

Yubi Daily Wrap

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OPEC has announced a surprise oil production cut of more than a million barrels per day. The production cut, along with increased energy demand from China is likely to raise the risk of inflation being more persistent, impacting the rate hiking cycle.

India's Manufacturing PMI increased to 56.4 in March compared to 55.3 in February – that's the quickest growth for manufacturing in the last 3 months. The new-orders sub index (tracking overall demand) increased in the last month, and foreign demand also rose than in February.

The index of India's 8 core industries slowed in February – rising by 6% Y-o-Y, compared with a rise of 8.9% in January. On a monthly basis, the index contracted 7.8% in February, compared to a rise of 4% the previous month. Ahead, unusual rains might pose downside risks to the cement and construction sector.

India's fiscal deficit for April-February reached Rs 14.54 trillion, nearly 83% of annual estimates. Net tax receipts were Rs 17.32 trillion rupees – 83% of the annual estimate and 17% higher than last year. Total expenditure during the period was Rs 34.93 trillion – 83.4% of the annual estimate and 11% higher than the government's spending last year.

India's current account deficit narrowed to \$18.2 billion (2.2% of GDP) in October-December 2022 quarter on improving trade balances (owing to softer commodity price, import curbs) and rising remittances, compared to \$36.4 billion recorded in the July-September quarter. Year-end number is likely to remain comfortable ahead, also taking pressure off the RBI to sell FX to stabilize the INR.

Weather vagaries during the last month have deteriorated the wheat produce quality, with about 80% of the new arrivals in mandis of inferior quality.

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Equity indices	Current level	Previous close	Change %	One month ago
S&P500	4109.31	4050.83	1.44	3982.24
Dow Jones	33274.15	32859.03	1.26	32889.09
FTSE 100	7631.74	7620.43	0.15	7935.11
Nikkei 225	28206.58	28041.48	0.59	27423.96
Hang Seng	20292.65	20400.11	-0.53	19943.51
Shanghai Composite	3291.06	3272.86	0.56	3258.03
Kospi 50	2472.46	2476.86	-0.18	2402.64
Sensex	59131.16	58991.52	0.24	59808.97
Nifty50	17359.75	17427.95	-0.39	17594.35

Govt yields	Current level	Previous close	Change %	One month ago
US 10-yr	3.51	3.47	1.25	3.95
UK 10-yr	3.49	3.49	0.00	3.85
Japan 10-yr	0.35	0.33	7.62	0.50
Germany 10-yr	2.29	2.29	0.00	2.71
India Govt 30-yr	7.41	7.37	0.58	7.45
India Govt 10-yr	7.33	7.31	0.26	7.40
India Govt 5-yr	7.17	7.17	-0.04	7.38



Corp yields: India	Current level	Previous close	Change %	One month ago
AAA 10-yr	7.81	7.79	0.27	7.81
AAA 5-yr	7.85	7.87	-0.26	7.82
AAA 3-yr	7.80	7.80	0.00	7.91
AAA 1-yr	7.73	7.87	-1.71	7.98

	Current level	Previous close	Change %	One month ago
DXY	103.00	102.43	0.56	104.52
EUR/USD	1.08	1.08	-0.50	1.06
GBP/USD	1.23	1.23	-0.52	1.20
AUD/USD	0.67	0.67	0.06	0.72
USD/JPY	133.44	132.86	0.44	135.87
USD/CNY	6.86	6.87	-0.09	6.33
USD/INR	82.42	82.18	0.29	81.97
Gold (USD/oz)	1979.38	1980.37	-0.05	1856.48
Brent (USD/bbl)	84.02	79.69	5.43	85.61



Money market India	Current level	Previous close
Call money rate	7.37	6.72
CBLO rate	6.77	6.65
Call traded volume (INR bn)	5312.46	5405.72
Net banking system liquidity injection (+)/absorption(-) (INR bn)	-375.42	-135.83
	T-bills	
91-days	6.97	7.03
182-days	7.12	7.14
364-days	7.14	7.14



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