offered to repurchase debt.

India's trade deficit narrowed to \$17.43 billion, 13 month low, as imports declined by 8.2% and exports slowed by 8.8% Y-o-Y. This bespeaks of declining domestic and global demand as central banks continue with monetary tightening to deal with price pressures. Meanwhile, service exports registered robust growth of 36.9%, which should enable some moderation in the current account deficit.

The RBI and the Central Bank of the United Arab Emirates (CBUAE) have signed an MoU to enhance cooperation and jointly enable innovation in financial products and services. The collaboration will be in multiple areas of fintech, especially Central Bank Digital Currencies (CBDCs) and explore interoperability for the same.

The Ministry of Corporate Affairs (MCA) will implement its two year old notification of making it mandatory for companies to ensure that their accounting software records the audit trail of transactions, April 1, 2023, onwards. This is to improve transparency in financial reporting and prevent tampering of accounting entries. MCA ha earlier pushed the dates of implementation twice.

The RBI has permitted banks from 18 countries to open Special vostro Rupee Accounts (SVRAs) to settle payments in Rupees. These include bigger countries like Germany, Israel, Russia, Singapore, United Kingdom, among various other smaller countries.

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<b>Equity indices</b>	<b>Current level</b>	<b>Previous close</b>	<b>Change %</b>	<b>One month ago</b>
S&P500	3891.93	3919.29	-0.70	4147.60
Dow Jones	31874.57	32155.40	-0.87	34128.05
FTSE 100	7344.45	7637.11	-3.83	7997.83
Nikkei 225	26936.93	27229.48	-1.07	27501.86
Hang Seng	19245.59	19539.87	-1.51	20812.17
Shanghai Composite	3247.17	3263.32	-0.49	3280.49
Kospi 50	2370.25	2379.72	-0.40	2427.90
<b>Sensex</b>	<b>57279.66</b>	<b>57555.90</b>	<b>-0.48</b>	<b>61319.51</b>
<b>Nifty50</b>	<b>16885.60</b>	<b>16972.15</b>	<b>-0.51</b>	<b>18035.85</b>

<b>Govt yields</b>	<b>Current level</b>	<b>Previous close</b>	<b>Change %</b>	<b>One month ago</b>
US 10-yr	3.48	3.45	0.87	3.74
UK 10-yr	3.32	3.48	-4.77	3.52
Japan 10-yr	0.30	0.32	-7.74	0.50
Germany 10-yr	2.12	2.12	0.00	2.43
India Govt 30-yr	<b>7.44</b>	<b>7.44</b>	<b>0.00</b>	<b>7.40</b>
<b>India Govt 10-yr</b>	<b>7.36</b>	<b>7.42</b>	<b>-0.80</b>	<b>7.37</b>
India Govt 5-yr	<b>7.24</b>	<b>7.40</b>	<b>-2.08</b>	<b>7.32</b>



<b>Corp yields: India</b>	<b>Current level</b>	<b>Previous close</b>	<b>Change %</b>	<b>One month ago</b>
AAA 10-yr	7.78	7.83	-0.66	7.74
AAA 5-yr	7.71	7.84	-1.72	7.84
AAA 3-yr	7.78	7.90	-1.44	7.85
AAA 1-yr	7.92	8.02	-1.16	8.68

<b>Global FX rates</b>	<b>Current level</b>	<b>Previous close</b>	<b>Change %</b>	<b>One month ago</b>
DXY	104.47	104.65	-0.16	103.35
EUR/USD	1.06	1.06	0.21	1.07
GBP/USD	1.21	1.21	0.17	1.21
USD/JPY	0.66	0.66	0.12	0.69
<b>USD/INR</b>	132.66	133.42	1.21	133.94
AUD/USD	6.88	6.87	0.15	6.86
USD/CNY	82.75	82.60	0.18	82.72
Gold (USD/oz)	1903.21	1904.01	-0.04	1836.36
Brent (USD/bbl)	77.94	77.04	1.17	6494.62



<b>Money market India</b>	<b>Current level</b>	<b>Previous close</b>
Call money rate	6.34	6.32
CBLO rate	6.29	6.18
Call traded volume (INR bn)	4954.76	4941.32
Net banking system liquidity injection (+)/absorption(-) (INR bn)	497.96	-355.77
	<b>T-bills</b>	
91-days	6.87	6.87
182-days	7.29	7.25
364-days	7.23	7.23



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