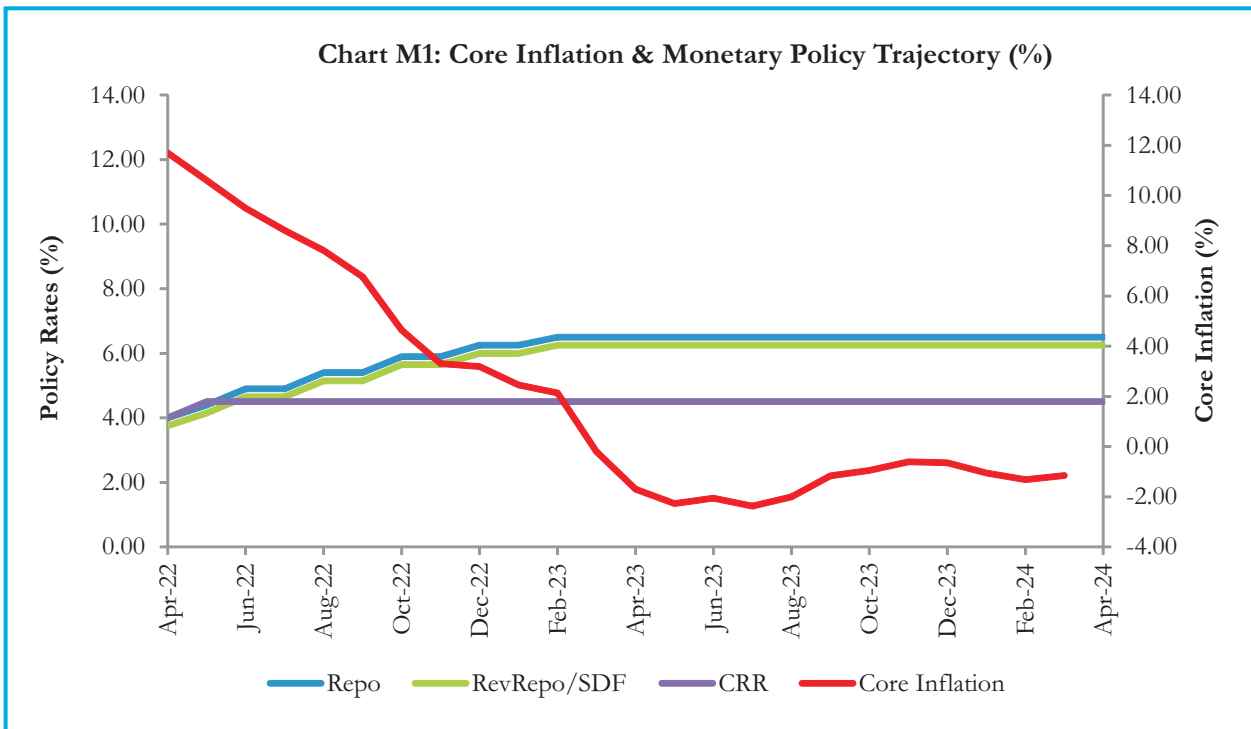


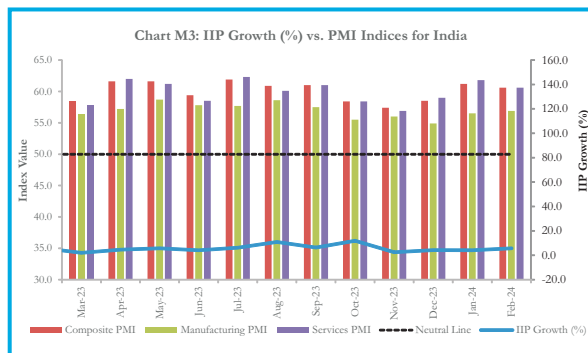
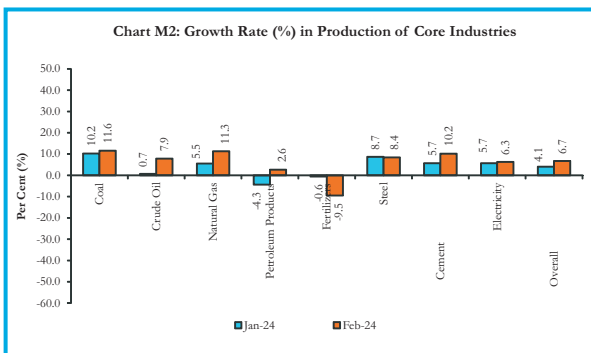
# Market Roundup

## Domestic Macroeconomic Development

The Reserve Bank of India's (RBI's) monetary policy committee (MPC) kept the policy rate unchanged in its first policy meeting for the financial year 2024-25 (FY25). Growth and inflation forecast for FY25 were kept unchanged at 7% and 4.5% respectively; however, inflation estimates for all quarters apart from Q3 were revised downwards, reflecting the softening view of the central bank regarding price level movements. However, RBI decided to wait for further retreat of the CPI, currently hovering around the 5% level, before making any rate cut decisions. According to the MPC, private consumption, private investment and improving external demand are expected to provide an impetus to growth in the near future, while an impending slowdown in the technology sector might prove to be a downside risk. The central bank was still wary about the volatility in vegetable prices, apart from a rise in crude oil prices due to geopolitical tensions.



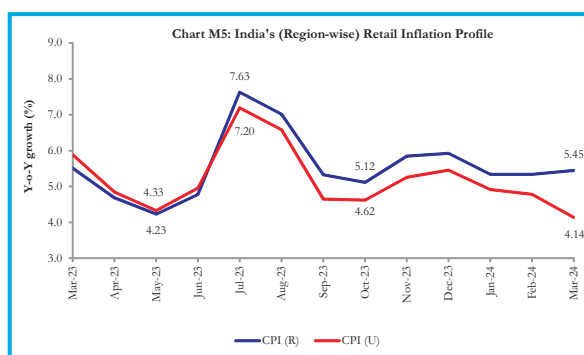
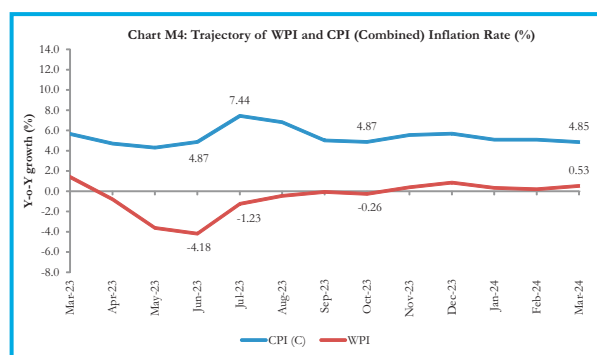
Production in the eight core industries grew by 6.7% Y-o-Y in February 2024, from 4.1% in the previous month. Production of fertilizers contracted by -9.5% in February, down further from -0.6% in January. Coal production (11.6% vs. 10.2%), production of natural gas (11.3% vs. 5.5%) and cement production (10.2% vs. 5.7%) registered double-digit growth, while production of crude oil (7.9% vs. 0.7%) and steel production (8.4% vs. 8.7%) also exhibited robust growth.



Growth in the index of industrial production (IIP) also increased from the previous month (5.7% vs. 4.1%). Mining production grew by 8% (vs. 5.9%), manufacturing grew by 5% (3.6%), while electricity generation increased by 7.5% (5.6%). Within the use-based segment, production of consumer durables grew by double digits for the second consecutive month (12.3% vs. 11.9%), while contraction in non-durables continued (-3.8% vs. -0.2%). Infrastructure goods production (8.5% vs. 5.5%) and production in intermediate goods (9.5% vs. 5.3%) also remained robust. Manufacturing PMI for February was at a five month high of 56.9.

