SOVEREIGN global

DAILY REPORT
INDIAN DEBT MARKET
9TH May 2025

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	85.385	-0.18
BRENT OIL	64.08	+1.99
GOLD	3340.11	+0.57
INDIA10YR	6.3352	-0.50
US10YR	4.360	-0.44
NIFTY50	24008.00	-1.10
SENSEX	79454.47	-1.10

G-SEC/BONDS YIELDS

SECURITY	LTY(%)TODAY	LTY(%)PREV DAY
364DTB	5.9000	5.8401
G-SEC2028	6.0347	6.0424
G-SEC2033	6.3923	6.3924
G-SEC2037	6.4969	6.4918
G-SEC2053	6.8592	6.8515
SDL2027	6.2500	6.3982
SDL2033	6.7553	6.7201

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR I 2024-25 F 9.35 NCD 31DC32 FVRS1LAC	9.0523	103.0905
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25E 7.53 BD 24MR28 FVRS1LAC	7.0043	101.3125
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25G 7.48 BD 15SP28 FVRS1LAC	7.0388	101.4021
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 24E 7.80 BD 15MR27 FVRS1LAC	7.0350	101.2335

AUCTION RESULT OF GOI DATED SECURITIES

SECURITY	MATURITY	CUTOFF YIELD	AMOUNT
06.92% GS 2039	2039	103.25/6.5691	16000
06.90% GS 2065	2065	99.1800/6.9605	16000
TOTAL	32,000		

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.6950	5.6325	5.5700	5.5325	5.7300	5.6575

BOND MARKET

The 10-year benchmark recorded a close of 6.3352%, 3.16 bps lower than the close of the previous day's trading session. Yields traded in the range of 6.3297 to 6.3976 during the day.

DOMESTIC BROADCAST

Foreign Exchange Reserves in India decreased to 686060 USD Million in May 2 from 688130 USD Million in the previous week. Foreign Exchange Reserves in India averaged 302418.68 USD Million from 1998 until 2025, reaching an all-time high of 704890 USD Million in September of 2024 and a record low of 29048 USD Million in September of 1998.

India aims for a significant increase in foodgrain production, targeting 354.64 million tonnes in the 2025-26 crop year, driven by anticipated favourable monsoon rains. This ambitious goal surpasses the current year's target of 341.55 million tonnes. Rice production is projected to reach 147.35 million tonnes, while wheat production is set at 117.40 million tonnes.

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On MAY 08, 2025, money market operations recorded ₹606342.90 crore at a WAR of 5.72%. RBI operations resulted in a net liquidity absorption of ₹132575.79 crore.

GLOBAL BROADCAST

Canada's unemployment rate rose to 6.9% in April 2025, equaling an eight-year high outside the pandemic era, as U.S. tariffs on Canadian imports, particularly steel, aluminum, and automobiles, weighed heavily on the economy. Employment was nearly flat, with only 7,400 net job gains, while 31,000 manufacturing jobs were lost. The number of unemployed rose by 39,000 in April, reaching 1.6 million. The employment rate fell to a six-month low of 60.8%, and wage growth for permanent workers held steady at 3.5%. The Bank of Canada warned of slower growth ahead amid rising prices and falling exports.

Following the Bank of England's recent 25-basis-point rate cut, analysts from Bank of America and UBS expect the next cut to come in August, with both firms anticipating a pause in June unless inflation or growth data surprises significantly. BofA predicts three more cuts this year, reaching a terminal rate of 3.5%, while UBS sees two cuts in August and November, ending 2025 with a 3.75% rate. UBS also expects three additional cuts in 2026, bringing the rate to 3.0%. Both warn that economic uncertainty from tariffs could alter the pace of easing.

U.S. President Donald Trump indicated support for an 80% tariff on Chinese goods ahead of weekend trade talks in Switzerland between U.S. and Chinese officials aimed at easing tensions. Since returning to office, Trump has raised total tariffs on Chinese imports to 145%. In response, China has imposed export restrictions on rare earths and raised tariffs on U.S. goods to 125%. Despite the escalating trade war, the Geneva talks are seen as a potential step toward resolution.

SPREAD ANALYSIS

The India 10Years vs the United States 10 Years Government Bond spread value is 197.52 bp, 10.56 bps lower than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities.
2 Years vs 1 Year bond spread is 2.64 bp.
5 Years vs 2 Years bond spread is 6.88 bp.
10 Years vs 2Years bond spread is 29.5 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower compared to the previous day. The yield is projected to fluctuate between 6.30% and 6.40%.