

Insights Unwrapped

Global Snapshot: World at a Glance

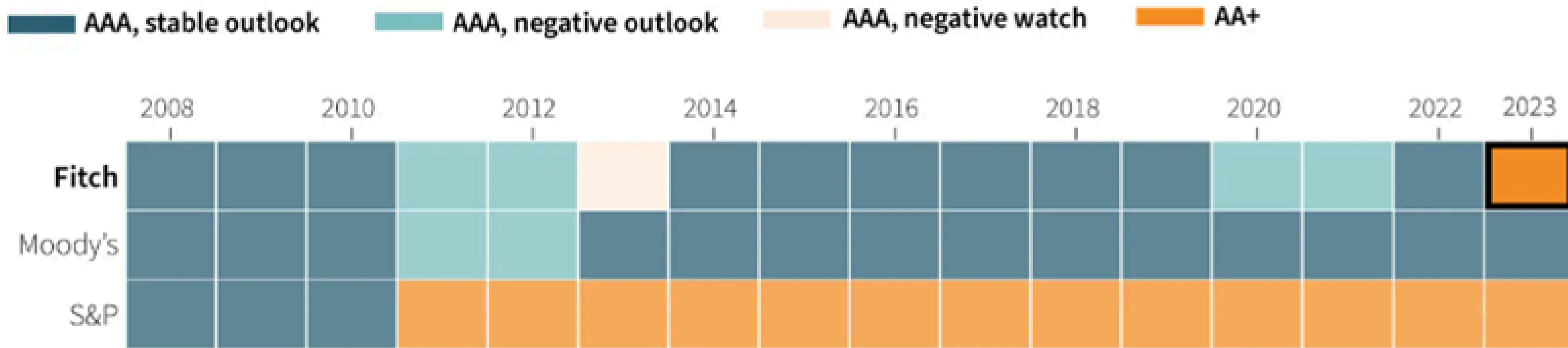


24th May 2025
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Moody's Downgrades U.S. Sovereign Debt Rating

US loses top AAA credit rating from Fitch

The credit rater downgraded the country's long-term foreign currency ratings to AA+, claiming a 'deterioration in standard of governance' in budget matters after the U.S. came to the brink of default last June.