Table M1: India's Industrial Production Growth Profile (at Base Year 2011-12)										
Growth (Y/Y) Rate on Use-Based (Goods) Classification										
Period	Mining	MFG	Electricity	IIP	Primary	Capital	Interme diate	Infrastruc ture/Cons truction	Consumer Durables	Consumer Non- Durables
2021-22	11.69	7.17	5.75	7.44	8.09	14	11.49	12.21	10.22	-0.72
2022-23	10.3	4.76	6.14	5.53	7.58	8.29	7.2	8.35	3.57	-0.82
Feb-23	4.79	5.93	8.21	6.01	6.96	11.01	0.97	9.01	-4.07	12.5
Mar-23	6.79	1.51	-1.57	1.95	3.33	10.02	1.79	7.2	-7.99	-1.86
Apr-23	5.15	5.47	-1.13	4.61	1.94	4.41	1.67	13.43	-2.35	11.38
May-23	6.4	6.32	0.85	5.66	3.59	8.11	3.43	12.98	1.49	8.95
Jun-23	7.56	3.51	4.22	4.05	5.31	2.87	5.18	13.33	-6.78	0.55
Jul-23	10.68	5.26	7.99	6.18	7.67	5.15	3.22	12.56	-3.62	8.33
Aug-23	12.35	9.98	15.26	10.87	12.36	13.05	7.37	15.71	6.02	9.93
Sep-23	11.5	5.13	9.87	6.35	8.02	8.37	6.13	10.13	0.97	2.66
Oct-23	13.14	10.58	20.38	11.89	11.36	21.67	9.53	12.61	15.93	9.29
Nov-23	7.01	1.31	5.76	2.47	8.45	-1.11	3.42	1.55	-4.83	-3.38
Dec-23	5.2	4.49	1.23	4.25	4.76	3.6	3.89	5.15	5.33	2.41
Jan-24	5.88	3.57	5.63	4.14	2.87	3.43	5.27	5.54	11.86	-0.24
Feb-24	8.05	5.01	7.53	5.67	5.93	1.24	9.51	8.51	12.28	-3.81

Consumer price inflation (CPI) decelerated further in the month of March 2024 to 4.9%, from 5.1% in the previous month. This was the third consecutive month of deceleration for the headline consumer price based inflation. Vegetable inflation remained high though decelerating marginally (28.3% vs. 30.3%), while inflation in pulses & products (17.7% vs. 18.9%), spices (11.4% vs. 13.5%) and eggs (10.3% vs. 10.7%) remained in double digits as well. Inflation in cereals increased after four successive months of deceleration (8.4% vs. 7.7%).



Wholesale price inflation (WPI) on the other hand crept up marginally, to 0.5% in March 2024, from 0.2% in the previous month. Inflation in primary articles (4.5% vs. 4.5%) and total food (4.7% vs. 4.1%) increased and prices of manufactured products (-0.9% vs. -1.3%) and fuel (-0.8% vs. -1.8%) fell more slowly.

Type	Items	Mar-24	Feb-24	Dec-23	Sep-23	Mar-23
WPI Inflation Rate (New Series)	<b>WPI</b>	<b>0.53</b>	<b>0.2</b>	<b>0.86</b>	<b>-0.07</b>	<b>1.41</b>
	Primary	4.51	4.49	5.73	4.38	2.52
	Food	6.88	6.95	9.32	3.79	5.42
	Fuel & Power	-0.77	-1.59	-1.39	-3.35	8.69
	Manufactured Products	-0.85	-1.27	-0.78	-1.27	-0.7
CPI Inflation Rate	CPI-Rural	5.45	5.34	5.93	5.33	5.51
	CPI-Urban	4.14	4.78	5.46	4.65	5.89
	<b>CPI-Combined</b>	<b>4.85</b>	<b>5.09</b>	<b>5.69</b>	<b>5.02</b>	<b>5.66</b>
	<b>CFPI (C)</b>	<b>8.52</b>	<b>8.66</b>	<b>9.53</b>	<b>6.62</b>	<b>4.79</b>

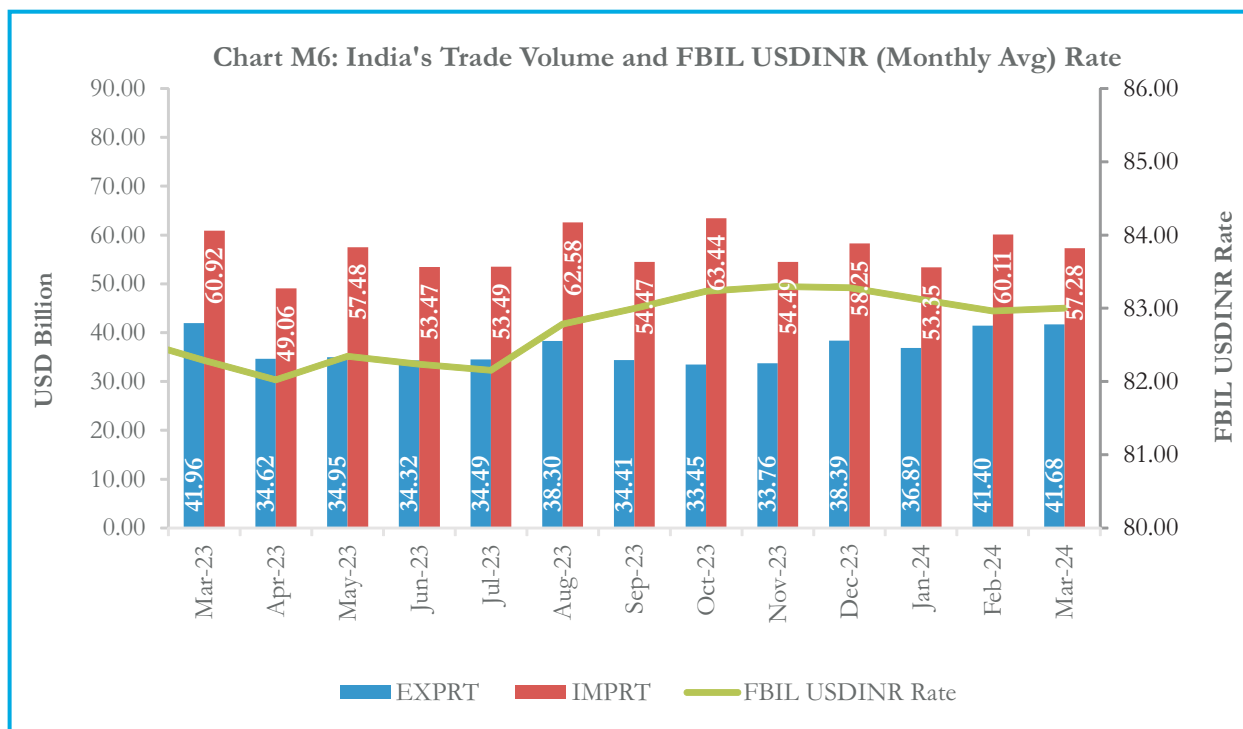
Source: Office of the Economic Advisor & MOSPI, CFPI (C): Consumer Food Price Index (Combined), \* P: Provisional; R: Revised for WPI; F: Final for CPI

Indian exports contracted by 0.7% in the month of March 2024 to reach US\$41.7 billion, marginally higher than US\$41.4 billion recorded in the previous month. Within the export segment, handicrafts excluding handmade carpet (128.39%), spices (51.01%) and coffee (40.3%) registered the highest growth. Cumulative exports for the entire financial year (FY24) amounted to US\$437.1 billion, contracting by 3.1% over the previous year. Iron ore (117.74%), electronic goods (23.64%) and tobacco (19.46%) were the best performers in the export segment over the financial year.

