

In Focus: Yubi Daily Wrap

24 March, 2023

News update

The Bank of England raised the benchmark lending rates by 25 bps to 4.25%. The minutes indicated continued possibility of further rate hikes if inflation persists.

Japan's inflation slowed sharply after more than a year, printing at 3.3% in February vs 4.3% in January 2023. A large chunk of this reduction was due to government subsidies for electricity and gas.

The government passed Finance Bill 2023, which proposed removing the long-term capital gains benefits for majority of the debt MF schemes, by taxing on investors' income tax rate – which is likely to be higher. Currently, India charges 20% long term capital gain tax, if sold after 3 years of investment. This move could reduce inflows in debt mutual funds and benefit bank deposits.

Indian automaker Maruti will pass on the impact of higher input prices to the end-consumer, a second hike this year. Rising cost pressures have also prompted other automakers like Tata Motors, Hero Moto Corp in the recent times to raise prices across models.

India and UAE are expected to hold talks in May to boost non-oil trade commerce by allowing settlement in Rupees to hedge FX rate risks, while oil trade continues to settle in dollar. The shift away from dollar is primarily prompted by growing strength of dollar this year, which negatively impacts other currencies and Asian markets, which have been reeling under high inflation and debt repayment pressures.

Global oil demand is tilting to India as China's demand slows with the former's daily crude consumption inching 3 times, amidst a slow transition to greener options. Over next decade, China's share in consumption is expected to fall to 15% from 50%, while India's will double to 24%.

Dr. Sudarshan Bhattacharjee (Principal Economist) Email: sudarshan.bhattacharjee@go-yubi.com
Nupur Tandon (Economist) Email: nupur.tandon@go-yubi.com

Important disclaimers and disclosures can be found on the last page of this publication

Equity indices	Current level	Previous close	Change %	One month ago
S&P500	3948.72	3936.97	0.30	3970.04
Dow Jones	32105.25	32030.11	0.23	32816.92
FTSE 100	7499.60	7566.84	-0.89	7878.66
Nikkei 225	27330.27	27419.61	-0.33	27453.48
Hang Seng	20007.19	20049.64	-0.21	20010.04
Shanghai Composite	3268.89	3286.65	-0.54	3267.16
Kospi 50	2408.87	2424.48	-0.64	2423.61
Sensex	57855.87	57925.28	-0.12	59463.93
Nifty50	17044.50	17076.90	-0.19	17465.80

Govt yields	Current level	Previous close	Change %	One month ago
US 10-yr	3.39	3.43	-1.14	3.94
UK 10-yr	3.36	3.36	0.00	3.66
Japan 10-yr	0.29	0.30	-4.68	0.50
Germany 10-yr	2.19	2.19	0.00	2.54
India Govt 30-yr	7.40	7.40	-0.09	7.40
India Govt 10-yr	7.32	7.33	-0.15	7.39
India Govt 5-yr	7.18	7.21	-0.37	7.39



Corp yields: India	Current level	Previous close	Change %	One month ago
AAA 10-yr	7.83	7.84	-0.13	7.83
AAA 5-yr	7.91	7.93	-0.26	7.85
AAA 3-yr	7.80	7.84	-0.40	7.85
AAA 1-yr	7.80	7.80	0.00	7.29

	Current level	Previous close	Change %	One month ago
DXY	102.58	102.53	0.05	104.60
EUR/USD	1.08	1.08	0.01	1.06
GBP/USD	1.23	1.23	-0.03	1.20
AUD/USD	0.67	0.67	0.00	0.72
USD/JPY	130.23	130.85	-0.47	134.84
USD/CNY	6.82	6.85	-0.32	6.33
USD/INR	82.22	82.26	-0.05	82.86
Gold (USD/oz)	1991.72	1993.40	-0.08	1822.28
Brent (USD/bbl)	74.93	74.60	9.73	81.86



Money market India	Current level	Previous close
Call money rate	6.61	6.65
CBLO rate	6.26	6.65
Call traded volume (INR bn)	5011.10	5103.25
Net banking system liquidity injection (+)/absorption(-) (INR bn)	449.16	1130.02
	T-bills	
91-days	6.73	6.78
182-days	7.23	7.23
364-days	7.20	7.19



Disclaimer

This report is issued solely by CredAvenue Private Limited (“Yubi”). Any information in this report should not be construed as an offer, invitation, solicitation, solution or advice of any kind to buy or sell any securities, financial products or services as may be offered by Yubi or any of its affiliate entity, unless specifically stated so. The contents of this report do not take into account your personal circumstances. Before entering into any transaction, you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction and should seek your own financial, business, legal, tax and other advice regarding the appropriateness of buying or selling any securities, financial products or services. Yubi or any of its affiliate entity, do not provide any financial advice, and is not your fiduciary or agent, in relation to the securities or any proposed transaction with you unless otherwise expressly agreed by us in writing. The information, opinions and material in this report (i) are derived from sources that Yubi believes to be reliable but the reliability or accuracy of which have not been independently verified (ii) are given as part of Yubi’s internal research activity and not as manager of or adviser in relation to any assets or investments and no consideration has been given to the particular needs of any recipient; and (iii) may contain forward looking statements, which may be materially affected by various risk, uncertainties and other factors. The opinions contained in such material, constitute the judgment of Yubi in relation to the matters which are the subject of such material as at the date of its publication, all of which are expressed without any responsibility on Yubi’s part and are subject to change without notice. Yubi has no duty to update this [document/report], the opinions, factual or analytical data contained herein. Yubi and/or its affiliates makes no representation as to the accuracy, completeness or reliability of any information contained herein or otherwise provided and hereby disclaim any liability with regard to the same. The recipient of the information should take necessary steps as they deem necessary prior to placing reliance upon it.

Nothing contained in this report, shall constitute or be deemed to constitute an offer to sell/purchase or as an invitation or solicitation to do so for any securities or financial products/ instruments of any entity. This report, is intended solely for an authorised personnel of Yubi and may contain proprietary, confidential or legally privileged information. No part of this report, may be copied, disseminated or redistributed by any recipient for any purpose without Yubi’s prior written consent. If the reader of this report, is not the intended recipient and has received this transmission in error, please immediately notify Yubi, Centre of Excellence, E-mail: sudarshan.bhattacharjee@go-yubi.com or by telephone at +91-9819429398 and delete this report, from your system. Please also note that Yubi and/or its affiliates, is unable to exercise control or ensure or guarantee the integrity of/over the contents of the information contained in report and / or attachments and that any views expressed in this report and/or attachments are not endorsed by/binding on Yubi.

Before opening any attachments, please check them for viruses and defects and please note that Yubi accepts no liability or responsibility for any damage caused by any virus that may be transmitted by this report and/ or attachments thereto.

