

## In Focus: Yubi Daily Wrap

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### News update

In the aftermath of US banking sector stress, Sweden's biggest pension fund Alecta is facing losses to the tune of \$2 billion due to failed investment strategy which made it the largest shareholder in the three stressed banks. Realised losses from First Republic stand at \$728 million, while anticipated losses of \$862 million from SVB and \$310 million from Signature Bank.

Borrowing costs surged in state auctions conducted by the RBI where the states sold bonds worth Rs 358.2 billion vs Rs 391.2 billion planned (last auction: Rs 312.3 billion). The increase in the supply of securities led to an increase in the 10Y cut-off yield to 7.76-7.77% level vis-à-vis the last cut-offs.

The Indian government is mulling measures to reduce the tax burden on foreign investors putting money in alternative investment funds (AIFs), which include venture capital (VC) and private equity (PE) domiciled in India. Key proposals, expected to be presented in Parliament's monsoon session, include granting export status to these AIFs with foreign investors, bringing uniformity in taxing carried interest, and aligning capital gains taxes for listed and unlisted securities.

India exported more than \$2 billion worth of mobile phones in January-February 2023, in a boost from the government's production linked incentive programs. Apple and Samsung account for 90% of these exports.

The Indian central government is liaising with the state governments to tweak its labour laws, as well as infrastructure and logistics policies to attract the electronics manufacturing supply chain to India. Apple is seeking changes in the India's labour laws (in Tamil Nadu) to expand its local production, and to shift its production outside China.

Global gold prices rose amidst unfolding banking sector stress, with domestic prices elevating to Rs 60,000 in last few days. Consequently, Indian demand for gold may see a slight dip, in otherwise high demand quarters of April-June and October-December.

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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	4002.87	3951.57	1.30	3991.05
Dow Jones	32560.60	32244.58	0.98	33045.09
FTSE 100	7536.22	7403.85	1.79	7930.63
Nikkei 225	27495.39	26945.67	2.04	27104.32
Hang Seng	19629.21	19258.76	1.92	20423.84
Shanghai Composite	3263.85	3255.65	0.25	3291.15
Kospi 50	2412.18	2388.35	1.00	2417.68
<b>Sensex</b>	<b>58251.22</b>	<b>58074.68</b>	<b>0.30</b>	<b>59744.98</b>
<b>Nifty50</b>	<b>17164.05</b>	<b>17107.50</b>	<b>0.33</b>	<b>17554.30</b>

<b>Govt yields</b>	<b>Current level</b>	<b>Previous close</b>	<b>Change %</b>	<b>One month ago</b>
US 10-yr	3.58	3.61	-0.74	3.95
UK 10-yr	3.36	3.31	1.78	3.61
Japan 10-yr	0.29	0.25	16.73	0.50
Germany 10-yr	2.29	2.29	0.00	2.53
<b>India Govt 30-yr</b>	<b>7.40</b>	<b>7.39</b>	<b>0.23</b>	<b>7.42</b>
<b>India Govt 10-yr</b>	<b>7.33</b>	<b>7.33</b>	<b>0.12</b>	<b>7.40</b>
<b>India Govt 5-yr</b>	<b>7.23</b>	<b>7.19</b>	<b>0.51</b>	<b>7.40</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	7.84	7.83	0.13	7.84
AAA 5-yr	7.93	7.90	0.39	7.86
AAA 3-yr	7.84	7.79	0.53	7.86
AAA 1-yr	7.80	7.78	0.27	7.96
DXY	103.18	103.26	-0.07	104.59
EUR/USD	1.08	1.08	0.01	1.06
GBP/USD	1.22	1.22	0.11	1.20
AUD/USD	0.67	0.67	0.36	0.68
USD/JPY	132.46	132.51	-0.04	134.84
USD/CNY	6.89	6.88	0.10	6.89
<b>USD/INR</b>	<b>82.67</b>	<b>82.67</b>	<b>0.00</b>	<b>82.86</b>
Gold (USD/oz)	1938.90	1940.07	-0.06	1825.39
Brent (USD/bbl)	74.29	74.34	7.22	79.71
DXY	103.18	103.26	-0.07	104.59



<b>Money market India</b>	<b>Current level</b>	<b>Previous close</b>
Call money rate	6.68	5.93
CBLO rate	6.65	6.67
Call traded volume (INR bn)	5310.80	31.04
Net banking system liquidity injection (+)/absorption(-) (INR bn)	790.78	1238.81
	<b>T-bills</b>	
91-days	6.78	6.78
182-days	7.23	7.23
364-days	7.20	7.20



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