Table M4: India's Trade (Merchandise & Services) Profile								
(\$ Billion)	Merchandise Trade				Services Trade*			
Period	Exports	Imports			Trade Balance	Exports	Imports	Balance
		Oil Imports	Non-Oil Imports	Total				
2022-23	451.07	209.42	506.55	715.97	-264.9	325.34	182.04	134.51
2023-24	437.06	179.85	497.62	677.47	-240.41	339.63	177.56	162.08
<b>Growth (%)</b>	<b>-3.11</b>	<b>-14.12</b>	<b>-1.76</b>	<b>-5.38</b>	<b>9.24</b>	<b>4.39</b>	<b>-2.46</b>	<b>20.49</b>
Mar-23	41.96	18.02	42.9	60.92	-18.96	30.44	16.96	13.48
Mar-24	41.68	17.23	40.05	57.28	-15.6	28.54	15.84	12.7
<b>Growth (%)</b>	<b>-0.67</b>	<b>-4.4</b>	<b>-6.65</b>	<b>-5.98</b>	<b>17.74</b>	<b>-6.24</b>	<b>-6.6</b>	<b>-5.78</b>

Source: Department of Commerce / Trade Statistics; \* Services Trade Data is an estimate for current month

Imports in March 2024 also contracted by 6% to reach US\$57.3 billion, from US\$60.1 billion in the previous month. Consequently, the trade deficit for March 2024 narrowed further to US\$15.6 billion, from US\$18.7 billion in the previous month. Oil imports contracted by 4.4% to US\$17.2 billion (US\$16.9 billion in February 2024), while non-oil imports contracted by -6.6% to US\$40.1 billion. Cumulative imports for FY24 contracted by 5.4% to reach US\$677.2 billion, with cumulative oil imports amounting to US\$179.9 billion, contracting by 14% over previous fiscal. Cumulative trade deficit for FY24 amounted to US\$240.2 billion, as compared to US\$264.9 billion in the previous financial year.

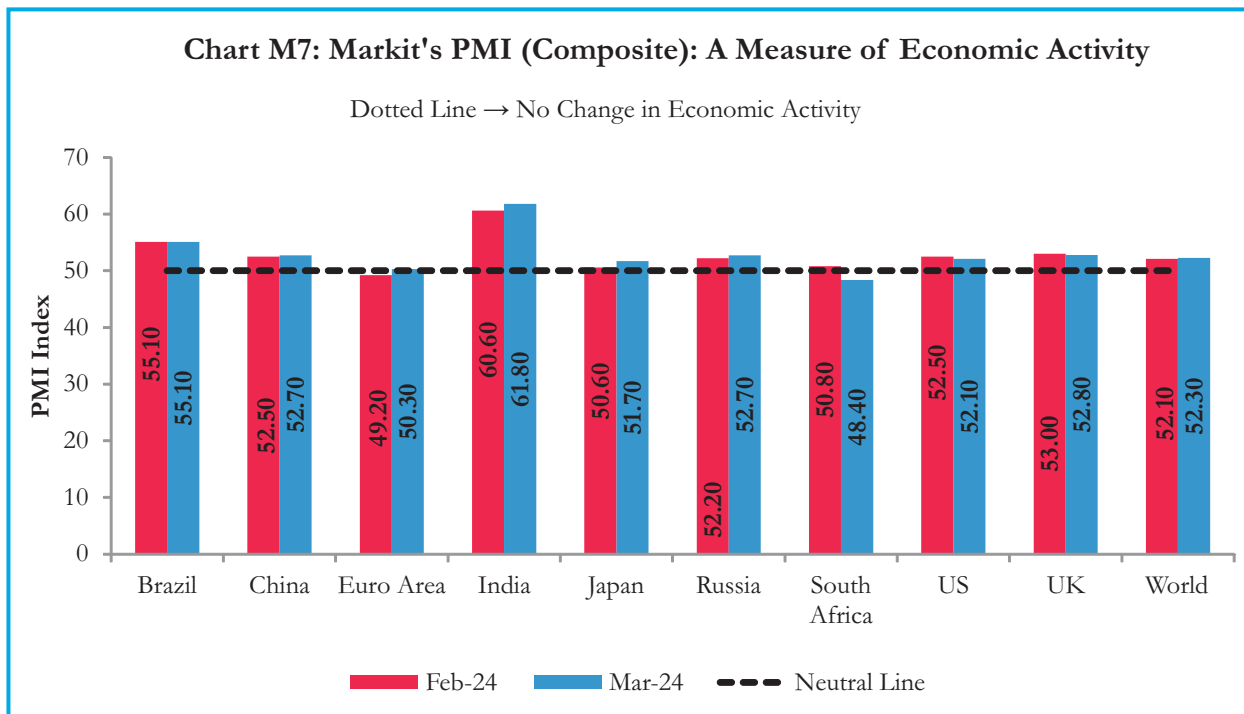


### Global Macroeconomic Developments

Global markets remained in turmoil as geopolitical tensions elevated in the Middle East. Gold prices rose to record highs, and crude oil continued to rise, along with continued strengthening of the dollar index, as global investors shifted to risk averse assets. The International Monetary Fund (IMF) estimated the global growth to continue at 3.2% for the next two years, which was the same pace as in 2023. The pace of expansion is low by historical standards, owing to both near-term factors, such as still-high borrowing costs and withdrawal of fiscal support, and longer-term effects from the COVID-19 pandemic and Russia's invasion of Ukraine, weak growth in productivity and increasing geo-economic fragmentation.

Table M5: Global Economic Growth Rate (%) Prospects						
IMF World Economic Outlook (WEO) April 2024				Difference from January 2024 projections (%)		
Regions / Country	2023	2024	2025	2023	2024	2025
<b>World</b>	3.2	4.4	3.8	0.1	1.3	0.6
<b>ADEs</b>	1.6	3.9	2.6	0	2.4	0.8
US	2.5	4	2.6	0	1.9	0.9
Euro Area	0.4	3.9	2.5	-0.1	3	0.8
Japan	1.9	3.3	1.8	0	2.4	1
UK	0.1	4.7	2.3	-0.4	4.1	0.7
<b>EMDEs</b>	4.3	4.2	4.2	0.2	0.1	0
China	5.2	4.6	4.1	0	0	0
India	7.8	6.8	6.5	1.1	0.3	0
Russia	3.6	3.2	1.8	0.6	0.6	0.7
Brazil	2.9	2.2	2.1	-0.2	0.5	0.2
S. Africa	0.6	0.9	1.2	0	-0.1	-0.1