Moody's in 2025

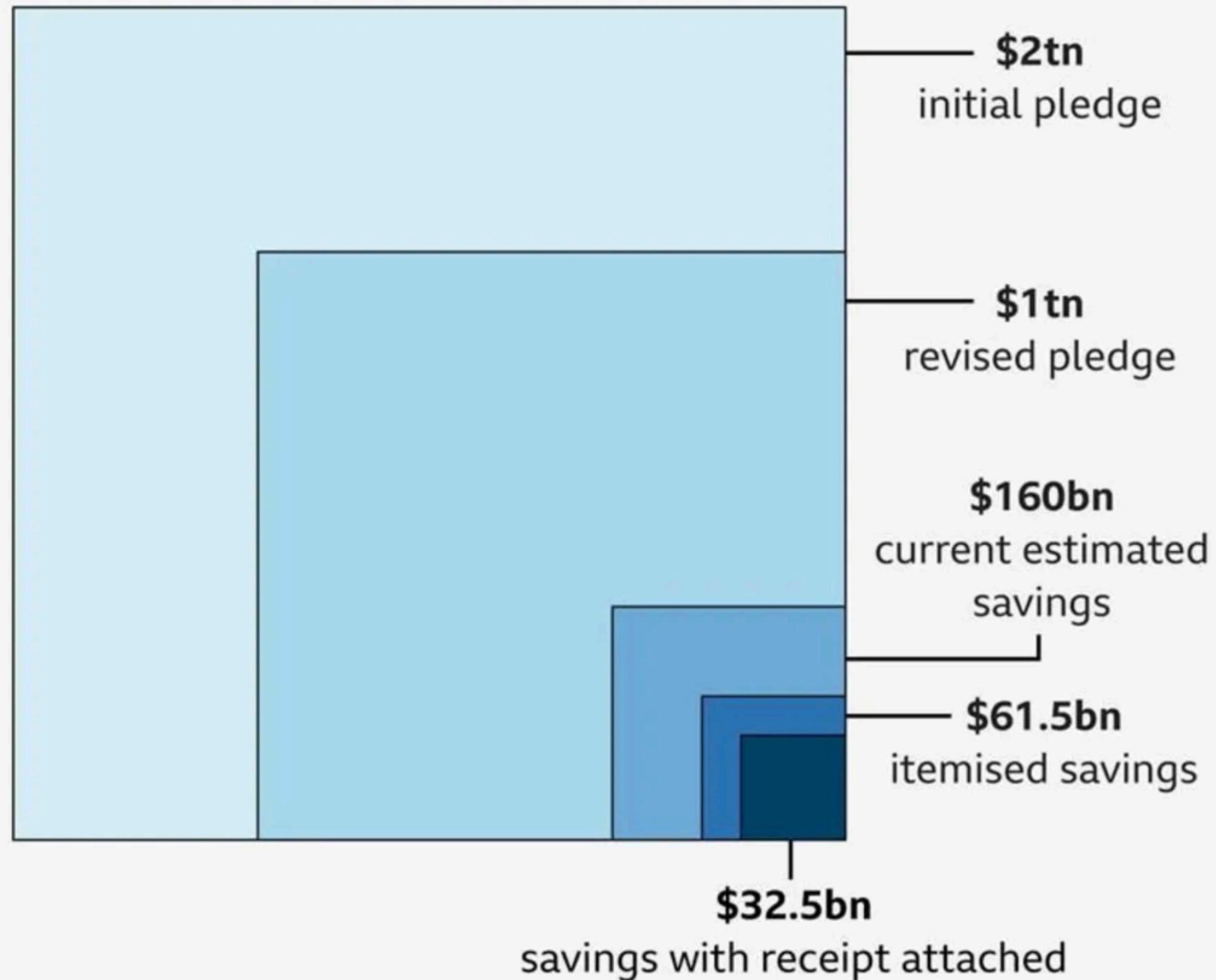
Note: A negative outlook means a likelihood of downgrade over 12 months, while negative watch indicates a potential downgrade in 6 months. 2023 as of August 1.

Sources: Credit rating agencies
Prinz Magtulis | Reuters, August 1, 2023

Stripping of the US government's AAA 'risk free' rating comes 2 years after Fitch and 14 years after S&P did the same.

