GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	87.649	+0.48
BRENT OIL	68.26	-2.02
GOLD	3423.62	+0.70
India 10Y	6.3179	+0.79
US 10 YR	4.203	-0.64
NIFTY 50	24722.75	+0.64
SENSEX	81018.72	+0.52

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	5.4200	5.3000
G-SEC 2028	5.8406	5.9001
G-SEC 2034	6.3774	6.4533
G-SEC 2039	6.6664	6.7029
G-SEC 2054	7.0053	7.0292
SDL 2027	-	-
SDL 2033	6.8552	6.8893

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED 6.99 NCD 31JL30 FVRS1LAC	6.9857	100.000
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 26A 6.66 BD 12OT28 FVRS1LAC	6.6747	99.9700
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 23A 7.40 BD 30JN26 FVRS10LAC	6.2386	100.4351
REC LIMITED SR 221 7.51 BD 31JL26 FVRS1LAC	6.3800	101.0124
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25E 7.53 BD 24MR28 FVRS1LAC	6.6200	102.0269
POWER FINANCE CORPORATION LIMITED SR 250B 6.64 BD 15JL30 FVRS1LAC	6.7769	99.3967
KOTAK MAHINDRA PRIME LIMITED 8.225 NCD 21AP27 FVRS1LAC	6.9226	101.9421
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR VI 7.75 NCD 27OT25 FVRS10LAC	6.0000	100.3563
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED SR 651 8.20 NCD 17FB28 FVRS1LAC	7.2800	101.9941
INDIGRID INFRASTRUCTURE TRUST SR M 6.72 NCD 14SP26 FVRS10LACLOAUPTO14SP21	6.8000	100.0690
POWER FINANCE CORPORATION LIMITED SR BS218 7.59 BD 03NV25 FVRS10LAC	5.9000	100.3287

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.4700	5.44750	5.4400	5.4050	5.6650	5.6425

BOND MARKET

The 10-year benchmark recorded a close of 6.3179%, ending at 5.00 bps lower than the close of the previous day's trading session.

DOMESTIC BROADCAST

Indian government bonds saw a rise early Monday, fueled by an increase in U.S. Treasuries and anticipation of the RBI's upcoming rate decision. The 10-year bond yield decreased to 6.3366%. Experts predict the RBI will likely maintain current interest rates. Lower inflation and U.S.

On AUGUST 1, the RBI reported ₹ 10166.05, at 5.29% of market activity in the overnight and term segments. Under RBI operations, MSF saw ₹171795 crore at 5.49%, and SDF saw ₹186433 crore at 5.25%. The net liquidity absorbed totaled ₹375501 crore.

GLOBAL BROADCAST

Evercore ISI warns that the greater risk under a second Trump administration is not the firing of Fed Chair Powell, but the erosion of Fed independence through new appointments. With upcoming vacancies, Trump could reshape the Fed Board, potentially installing a chair aligned with his preference for aggressive rate cuts. This could lead to a significant shift in monetary policy, especially if multiple governors resign, giving Trump appointees a majority. Such a shift, driven more by political goals than economic data, could spark market instability and raise inflation risks.

Japan's Labour Ministry panel has proposed a 6% hike in the national average minimum wage to 1,118 yen ($7.57) per hour—the largest increase since 2002. The move aims to support real wage growth amid persistent inflation and comes after the ruling coalition lost its upper house majority, reflecting public discontent over economic policies.

Wall Street looked set to open higher Monday after Friday's sharp sell-off, as weak July jobs data raised hopes for deeper Fed rate cuts. Traders now see an 87.5% chance of a September cut, pricing in at least two cuts this year. The Fed's pause on rate changes drew criticism from Trump, who may reshape the Fed following Governor Kugler's resignation. Market sentiment was further hit by new U.S. tariffs on several countries. Tesla rose 2.3% premarket after granting Musk a massive stock award. Joby Aviation surged 5.7% on Blade Air buyout talks, and Spotify jumped 5.2% on a price hike announcement.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 211.49 bps, 2.51 bps lower than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities

2 Years vs 1 Years bond spread is 14.01 bps.
5 Years vs 2 Years bond spread is 39.58 bps.
10 Years vs 2Years bond spread is 59.75 bps.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower than the previous. We expect the yield to fluctuate between 6.27% to 6.33%.