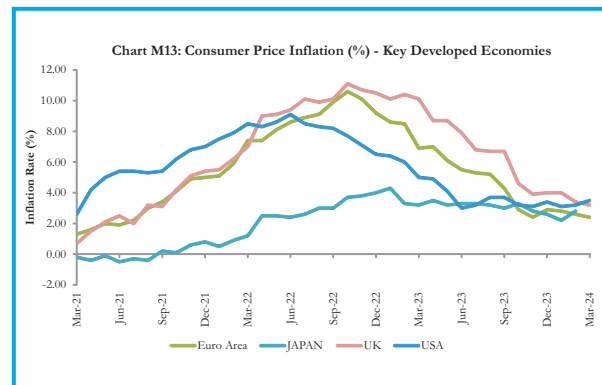
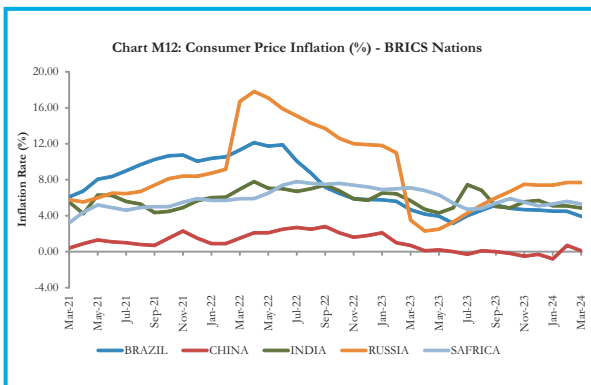
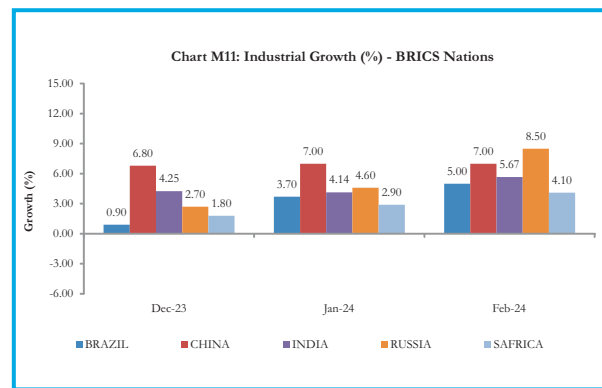
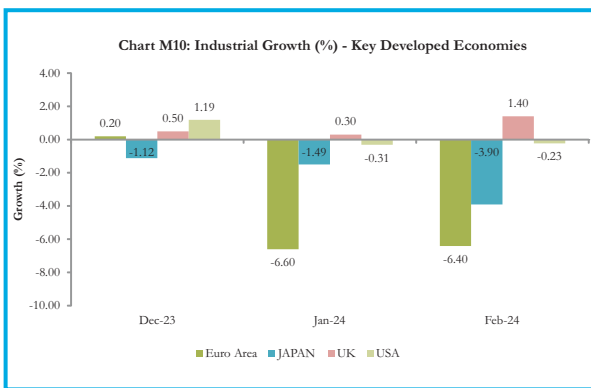
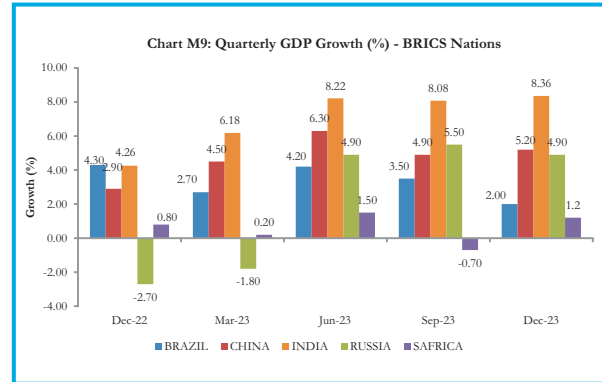
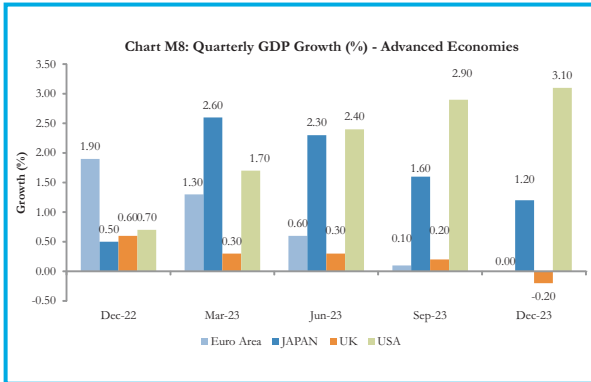
Inflation in the US turned sticky in March 2024, increasing to 3.5%, from 3.2% in the previous month. Energy and transportation costs rose faster, offsetting lower food prices. The Federal Reserve indicated that it might not feel too comfortable in lowering interest rates sooner than warranted, given the inflation data. PMI for manufacturing and services sectors indicated that the US economy is expanding steadily, though some softness remained, as levels declined from the previous month.



The European Central Bank (ECB) held policy rates unchanged in its April meeting, but signaled that rate cuts are on the horizon, as the officials felt that the inflation is steadily moving towards its target level of 2%. The ECB cautioned though that services inflation remained high, and the magnitude of rate cut will depend on incoming data. Inflation in March 2024 decelerated to 2.4%, from 2.6% in the previous month. Prices declined for food and non-energy items, while fuel prices declined at a softer rate. Industrial production in February 2024 contracted by 6.4%, while manufacturing sector continued to contract in March according to PMI data, while services activity strengthened.

Inflation in the United Kingdom decelerated to 3.2% in March 2024, from 3.4% in the previous month. It was the lowest rate since September 2021, driven by a slowdown in food inflation, housing and recreation & culture. Transportation costs rebounded due to a slower decline in motor fuels. Industrial production had grown by 1.4% in February 2024, from 0.3% in January, due to a rebound in manufacturing, water supply and sewerage. Manufacturing PMI for March indicated that activity had expanded for the first time since July 2022, while services activity continued to expand, though decelerating from the previous month.

Inflation in Japan slowed to 2.7% in March 2024, from 2.8% in the previous month, due to a deceleration in the growth in prices of transport, clothes and furniture & household utensils. Industrial production continued to decline in February (-3.9% vs. -1.49%) due to decline in production of motor vehicles and other production equipment. Manufacturing PMI for March indicated marginal progress while staying in contraction, whereas services activity continued to strengthen.



Money Market Review

With current financial year drawing to a close, volatility in short term rates heightened, especially in the inter-bank call money market. At the beginning of the month, improved liquidity with banking system following government spending pushed weighted average rates in money market segments below the policy repo rate (6.50%). After hovering around 6.60%, overnight rates began to harden at a faster pace owing to high demand for funds from banks amid a liquidity deficit in the banking system. Weighted average rate in the call market touched 7.63% to end the fiscal year - 113 bps above the policy rate. Hardening of rates was capped by timely intermediation by RBI through cash injection via variable rate repo auctions amounting to ₹415,716 crore between Mar 15 and Mar 28.

Average trading in the TREP market has been declining since the onset of 2024 and in March too it fell by 2% taking its market share down from 69% in December to 64%. The other two segments, on the contrary, witnessed average volume marginally picking up by 5%.

The following tables provide the comparative weighted average rates over a period of time and the comparative statistics of volume and rates across the various sub-groups of the money market.

Table M1: Comparative Weighted Average Money Market Rates (%)					
	Mar-24	Feb-24	3 Months ago	6 Months ago	Year ago
<b>CALL</b>	6.61	6.63	6.77	6.66	6.52
<b>REPO</b>	6.6	6.61	6.78	6.68	6.55
<b>TREP</b>	6.53	6.53	6.75	6.66	6.46

Table M2: Comparative Money Market Volumes and Rates												
	Gross		Daily Average		Std		Minimum		Maximum		Market Share	
	Volumes ( ` Cr)		Volumes ( ` Cr)		Dev		Rate (%)		Rate (%)		(%)	
	Mar-24	Feb-24	Mar-24	Feb-24	Mar-24	Feb-24	Mar-24	Feb-24	Mar-24	Feb-24	Mar-24	Feb-24
<b>CALL</b>	2,23,913	2,36,999	12,440	11,850	0.27	0.1	6.43	6.43	7.63	6.76	2.38	2.28
<b>REPO</b>	31,15,471	32,87,694	1,73,082	1,64,385	0.18	0.13	6.37	6.4	7.11	6.78	33.16	31.67
<b>TREP</b>	60,54,613	68,55,926	3,36,367	3,42,796	0.2	0.17	6.29	6.28	6.99	6.73	64.45	66.05

### Systemic Liquidity

Month-end spending by the government by way of salaries and income tax refunds led to systemic liquidity turning surplus in the first week of March. On Mar 05, it crossed ₹63,000 crore, the highest since Sep 11 on Mar 05. To suck out excess funds from the system and aligning the levels with its monetary policy stance, RBI conducted numerous variable rate reverse repo auctions between Mar 4 and Mar 14 amounting to ₹2.68 lakh crore.

On the other hand, when liquidity available with banks turned negative in the latter half of the month following higher-than-notified SDL auctions, outflows towards payments of advance tax and GST along with increased credit disbursement, RBI resorted to variable rate repo auctions. The cash injection during the said period stood at ₹4.66 lakh crore.

Apart from RBI's two-way liquidity operations, shift in systemic liquidity was also evident from higher average amount lent to RBI using SDF. It grew by 32%, after clocking 77% jump previous month, to ₹94,029 crore. Average borrowing by banks through MSF grew by 18% to ₹17,751 crore.