Musk's DOGE Target Faces Significant Reduction

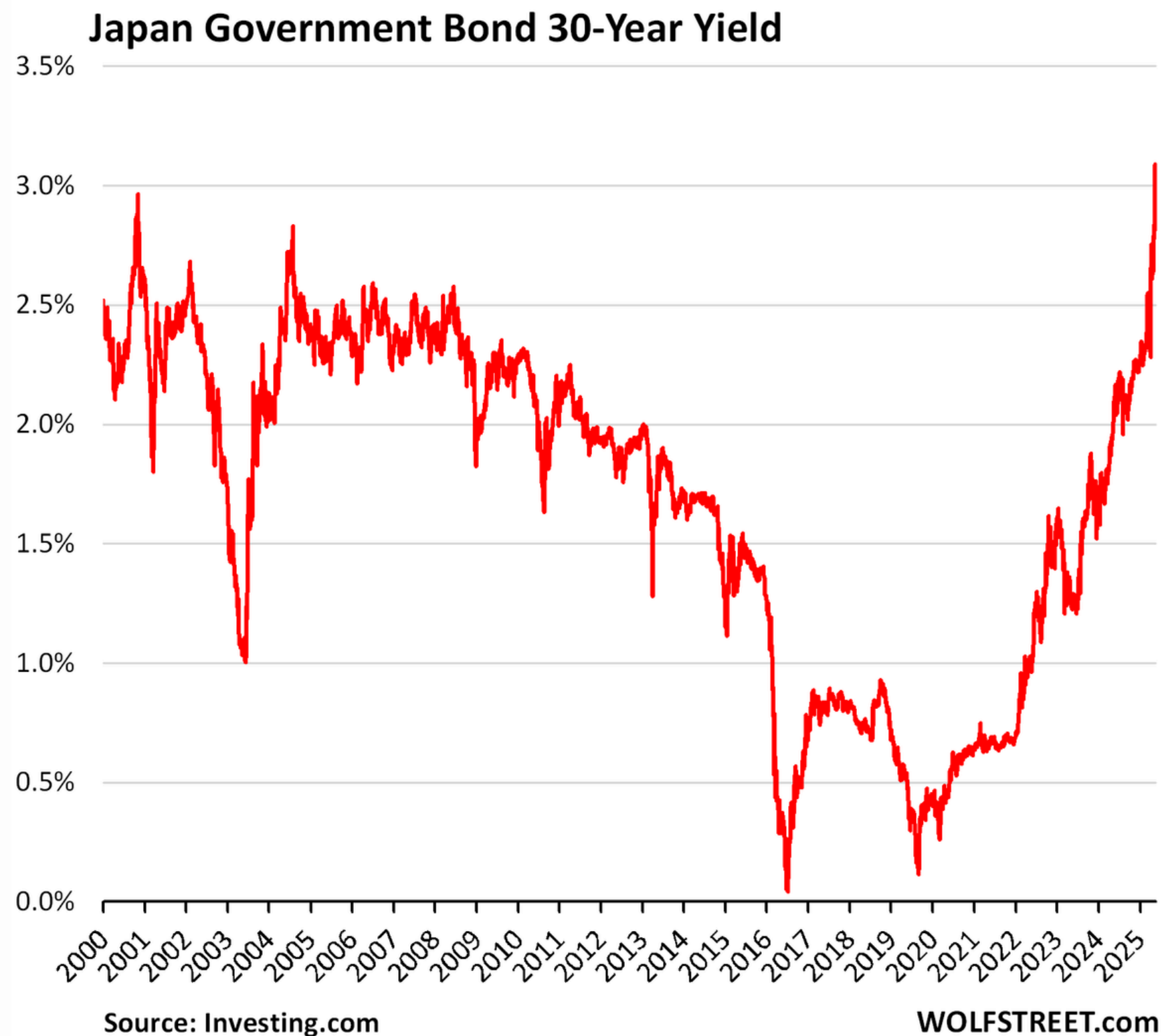
Comparing pledges with current claimed Doge savings



Source: BBC analysis of Doge data as of 23 April

- In October, Elon Musk pledged to cut "at least \$2 trillion" from the federal government budget. That was quickly walked back to \$1 trillion
- Over the last few months, DOGE has had some modest successes, eliminating billions of dollars in government contracts and shrinking the federal workforce by about 12,000 personnel on net (closer to a 130,000 personnel cut in gross)
- The cumulative result? Elon lowered DOGE's estimated savings again. This time down to \$150 billion

Long-Term JGB Yields Hit Highest Levels Since 2000



The Japanese 30-year yield rose to as high as 3.185%, a new record. The 40-year yield touched an all-time peak of 3.635%

Yen Carry Trade Losing Its Edge?

- Japanese investors, long reliant on borrowing at low short-term yen rates to invest in higher-yielding foreign assets like U.S. Treasuries, now find domestic options more appealing. **With Japan's 10-year yield at 1.52% and 30-year JGBs offering 3.18%, investors can capture higher returns at home without taking on currency risk**
- This shift could have global impact. **Japan holds \$1.13 trillion in U.S. Treasuries**, and rising JGB yields may prompt reallocation away from U.S. bonds, putting upward pressure on U.S. yields

- **Operation Sindoor:** India's Seven All-Party Delegations Push Global Anti-Pakistan Campaign.
- **The BrahMos**, celebrated for its unmatched speed and accuracy, is among the world's premier cruise missiles, gaining swift popularity among investors and the public alike. Developed through a 50-50 joint venture between India's DRDO and Russia's NPO Mashinostroyeniya, BrahMos Aerospace oversees production. Exports to third countries require Moscow's approval, as both nations share equal stakes in the missile's technology, necessitating Russia's formal consent.
- **RBI Dividend 2025:** RBI board approves record surplus transfer of Rs 2.69 lakh crore to Centre for FY25 (FY24: Rs 2.1 lakh crore and FY23: Rs 87,416 crore). This is lower than the market expectation of Rs 3-3.5 lakh crore. RBI has instead retained a higher amount of 7.5% of its balance sheet as Contingency Risk Buffer (vs 6.5% earlier).

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