


GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	CHANGE
USD/INR	84.382	-0.05
BRENT OIL	72.28	0.63
GOLD	2608.25	-0.33
India 10Y	6.8295	0.083
US 10YR	4.380	0.67
NIFTY50	23883.45	-1.91
SENSEX	78675.15	-1.03

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	6.57	6.45
G-SEC2028	6.7438	6.7408
G-SEC2033	6.8547	6.8456
G-SEC2037	6.8798	6.8728
G-SEC2053	6.9745	6.9659
SDL 2033	7.1348	-
SDL 2037	7.1343	7.10

YIELD-BASED AUCTION OF STATE GOVERNMENT SECURITIES

Sr. No	State	Amount to be raised (₹ Crore)	Amount Accepted (₹ Crore)	Cut off Yield (%)	Tenure (Year)
1	Gujrat	1000	1000	7.05	7
		1000	1000	7.08	9
2	Haryana	1500	1500	7.12	13
3	Himachal Pradesh	500	500	7.13	15
4	Jammu & Kashmir	400	400	100.43/7.0654	5 (R)
5	Telangana	100	100	7.13	15
		5400	5400		

BOND MARKET

The 10-year benchmark recorded a close of 6.8295%, ending 0.57 bps higher compared to the previous day's trading session.

DOMESTIC BROADCAST

India's retail inflation surged to 6.21% in October, breaching the Reserve Bank of India's 2%-6% target range for the first time in over a year, primarily due to persistently high food prices. This inflation rate exceeded the forecast of 5.81% and rose from 5.49% in September. Food inflation, which constitutes nearly half of the consumption basket, reached 10.87%, with vegetable prices soaring by 42.18% year-on-year. Rising costs have impacted lower-income households' purchasing power, dampening festive season sales.

Money Market Operations on November 11, 2024: ₹573996.61 crore in the overnight segment at a weighted average rate of 6.30%. Net liquidity absorption: ₹ 198,704.92 crore.

GLOBAL BROADCAST

European Central Bank (ECB) officials warned that protectionist policies from U.S. President-elect Donald Trump, including proposed tariffs of 10% on all imports and 60% on Chinese goods, could harm global growth and push up U.S. interest rates and inflation, with spillover effects on Europe. Austrian central bank chief Robert Holzmann noted that higher U.S. rates and a stronger dollar would increase import costs in the eurozone, complicating the ECB's path to its 2% inflation target. Finnish central bank chief Olli Rehn urged Europe to avoid repeating its 2018 mistakes and stressed that the ECB must act to support economic stability amid these challenges.

Oil prices remained steady on Tuesday, with Brent crude at \$72.21 and WTI at \$68.40 per barrel, as investors awaited OPEC's monthly report for direction. Recent price drops of over 5% were driven by concerns over China's limited stimulus measures and deflation risks, which dampened demand expectations. Meanwhile, supply factors include potential increased U.S. shale output under the incoming Trump administration, with pro-oil drilling advocate

SPREAD ANALYSIS

The India 10 Years/United States 10 Years Government Bond spread value is 244.95 bps, 1.93 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 7.88 bp.
5 Years vs 2 Years bond spread is 6.23 bp.
10 Years vs 2 Years bond spread is 12.76 bp.

MARKET OUTLOOK

The market observed strong demand in the SDL auction. The 10-year benchmark yields ended lower than previous day. We expect the yield to fluctuate within the range of 6.80 and 6.85.

INDIA YIELD CURVE