Table M3: Liquidity Operation through SDF and MSF				Amt. ₹ Crore	
	SDF Volume		MSF Volume		
	Mar-24	Feb-24	Mar-24	Feb-24	
<b>Total Vol</b>	29,14,900	20,62,993	5,50,269	4,36,987	
<b>Average Vol</b>	94,029	71,138	17,751	15,069	

## Government Securities Market

### Primary Market

There was no auction of government security in March after the completion of market borrowing target for FY23-24 by mid-February. Similarly, as notified by RBI on Mar 13, the budgetary provision for switches for the fiscal year was met after February auction. Thus, in consultation with the GoI, RBI decided not to conduct the switch auction scheduled to be held in March 2024.

As per the issuance calendar for dated government securities announced by RBI, the Centre is planning to raise ₹7.50 lakh crore through market borrowing in H1 of FY24-25, including ₹12,000 crore through issuance of sovereign green bonds, to fund the revenue gap to push economic growth. This accounts for 53.08% of the gross market borrowing of ₹14.13 lakh crore projected for the fiscal in the union budget. Based on market feedback and in line with global market practices, the government is expected to issue new 15-year bond totaling ₹1.04 lakh crore in H1. The government will continue to carry out switching of securities to smoothen the redemption profile. The weekly borrowing through issuance of treasury bills in Q1 of FY24-25 is expected to be ₹3.21 lakh crore out of which the Centre will issue 91 DTBs worth ₹1.44 lakh crore, 182 DTBs amounting to ₹79,000 crore, and 364 DTBs worth ₹98,000 crore.

Through state government bond auctions, 22 states tapped the primary market in March 2024 raising ₹1.93 lakh crore out of which seven bonds amounting to ₹8,200 crore were re-issued. The average cut-off yield for these bonds eased marginally from 7.46% previous month to 7.44%. However, average yield which was around 7.39% in the first half of the month, increased 8 bps to touch 7.47% towards the end of the financial year following 81% higher borrowing than notified during Mar 19 auction, unscheduled auction on Mar 21 and record borrowing of ₹55,032 crore during the final auction of the financial year. The sudden rush could be due to a need to settle certain arrears and to fund investments that were announced before the model code of conduct for the General Election came into effect. Uttar Pradesh occupied the top spot garnering 18% of the total auction amount; followed by Maharashtra (16%), and Tamil Nadu as well as Karnataka (11% each). These top-5 states together had 56% share in total amount auctioned.

The government borrowed ₹1.45 lakh crore via auctions of treasury bills - 12% higher than ₹1.30 lakh crore borrowed previous month. Average cut-off yields across instruments eased during the month with 91 DTB witnessing higher decline (9 bps) than its counterparts.

Table M4: Details of SDL Auctions/Re-issues					
Date of Issue/ Auction	Security	Amount (₹ Crore)	Cut-off Price (₹)	Yield (%)	Under- subscription
05-Mar-24	7.40% Tamil Nadu SGS 2034	2,000.00	-	7.4	0
05-Mar-24	7.42% Assam SGS 2034	1,000.00	-	7.42	0
05-Mar-24	7.40% Maharashtra SGS 2035	2,000.00	-	7.4	0
05-Mar-24	7.42% Haryana SGS 2035	1,500.00	-	7.42	0
05-Mar-24	7.42% Karnataka SGS 2035	3,000.00	-	7.42	0
05-Mar-24	7.40% Maharashtra SGS 2036	2,000.00	-	7.4	0
05-Mar-24	7.41% Karnataka SGS 2036	3,000.00	-	7.41	0
05-Mar-24	7.40% Bihar SGS 2039	2,000.00	-	7.4	0
05-Mar-24	7.40% Mizoram SGS 2039	81	-	7.4	0
05-Mar-24	7.40% Rajasthan SGS 2042	1,000.00	-	7.4	0
05-Mar-24	7.38% Telangana SGS 2043	1,000.00	-	7.38	0
05-Mar-24	7.40% Jammu & Kashmir SGS 2044	400	-	7.4	0
05-Mar-24	7.40% West Bengal SGS 2044	3,000.00	-	7.4	0
05-Mar-24	7.38% Telangana SGS 2049	1,000.00	-	7.38	0
05-Mar-24	7.38% Tamil Nadu SGS 2054	2,000.00	-	7.38	0
05-Mar-24	6.98% Tamil Nadu SDL 2031	2,000.00	97.64	7.4	0
05-Mar-24	7.74% Rajasthan SGS 2033	1,000.00	102.18	7.42	0
12-Mar-24	7.29% Puducherry SGS 2026	100	-	7.29	0
12-Mar-24	6.83% Tamil Nadu SDL 2031	2,000.00	96.85	7.37	0
12-Mar-24	7.38% Chhattisgarh SGS 2032	1,000.00	-	7.38	0
12-Mar-24	7.39% Chhattisgarh SGS 2033	1,000.00	-	7.39	0
12-Mar-24	7.36% Karnataka SGS 2034	1,000.00	-	7.36	0
12-Mar-24	7.37% Rajasthan SGS 2034	1,000.00	-	7.37	0
12-Mar-24	7.38% Chhattisgarh SGS 2034	1,000.00	-	7.38	0
12-Mar-24	7.38% Uttar Pradesh SGS 2034	2,000.00	-	7.38	0
12-Mar-24	7.39% Himachal Pradesh SGS 2034	500	-	7.39	0
12-Mar-24	7.39% Kerala SGS 2034	1,000.00	-	7.39	0
12-Mar-24	7.41% Arunachal Pradesh SGS 2034	232	-	7.41	0
12-Mar-24	7.38% Haryana SGS 2035	1,000.00	-	7.38	0
12-Mar-24	7.38% Uttar Pradesh SGS 2036	2,000.00	-	7.38	0
12-Mar-24	7.41% Himachal Pradesh SGS 2036	600	-	7.41	0
12-Mar-24	7.78% Puducherry SGS 2036	100	102.91	7.4	0
12-Mar-24	7.37% Karnataka SGS 2037	3,000.00	-	7.37	0
12-Mar-24	7.37% Karnataka SGS 2038	2,000.00	-	7.37	0
12-Mar-24	7.38% Puducherry SGS 2038	200	-	7.38	0
12-Mar-24	7.39% Bihar SGS 2039	1,612.00	-	7.39	0
12-Mar-24	7.37% Telangana SGS 2041	1,000.00	-	7.37	0
12-Mar-24	7.39% West Bengal SGS 2042	2,000.00	-	7.39	0
12-Mar-24	7.38% Kerala SGS 2044	2,000.00	-	7.38	0
12-Mar-24	7.39% West Bengal SGS 2044	2,000.00	-	7.39	0
12-Mar-24	7.37% Rajasthan SGS 2045	1,000.00	-	7.37	0

