

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	85.500	-0.11
BRENT OIL	67.66	+1.15
GOLD	3349.95	+0.05
India 10 YR	6.3069	+0.19
US 10 YR	4.497	+0.54
NIFTY 50	25141.40	+0.15
SENSEX	82515.14	+0.15

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	5.5100	5.3000
G-SEC 2028	5.8197	5.7562
G-SEC 2033	6.3906	6.3742
G-SEC 2037	6.6148	6.5961
G-SEC 2053	6.9889	6.9809
SDL 2027	-	-
SDL 2033	-	6.7080

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
REC LIMITED SR 230-A 7.71 BD 26FB27 FVRS1LAC	6.4500	101.9321
HDFC BANK LIMITED SR Y001 6.43 NCD 29SP25 FVRS10LAC	6.6000	99.8639
LIC HOUSING FINANCE LTD TR 455 7.07 NCD 29AP30 FVRS1LAC	6.8887	100.7000
REC LIMITED SR 234-A 7.70 BD 31AG26 FVRS1LAC	6.4021	101.2925
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 24E 7.80 BD 15MR27 FVRS1LAC	6.4977	102.0489
TATA CHEMICALS LIMITED 7.81 NCD 20AG27 FVRS1LAC	7.2500	101.0551
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED SR 653 7.38 NCD 28MY27 FVRS1LAC	7.4251	99.9100
INDIAN RAILWAY FINANCE CORPORATION LIMITED SR 181 7.37 BD 31JL29 FVRS1LAC	6.6180	102.6635
INDIAN RAILWAY FINANCE CORPORATION LIMITED SR 189 6.78 BD 30AP30 FVRS1LAC	6.6700	100.4201
BAJAJ FINANCE LIMITED 7.55 NCD 03AP35 FVRS1LAC	7.5315	100.0626
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR VII 7.75 BD 10JU27 FVRS1LAC	6.4500	102.3585

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.5100	5.5625	5.4800	5.5300	5.7150	5.7625

BOND MARKET

The 10-year benchmark (6.33% GS 2035) recorded a close of 6.3069%, ending at 1.23 bps higher than the close of the previous day's trading session. Yields traded in the range of 6.2727 to 6.3069 during the day.

DOMESTIC BROADCAST

Indian government bond yields fell on Wednesday as state-run banks led strong buying after a three-session selloff. The 10-year yield dropped to 6.2836%, while the five-year yield eased to 5.9334%. Market sentiment improved following ₹125 billion in net bond purchases by banks. Despite the RBI's neutral stance and weak auction demand, traders now expect rates to remain on hold this fiscal. OIS rates also declined across tenors, reflecting lower bond yields and easing expectations.

Money market operations on June 10, 2025: Overnight segment totaled ₹586990.41 crores at a 5.20% weighted average rate. The segment's significant operations included triparty repo at ₹385161.70 crore and 5.19%. RBI's net liquidity absorption stood at ₹261993.18 crore.

GLOBAL BROADCAST

Danske Bank now expects only one more ECB rate cut of 25 bps in September, lowering the deposit rate to 1.75%, and has scrapped its July cut forecast. A further Q4 cut is seen as less likely amid easing inflation and wage pressures. May eurozone inflation dipped to 1.9%, with services inflation and wage growth cooling. Despite a June cut, ECB President Lagarde signaled a hawkish stance, suggesting the easing cycle may be ending. Eurozone GDP rose 0.6% in Q1, aided by a surge in Irish output. Politically, Dutch PM Schoof resigned after the coalition collapsed, with elections set for October 29.

Japanese PM Shigeru Ishiba emphasized wage growth as the best way to counter inflation, rejecting opposition calls for consumption tax cuts or food tax breaks. He stressed boosting productivity, cutting costs, and raising wages as key strategies, noting that tax breaks would be time-consuming and costly to implement.

The ECB's wage tracker projects 2025 eurozone wage growth at 3.1% (or 2.9% excluding smoothed one-off payments), aligning with the ECB's 2% inflation target and reinforcing the view that inflation is now under control.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 180.99 bps, 3.37 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 15.86 bp
 5 Years vs 2 Years bond spread is 24.38 bp.
 10 Years vs 2 Years bond spread is 54.77 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower compared to the previous day. The yield is projected to fluctuate between 6.27% and 6.35%.