

Yubi Daily Wrap

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The Federal Home Loan Bank system (a backstop for banks during crises) disbursed a lower amount of debt totalling \$37 billion as of 31 March 2023 compared to \$304 billion disbursed in the prior fortnight, when the banking stress was peaking. The reduction in demand for back-stopped mortgage loans indicates improving conditions in the US banking system.

The Bank of Korea joined other central banks to hold the policy rate – the 7-days repurchase rate – at 3.5% while intending to keep the policy restrictive territory to combat inflation. Growth is likely to be below the February forecast of 1.6%.

In first conference, the new BoJ governor Ueda has signalled sticking to the yield curve control and negative interest rates in current economy. Yen retreated and bond futures inched higher, as comments downplay any significant change to monetary policy this month.

China's consumer and producer prices remained muted in March – with CPI rising to 0.7% from previous month and producer prices showing deflation of -2.5%. The economy is running below its potential and the recovery has not been strong enough to push up inflation.

Private weather forecasting agency Skymet is predicting monsoons 94% below normal (+/- 5% error), of the long-term period average of 868.6mm over the June-September period. This, if materialises, will be ill-timed for India hitting the next crop produce, adding to the wheat crop damage due to unseasonal rains during March this year.

India's fuel consumption rose by 5% Y-o-Y to 4.83 million barrels per day (20.5 million tonnes), highest recorded since 1998. This is reflective of an infrastructure push from the government, which has propped up the fuel demand.

SBI is considering raising \$2 billion via offshore bonds. The board will meet on April 18 to consider the fund raising, through a public offer or private placement of senior unsecured notes in US dollar or any other convertible foreign currency during FY 2023-24.

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Equity indices	Current level	Previous close	Change %	One month ago
S&P500	4109.11	4105.02	0.10	3861.59
Dow Jones	33586.52	33485.29	0.30	31909.64
FTSE 100	7741.56	7741.56	0.00	7748.35
Nikkei 225	28005.11	27633.66	1.34	28143.97
Hang Seng	20334.16	20331.2	0.01	19319.92
Shanghai Composite	3303.812	3315.358	-0.35	3230.077
Kospi 50	2544.06	2512.08	1.27	2394.59
Sensex	59846.51	60028.6	-0.30	59135.13
Nifty50	17624.05	17704.8	-0.46	17412.90

Govt yields	Current level	Previous close	Change %	One month ago
US 10-yr	3.37	3.39	-0.71	3.70
UK 10-yr	3.43	3.43	0.00	3.64
Japan 10-yr	0.46	0.46	1.53	0.40
Germany 10-yr	2.18	2.18	0.00	2.50
India Govt 30-yr	7.34	7.37	-0.39	7.50
India Govt 10-yr	7.21	7.20	0.08	7.42
India Govt 5-yr	7.02	7.01	0.10	7.40



Corp yields: India	Current level	Previous close	Change %	One month ago
AAA 10-yr	7.68	7.68	0.00	7.83
AAA 5-yr	7.66	7.67	-0.14	7.84
AAA 3-yr	7.57	7.58	-0.14	7.90
AAA 1-yr	7.61	7.64	-0.41	8.02

	Current level	Previous close	Change %	One month ago
DXY	102.37	102.58	-0.20	104.58
EUR/USD	1.09	1.09	0.20	1.06
GBP/USD	1.24	1.24	0.19	1.20
USD/JPY	133.42	133.61	-0.14	135.03
USD/INR	82.04	81.99	0.06	82.05
AUD/USD	0.67	0.66	0.39	0.66
USD/CNY	6.88	6.88	-0.01	6.92
Gold (USD/oz)	1997.62	1991.48	0.31	1868.26
Brent (USD/bbl)	84.90	84.91	-0.01	82.39



Money market India	Current level	Previous close
Call money rate	6.32	6.40
CBLO rate	6.29	6.29
Call traded volume (INR bn)	5272.61	5528.29
Net banking system liquidity injection (+)/absorption(-) (INR bn)	-1844.91	-1947.49
	T-bills	
91-days	6.77	6.75
182-days	6.95	7.03
364-days	6.98	6.92



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