Table M4: Details of SDL Auctions/Re-issues

Date of Issue/ Auction	Security	Amount (₹ Crore)	Cut-off Price (₹)	Yield (%)	Under- subscription
12-Mar-24	7.36% Jammu and Kashmir SGS 2049	200	-	7.36	0
12-Mar-24	7.74% Rajasthan SGS 2049	1,000.00	104.31	7.36	0
12-Mar-24	7.36% Telangana SGS 2050	1,000.00	-	7.36	0
12-Mar-24	7.36% Kerala SGS 2054	2,000.00	-	7.36	0
12-Mar-24	7.36% Tamil Nadu SGS 2054	2,000.00	-	7.36	0
19-Mar-24	7.67% Uttar Pradesh SDL 2027	2,000.00	100.78	7.38	0
19-Mar-24	7.44% Telangana SGS 2030	1,000.00	-	7.44	0
19-Mar-24	7.46% Chhattisgarh SGS 2032	1,000.00	-	7.46	0
19-Mar-24	7.46% Uttar Pradesh SGS 2032	3,000.00	-	7.46	0
19-Mar-24	7.47% Chhattisgarh SGS 2033	1,000.00	-	7.47	0
19-Mar-24	7.44% Tamil Nadu SGS 2034	2,000.00	-	7.44	0
19-Mar-24	7.46% Rajasthan SGS 2034	1,579.00	-	7.46	0
19-Mar-24	7.47% Assam SGS 2034	1,000.00	-	7.47	0
19-Mar-24	7.47% Chhattisgarh SGS 2034	1,000.00	-	7.47	0
19-Mar-24	7.47% Goa SGS 2034	100	-	7.47	0
19-Mar-24	7.47% Uttarakhand SGS 2034	1,500.00	-	7.47	0
19-Mar-24	7.48% Nagaland SGS 2034	400	-	7.48	0
19-Mar-24	7.50% Sikkim SGS 2034	485	-	7.5	0
19-Mar-24	7.45% Haryana SGS 2035	2,000.00	-	7.45	0
19-Mar-24	7.45% Karnataka SGS 2035	2,000.00	-	7.45	0
19-Mar-24	7.48% Uttar Pradesh SGS 2036	3,000.00	-	7.48	0
19-Mar-24	7.50% Manipur SGS 2036	200	-	7.5	0
19-Mar-24	7.45% Karnataka SGS 2037	2,000.00	-	7.45	0
19-Mar-24	7.45% Maharashtra SGS 2037	3,000.00	-	7.45	0
19-Mar-24	7.48% Rajasthan SGS 2037	1,500.00	-	7.48	0
19-Mar-24	7.45% Maharashtra SGS 2038	3,000.00	-	7.45	0
19-Mar-24	7.46% Karnataka SGS 2038	2,000.00	-	7.46	0
19-Mar-24	7.42% Telangana SGS 2041	1,000.00	-	7.42	0
19-Mar-24	7.45% West Bengal SGS 2042	2,500.00	-	7.45	0
19-Mar-24	7.46% Rajasthan SGS 2042	1,500.00	-	7.46	0
19-Mar-24	7.44% Tamil Nadu SGS 2044	2,000.00	-	7.44	0
19-Mar-24	7.45% West Bengal SGS 2044	2,500.00	-	7.45	0
19-Mar-24	7.47% Jammu and Kashmir SGS 2044	200	-	7.47	0
19-Mar-24	7.42% Kerala SGS 2049	2,000.00	-	7.42	0
19-Mar-24	7.40% Tamil Nadu SGS 2054	2,000.00	-	7.4	0
19-Mar-24	7.42% Kerala SGS 2064	1,742.00	-	7.42	0
21-Mar-24	7.42% Maharashtra SGS 2034	3,000.00	-	7.42	0
21-Mar-24	7.42% Maharashtra SGS 2037	3,000.00	-	7.42	0
21-Mar-24	7.45% Maharashtra SGS 2038	3,000.00	-	7.45	0
21-Mar-24	7.45% Maharashtra SGS 2039	3,000.00	-	7.45	0
21-Mar-24	7.46% Uttar Pradesh SGS 2039	3,000.00	-	7.46	0

Table M4: Details of SDL Auctions/Re-issues					
Date of Issue/ Auction	Security	Amount (₹ Crore)	Cut-off Price (₹)	Yield (%)	Under- subscription
21-Mar-24	7.48% Uttar Pradesh SGS 2040	3,000.00	-	7.48	0
21-Mar-24	7.48% Uttar Pradesh SGS 2042	3,000.00	-	7.48	0
21-Mar-24	7.48% Uttar Pradesh SGS 2044	3,000.00	-	7.48	0
26-Mar-24	7.36% Uttarakhand SGS 2026	1,000.00	-	7.36	0
26-Mar-24	7.63% Puducherry SGS 2028	100	100.87	7.4	0
26-Mar-24	7.46% Assam SGS 2031	500	-	7.46	0
26-Mar-24	7.42% Karnataka SGS 2032	1,000.00	-	7.42	0
26-Mar-24	7.47% Chhattisgarh SGS 2032	1,000.00	-	7.47	0
26-Mar-24	7.44% Karnataka SGS 2033	2,000.00	-	7.44	0
26-Mar-24	7.47% Chhattisgarh SGS 2033	1,000.00	-	7.47	0
26-Mar-24	7.47% Rajasthan SGS 2033	996	-	7.47	0
26-Mar-24	7.43% Tamil Nadu SGS 2034	2,000.00	-	7.43	0
26-Mar-24	7.44% Rajasthan SGS 2034	1,000.00	-	7.44	0
26-Mar-24	7.47% Chhattisgarh SGS 2034	1,000.00	-	7.47	0
26-Mar-24	7.49% Chhattisgarh SGS 2035	1,000.00	-	7.49	0
26-Mar-24	7.49% Haryana SGS 2035	4,000.00	-	7.49	0
26-Mar-24	7.49% Kerala SGS 2036	1,500.00	-	7.49	0
26-Mar-24	7.49% Uttar Pradesh SGS 2036	2,500.00	-	7.49	0
26-Mar-24	7.5% Manipur SGS 2036	126	-	7.5	0
26-Mar-24	7.51% Uttar Pradesh SGS 2038	2,500.00	-	7.51	0
26-Mar-24	7.45% Maharashtra SGS 2039	2,000.00	-	7.45	0
26-Mar-24	7.52% Goa SGS 2039	150	-	7.52	0
26-Mar-24	7.52% Himachal Pradesh SGS 2039	672	-	7.52	0
26-Mar-24	7.52% Uttar Pradesh SGS 2039	2,500.00	-	7.52	0
26-Mar-24	7.52% West Bengal SGS 2039	2,500.00	-	7.52	0
26-Mar-24	7.49% Rajasthan SGS 2040	1,500.00	-	7.49	0
26-Mar-24	7.51% Uttar Pradesh SGS 2040	3,000.00	-	7.51	0
26-Mar-24	7.46% Maharashtra SGS 2041	2,000.00	-	7.46	0
26-Mar-24	7.48% Maharashtra SGS 2042	2,000.00	-	7.48	0
26-Mar-24	7.5% Maharashtra SGS 2044	2,000.00	-	7.5	0
26-Mar-24	7.52% Rajasthan SGS 2044	1,500.00	-	7.52	0
26-Mar-24	7.53% West Bengal SGS 2044	2,500.00	-	7.53	0
26-Mar-24	7.48% Telangana SGS 2050	1,718.00	-	7.48	0
26-Mar-24	7.53% Kerala SGS 2050	1,366.00	-	7.53	0
26-Mar-24	7.5% Tamil Nadu SGS 2054	4,000.00	-	7.5	0
26-Mar-24	7.51% Jammu and Kashmir SGS 2054	404.49	-	7.51	0
26-Mar-24	7.54% Kerala SGS 2055	2,000.00	-	7.54	0

Table M5: Details of T-Bills Auctions									
Date	91 day T-Bill			182 day T-Bill			364 day T-Bill		
	Amt (₹ Cr)	Price (₹)	YTM (%)	Amt (₹ Cr)	Price (₹)	YTM (%)	Amt (₹ Cr)	Price (₹)	YTM (%)
06-Mar-24	11,000.00	98.31	6.8988	16,300.00	96.56	7.1475	9,172.18	93.38	7.1049
13-Mar-24	12,520.00	98.31	6.8781	15,800.00	96.56	7.135	9,979.71	93.4	7.09
20-Mar-24	10,772.00	98.31	6.8785	15,783.30	96.57	7.1236	9,111.86	93.4	7.0828
27-Mar-24	10,525.00	98.28	7.0101	15,000.00	96.56	7.1447	9,007.37	93.41	7.0787
<b>Total</b>	<b>44,817.00</b>			<b>62,883.30</b>			<b>37,271.12</b>		

Table M6: Average T-Bills Cut-off Yields (%)					
	Mar-24	Feb-24	3 Months ago	6 Months ago	Year ago
<b>91-day T-Bill</b>	6.9164	7.0108	6.9518	6.8418	6.8752
<b>182-day T-Bill</b>	7.1377	7.1708	7.1643	7.0547	7.2917
<b>364-day T-Bill</b>	7.0891	7.1281	7.1471	7.0659	7.3443

### Secondary Market

Trading activity in the secondary outright market moderated in March after gaining some momentum in February on the prospects of healthier fiscal position of the government. Average number of trades and volume, thus, contracted by 22% and 12% respectively against February numbers. In absolute terms, outright market saw 3,318 trades amounting to ₹54,735 crore. The share of central government dated securities in total outright trading dropped from 83% to 73% probably due to lack of fresh issues of g-secs on one hand and record borrowing by state governments on the other. The share of SDLs stood at 12% while that of treasury bills at 15%. 7.18% GS 2033, 7.18% GS 2037 and 7.25% GS 2063 captured the top-3 spots for the most traded government securities for the month.

