

Yubi Daily Wrap

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Federal Reserve officials have signalled divergent views about the central bank's next policy move. While Fed's Harker considers another hike a reasonable way, the newest member Goolsbee believes a pause is in order. Last month, Kashkari had mentioned it'll take a while to see full effects of the monetary policy, without commenting on the outlook of Fed's policy.

China and The World Bank are exploring solutions to restructuring billions of dollars' worth of debt held by poor nations, which have become unsustainable amidst high inflation, rising rates, and a strong dollar. While the outcome is uncertain, the proposal could conclude for the World Bank to provide concessional lending and grants to these small countries, in exchange of China dropping a key demand and agreeing on the timeline of debt relief.

The IMF has warned that it is too soon to conclude that the stresses in the financial system are cleared, and that vulnerabilities can still erupt into a new crisis and slam global growth this year. It also added that possibly the financial conditions have not tightened meaningfully and urged member countries to keep tightening monetary policy to fight persistently high inflation.

The IMF has reduced the forecast for global growth, estimating global GDP to expand by 2.8% this year and 3% next year. This is down by 10bps from its previous projection in January.

In the April release of the World Economic Outlook report, IMF has trimmed India's growth forecast for FY 2023-24 to 5.9% from 6.1% in January (down by 20bps), and that for FY 2024-25 to 6.3% (down by 6.3%).

The Department of Expenditure's summary report for March indicates that the Centre has disbursed Rs 811.95 billion to states towards capital expenditure via special assistance in the form of Rs 1 trillion 50-year interest-free loans during FY 2022-23. Overall, the states have ended the fiscal with fiscal assets worth Rs 2.7 trillion, that's about 10.7% lower Y-o-Y.

The RBI will allow banks to raise green deposits from June 2023, in an effort to boost allocation of funds towards renewable energy and clean transportation projects. The green deposits will be denominated in Indian Rupees and funding will be subject to third party scrutiny.

Major Events: RBI to release CPI numbers.

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Equity indices	Current level	Previous close	Change %	One month ago
S&P500	4108.94	4109.11	0.00	3861.59
Dow Jones	33684.79	33586.52	0.29	31909.64
FTSE 100	7785.72	7741.56	0.57	7748.35
Nikkei 225	28095.38	27923.37	0.62	28143.97
Hang Seng	20363.57	20485.24	-0.59	19319.92
Shanghai Composite	3329.178	3313.571	0.47	3230.077
Kospi 50	2556.26	2547.86	0.33	2394.59
Sensex	60157.72	60245.94	-0.15	58237.85
Nifty50	17722.3	17758.75	-0.21	17154.30

Govt yields	Current level	Previous close	Change %	One month ago
US 10-yr	3.43	3.42	0.38	3.57
UK 10-yr	3.54	3.43	3.23	3.37
Japan 10-yr	0.46	0.46	0.22	0.32
Germany 10-yr	2.31	2.18	5.78	2.25
India Govt 30-yr	7.36	7.36	-0.05	7.44
India Govt 10-yr	7.21	7.21	0.03	7.36
India Govt 5-yr	7.03	7.04	-0.10	7.27



Corp yields: India	Current level	Previous close	Change %	One month ago
AAA 10-yr	7.67	7.68	-0.14	7.78
AAA 5-yr	7.67	7.66	0.14	7.71
AAA 3-yr	7.59	7.57	0.27	7.78
AAA 1-yr	7.67	7.68	-0.14	7.78

	Current level	Previous close	Change %	One month ago
DXY	102.08	102.20	-0.12	103.60
EUR/USD	1.09	1.09	0.13	1.07
GBP/USD	1.24	1.24	0.10	1.22
USD/JPY	133.81	133.68	0.10	133.21
USD/INR	82.08	82.13	-0.06	82.13
AUD/USD	0.67	0.66	0.39	0.66
USD/CNY	6.88	6.88	-0.01	6.92
Gold (USD/oz)	2018.47	2003.62	0.74	1868.26
Brent (USD/bbl)	86.53	86.43	0.12	80.43



Money market India	Current level	Previous close
Call money rate	6.31	6.32
CBLO rate	6.28	6.29
Call traded volume (INR bn)	5210.97	5272.61
Net banking system liquidity injection (+)/absorption(-) (INR bn)	-1914.01	-1844.91
	T-bills	
91-days	6.68	6.70
182-days	7.00	7.03
364-days	6.92	6.94



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