DAILY REPORT
INDIAN DEBT MARKET
11TH SEPTEMBER 2024

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	83.985	0.04
BRENT OIL	78.80	2.33
GOLD	2550.30	0.28
India 10Y	6.8271	-0.33
US 10 YR	3.622	-0.61
NIFTY 50	24918.45	-0.50
SENSEX	8152.61	-0.50

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.60	6.65
G-SEC 2028	6.732	6.764
G-SEC 2033	6.8482	6.8814
G-SEC 2037	6.8762	6.9072
G-SEC 2053	6.9520	6.9794
SDL 2027	7.2301	7.2055
SDL 2033	7.216	7.1975

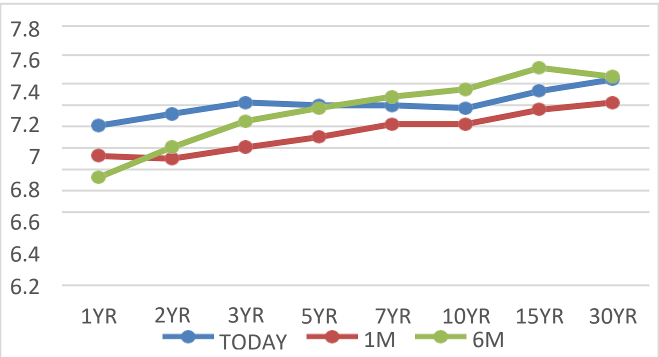
ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
LIC HOUSING FINANCE LTD TR 444 7.75 NCD 23AG29 FVRS1LAC	7.7569	99.9338
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR II 7.47 BD 05SP29 FVRS1LAC	7.4569	100.0800
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25B 7.64 BD 06DC29 FVRS1LAC	7.4875	100.7791
NATIONAL HOUSING BANK 7.59 BD 14JL27 FVRS1LAC	7.4022	100.4390
OXYZO FINANCIAL SERVICES LIMITED BR LOA 24JN25 FVRS1LAC	9.6814	115.3674

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.4000	6.3850	6.0925	6.060	6.005	5.9700

INDIA YIELD CURVE



BOND MARKET

The 10-year benchmark recorded a close of 6.8271%, ending 2.3 bps lower than the close of the previous day's trading session. Yields traded in the range of 6.8268 to 6.8410 during the day.

DOMESTIC BROADCAST

The RBI conducted an auction for Treasury bills of 91 days, 182 days, and 364 days to raise 8,000crore, 6,000crore, and 6,000 crores respectively aggregating to Rs. 20,000 Cr. with a cutoff yield of 6.6462%, 6.7222%, and 6.7073% respectively.

OPEC's latest update shows India's economy grew by 6.7% year-on-year in Q2 2024, down from 7.8% in Q1, due to a 0.2% contraction in government consumption. Private consumption, however, rose to 7.5% from 4.0%, and gross fixed capital formation grew by 7.5% from 6.5%. Heat waves negatively impacted consumer confidence, dropping to 93.9 in July from 97.1 in May.

On September 10, 2024, the overnight money market volume was ₹537,006.33 crore at a 6.36% average rate. Net liquidity absorption was ₹108,210.65 crore.

GLOBAL BROADCAST

In August, U.S. consumer prices rose 0.2% monthly, matching July's rate, while core inflation, excluding food and fuel, increased slightly by 0.3%. Headline inflation slowed to 2.5% annually from 2.9%, and core inflation remained at 3.2%. These figures may reduce the chances of an aggressive Fed rate cut at its upcoming September meeting, where rates are expected to drop from a 23-year high of 5.25% to 5.5%.

U.S. stock futures fell, the dollar weakened, and bond prices rose after a debate where Kamala Harris challenged Donald Trump. Markets remain cautious ahead of U.S. inflation data influencing Fed policy. Ten-year Treasury yields dropped to 3.6068%, and Germany's 10-year yield hit a one-month low at 2.12%.

Britain's economy is increasingly dominated by services, with manufacturing's share hitting a record low of 9.2% in Q2 2023, down from 9.9% pre-pandemic. The services sector, now 81.2% of economic output, surpasses goods exports, making the UK the first G7 nation with such a gap.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 320.51 bps, 7.21 bps higher than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities.

2 Years vs 1 Years bond spread is 2.47 bp.
5 Years vs 2 Years bond spread is 1.24 bp.
10 Years vs 2Years bond spread is 12.13 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower compared to the previous day, the market experienced higher liquidity and positive movements owing to the US CPI data. The yield is projected to fluctuate between 6.83% and 6.86%.