The average outright volume settled by CCIL decreased by 14% from ₹63,657 crore in February to ₹54,503 crore in March.

### Yield Movement

Average 10-year benchmark yield has been easing gradually and persistently from nearly 7.27% in November to 7.06% in March on fiscal consolidation, easing domestic inflation, increase in foreign fund inflows due to the inclusion of government securities in global indices and effective liquidity management by RBI.

From 7.07% at the beginning of the month, 10-year yield decreased to 7.01% on Mar 11 tracking a fall in US Treasury yields after comments by US Federal Reserve Chairman in Congressional testimony on rate cuts this year. Expectations of further decline in CPI inflation held up market sentiments. Nevertheless, higher-

than-previously indicated borrowing by state governments and firm producer price inflation in US reversed the trend resulting in pick-up in bond yields to 7.10% by Mar 20. At the close of the financial year, benchmark yield was held near 7.04% tracking fall in US yield on the outcome of the US Federal Reserve meeting maintaining its projection for three rate cuts throughout 2024.

The yields of various tenors on the last working day of the month and the spread analysis of various tenors over a period of time are as under.

Table M7: Yield Movements (%)*					
Tenor	Mar-24	Feb-24	3 Months ago	6 Months ago	Year ago
O/N	7.9	6.8	6.9	6.95	7.79
1 year	7.0199	7.0613	7.0907	7.0769	7.1334
2 year	7.0272	7.034	7.0614	7.2013	7.0803
5 year	7.0437	7.0726	7.0997	7.2394	7.1966
10 year	7.0424	7.0681	7.1821	7.2021	7.3031
30 year	7.1203	7.1452	7.3969	7.4017	7.384
40 year	7.1278	7.1455	7.4059	7.4117	7.395
50 year	7.1105	7.1341	7.3902	-	-

Subdued trading activity in the secondary outright market kept yield spread between various tenor pairs under check. They were held at the level seen the previous month. In the absence of any fresh issuances, demand for longer term bonds from insurance companies and pension funds increased leading to marginal decline yields.

Table M8: Spread Analysis					
Period	G-Sec Spread (bps)				
	Mar-24	Feb-24	3 Months	6 Months	1 Year
1 - 5 Years	2	1	1	16	6
1 - 10 Years	5	3	13	16	18
5 - 10 Years	2	2	12	-1	12
10 - 30 Years	5	6	18	17	7
10 - 50 Years	4	4	17	-	-

### Foreign Exchange Market

Uptrend in international crude oil prices and a firm dollar index on the release of strong US macro-economic data resulted in rupee declining at a faster pace against the dollar (by 0.55%) compared to other major international currencies where depreciation is in the range of 0.07% - 0.48%. Despite turbulent external developments, the Indian rupee has remained largely range-bound and witnessed one of the least volatility compared to many emerging market economies and few advanced countries.

Table M9: Exchange Rate Movement				
	₹ / Euro	₹/ Pound	₹/ 100 yen	₹ / Dollar
Movement (%)	-0.48	-0.3	-0.07	-0.55
Average Rate	90.28	105.56	55.42	83
Stdev	0.28	0.43	0.49	0.22
Max	90.91	106.36	56.25	83.37
Min	89.78	104.98	54.83	82.68

After moving in a narrow band of 2-3 paise around ₹82.91/dollar, rupee strengthened to the month high of ₹82.68/dollar on Mar 11 because of the improved dollar liquidity on sustained dollar inflows by foreign portfolio investors to the Indian debt market. The momentum fizzled out quickly and rupee dwindled sharply for the rest of the month to touch over-three months' low of ₹83.37/dollar. The factors weakening rupee's performance were mostly external like rise in crude oil prices, strong US macro-economic data pushing back rate cut expectations to June, decline in Euro as the Swiss National Bank (SNB) surprised the markets by cutting interest rates by 25 bps and higher year-end demand for dollars from importers.

Table M10: Exchange Rate Movement					
Exchange Rate	Mar-24	Feb-24	3 Months ago	6 Months ago	Year ago
₹/ Euro	90.22	89.86	92	87.94	89.61
₹/ Pound	105.29	105.03	106.11	101.67	101.87
₹/ 100 yen	55.09	55.36	58.82	55.81	61.8
₹/ Dollar	83.37	82.92	83.12	83.06	82.22

USD-INR forward premia rate across various short-term tenor points dropped to three-month lows, with the decline more severe in 1M to 6M period. Higher-than-anticipated CPI and producer price inflation data and hawkish tone by members of the US Federal Reserve pushed US Treasury yields up, narrowing interest rate differential between US and India pulling forward premia down.

Table M11: Movement of Forward Premia over a period of time (monthly average)					
	Mar-24	Feb-24	3 Months ago	6 Months ago	Year ago
1-month	1.09	1.29	1.05	1.47	2.94
3-month	1.17	1.54	1.19	1.52	2.43
6-month	1.32	1.52	1.48	1.59	2.32
9-month	1.49	1.65	1.61	1.76	2.31
12-month	1.65	1.77	1.7	1.77	2.3



Net investment by FIIs across various financial instruments remained strong with equities witnessing remarkable turnaround from an inflow of mere \$0.19 billion in February to \$4.24 billion in March, growing by a high 2180%. Their net investment in debt instruments, however, fell to the five months low of \$1.64 billion in March vis-à-vis \$2.70 billion previous month. Taking all the markets into consideration, FIIs remained net buyers of Indian assets amounting to \$6.28 billion - increasing by 64% from \$3.83 billion worth of inflows in February.

Q-o-Q data points out significant FII investment in debt instruments (229% growth) following JP Morgan Chase's announcement in September to add Indian government bonds to its benchmark Global Bond Index Emerging Markets Index. The Bloomberg Index Services also announced inclusion of 34 Indian government bonds eligible for investment via the country's fully accessible route (FAR) in its Emerging Market Local Currency Index from January 31 next year that helped sustain the inflows. However, due to 78% contraction in investment equities took total quarterly inflow tally down by 15% over Q3 of FY24.

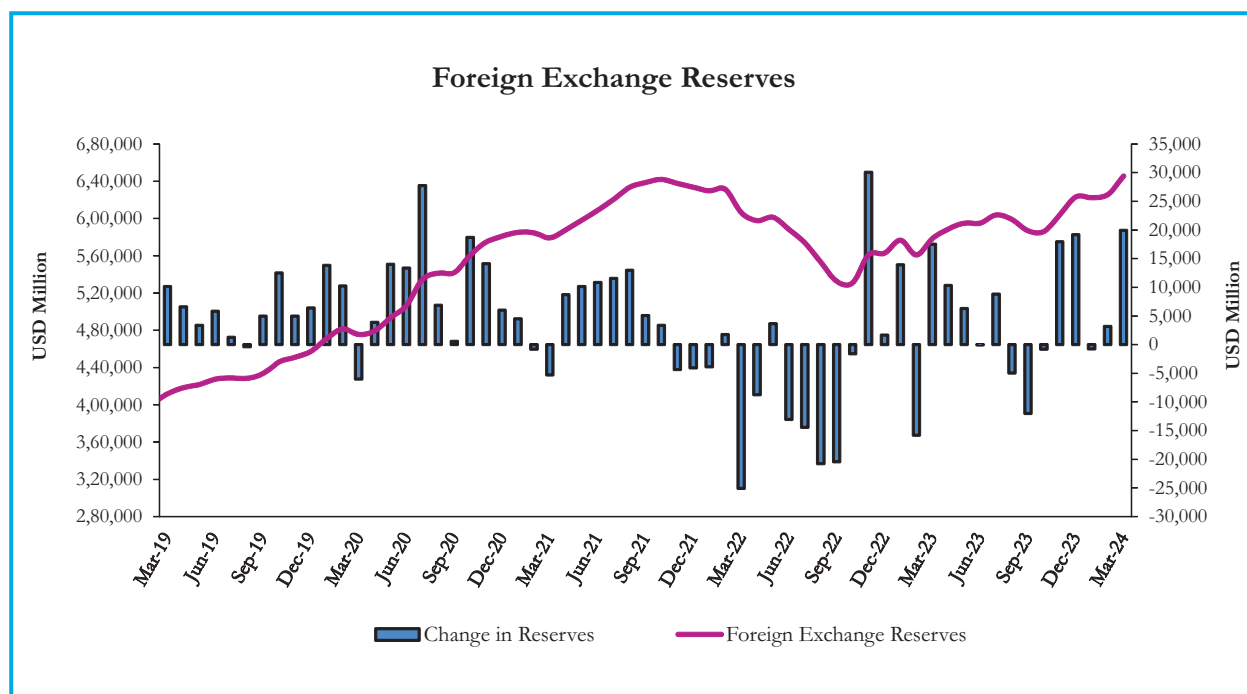
Contrary to most of the financial instruments seeing heavy outflows in FY23, FY24 was more robust with all the sections, except debt-VRR, attracting investment stupendously above previous level on the back of strong macro-economic fundamentals, stable finances and inclusion of government bonds into global indices.

Table M12: Movement of FII flows (USD Million)					
Quarter	Net Investment in Equity	Net Investment in Debt	Net Investment in Debt-VRR	Net Investment in Hybrid	Total
2018-19	-96.85	-6203.74	-	505.25	-5795.34
2019-20	1244.31	-6470.5	1002.43	1095.7	-3128.06
2020-21	36819.87	-5835.05	4478.52	1357.99	36821.33
2021-22	-18551.38	309.32	1742.4	473.99	-16025.67
2022-23	-5114.16	-1136.68	765.76	-25.1	-5510.18
<b>2023-24</b>	<b>25272.67</b>	<b>14594.18</b>	<b>-359.02</b>	<b>1536.26</b>	<b>41044.09</b>
Q1 2023-24	12491.99	1613.2	304.5	-30.47	14379.22
Q2 2023-24	5382.28	1501.71	-618.77	132.73	6397.95
Q3 2023-24	6068.98	4749.12	-361.04	490.62	10947.68
<b>Q4 2023-24</b>	<b>1329.42</b>	<b>6730.15</b>	<b>316.29</b>	<b>943.38</b>	<b>9319.24</b>
Apr-23	1419.83	98.94	151.16	-15.37	1654.56
May-23	5334.97	396.09	183.11	-36.14	5878.03
Jun-23	5737.19	1118.17	-29.77	21.04	6846.63
Jul-23	5678.01	453.79	-271.12	-17.02	5843.66
Aug-23	1479.84	934.24	-354.07	153.98	2213.99
Sep-23	-1775.57	113.68	6.42	-4.23	-1659.7
Oct-23	-2949.99	767.02	48.88	-13.86	-2147.95
Nov-23	1079.87	1784.14	88.65	-6.23	2946.43
Dec-23	7939.1	2197.96	-498.57	510.71	10149.2
Jan-24	-3096.49	2387.08	-84.74	2.92	-791.23
Feb-24	185.95	2702.05	103.84	842.19	3834.03
<b>Mar-24</b>	<b>4239.96</b>	<b>1641.02</b>	<b>297.19</b>	<b>98.27</b>	<b>6276.44</b>



Statistics regarding sale/purchase of USD by the RBI published in its Monthly Bulletin shows sharp increase in outstanding net forward dollar purchases by RBI. From \$2.18 billion in December, it level up to \$9.97 billion in January. In the spot market, RBI continued to be on the buying side, though marginally below the December figure, with net dollar purchases amounting to \$1.95 billion in January from \$2.07 billion previous month.

Accretion to India's foreign exchange reserves was one of the highest in March at \$19.96 billion following RBI's conscious efforts to build foreign exchange reserves as a buffer against future risks and to safeguard Indian economy from any untoward external developments eventually resulting in significant dollar outflows. The measure has led to accumulation of reserves touching an all-time high of \$645.58 billion during the week ending March 29 due to \$16.39 billion jump in foreign currency assets and \$3.74 billion increase in gold reserves.



### Banking Sector

At the close of the financial year, prime banking business indicators suggested higher activity in the economy with m-o-m growth in non-food credit crossing 1.50% in March, followed by total bank credit (1.40%) and aggregate deposits (1.34%). Growth in investment in government securities, though growing by 0.94%, was down from 1.21% expansion witnessed in February. Riding on the higher credit to agricultural and allied activities and sectors like retail, industry as well as services, y-o-y growth in non-food credit, once again, crossed an unbeatable 20%. A year ago growth was distantly followed by aggregate deposits (13.48%) and investment in government securities (12.75%).

The rising gap between growths of banks' credit disbursement and aggregate deposits has further pushed credit-deposit ratio up by 9 bps to 78.09%.

Table M13: Trends in Scheduled Commercial Banks' Business (₹ Cr)					
	Mar-24	Feb-24	3 Months ago	6 Months ago	Year ago
Money Stock	24830318	24493645	24249372	23357477	22333020
Aggregate Deposits	20475254	20204873	20081827	19275842	18043706
Non-food Credit	16411581	16166861	15918206	15132454	13655322
Investment in G-Secs	6104731	6047620	5990722	5980660	5414322
Bank credit	16434662	16207362	15961345	15151319	13675228

Table M14: Banking Pulse												
Trends in Scheduled Commercial Banks' Business	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23
Money Stock	1.37%	0.79%	0.21%	0.90%	1.82%	1.05%	0.17%	0.25%	-0.72%	2.91%	0.36%	1.56%
Aggregate Deposits	1.34%	0.73%	-0.11%	1.01%	1.88%	1.23%	0.23%	0.34%	0.04%	4.27%	0.34%	1.48%
Non-food Credit	1.51%	1.05%	0.51%	0.82%	2.48%	1.81%	1.55%	0.80%	2.91%	3.65%	0.15%	1.33%
Investment in G-Secs	0.94%	1.21%	-0.26%	-0.71%	-0.47%	1.36%	1.35%	1.07%	2.93%	2.20%	1.94%	0.56%
Bank Credit	1.40%	1.01%	0.52%	0.83%	2.62%	1.81%	1.55%	0.79%	2.86%	3.58%	0.26%	1.33%
CD Issuances*	19.77%	79.61%	-60.36%	253.33%	-30.82%	-4.83%	31.38%	13.15%	-42.67%	64.27%	108.72%	-73.97%
Spending via Debit Card Amount	-	-8.87%	-5.12%	-2.95%	-5.20%	11.14%	-11.03%	-1.17%	4.43%	-3.27%	-3.39%	1.68%
Spending via Credit Card Amount	-	-10.36%	0.80%	2.79%	-10.04%	25.47%	-4.23%	2.67%	5.47%	-2.44%	5.94%	-3.31%
Spending via UPI	-	-0.72%	0.99%	4.78%	1.40%	8.65%	0.16%	2.80%	3.94%	-0.92%	5.20%	0.75%

Table M15: Key Banking Rates and Ratios (%)		
	Mar-24	Feb-24
Credit-Deposit Ratio	78.09	78
Investment-Deposit Ratio	29.53	29.65
Base Rate	9.10/10.25	9.10/10.25
MCLR (Overnight)	8.00/8.60	8.00/8.60
Term Deposit Rate >1 Year	6.50/7.25	6.50/7.25
Savings Deposit Rate	2.70/3.00	2.70/3.00
CD Rate	7.06/8.16	7.17/8.22
WALR on fresh rupee loans*	9.36	9.43

\* The weighted average lending rate of SCBs with one month lag