


GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	CHANGE
USD/INR	83.942	-0.010
BRENT OIL	82.3	3.31
GOLD	2504	1.23
India 10Y	6.8786	-0.02
US 10YR	3.91	-0.86
NIFTY50	24,139	-0.85
SENSEX	78,956.03	-0.87

G-SEC/BONDS YIELDS

SECURITY	LTY(%)TODAY	LTY(%)PREV
364DTB	6.7151	6.7400
G-SEC2028	6.7985	6.8022
G-SEC2033	6.9221	6.9249
G-SEC2037	6.9461	6.9462
G-SEC2053	7.0335	7.0335
SDL 2033	7.21	7.00
SDL 2037	-	7.2139

YIELD-BASED AUCTION OF STATE GOVERNMENT SECURITIES

Sr. No	State	Amount to be raised (₹ Crore)	Amount Accepted (₹ Crore)	Cut off Yield (%)	Tenure (Year)
1	Bihar	2000	2000	7.26	09
2	Chhattisgarh	500	500	99.06/7.0974	Reissue 6.82%@2028
		500	500	101.08/7.1688	Reissue 7.40%@2030
3	Gujrat	1500	1500	7.05	04
		1000	1000	7.06	05
4	J&K	450	450	7.27	25
5	Maharashtra	1500	1500	99.90/7.2339	Reissue 7.22%@2034
		1500	1500	100.02/7.2675	Reissue 7.27%@2039
		1500	1500	100.02/7.2679	Reissue 7.27%@2044
		1500	1500	99.99/7.2607	Reissue 7.26%@2049
6	Tamil Nadu	1000	1000	7.21	10
7	Telangana	1000	1000	7.26	11
		1000	1000	7.28	14
		1000	1000	7.28	21
	Total	15950	15950		

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.52	6.5325	6.24	6.23	6.11	6.115

BOND MARKET

The 10-year benchmark recorded a close of 6.9326%, ending 0.15 bps lower compared to the close of the previous day's trading session. During the day, yields remained in the range of 6.8683 to 6.8875.

DOMESTIC BROADCAST

The RBI conducted a 1-day VRRR auction under LAF for notified amounts of Rs. 50,000 crores. The offers received amounted to Rs. 5,810 crores at WARs of 6.49%.

The Reserve Bank of India has announced changes on minimum percentage of liquid assets, which specifies that all deposit taking HFCs (housing finance companies) shall maintain liquid assets to the extent of 15% of the public deposits as against 13% currently.

Money Market Operations on August 13, 2024: ₹493,084.95 crore in the overnight segment at a weighted average rate of 6.32%. Net liquidity absorption: ₹112,620.16 crore.

GLOBAL BROADCAST

The U.S. government reported a \$244 billion budget deficit for July, a 10% increase from last year. Adjusting for calendar differences, the deficit would have been \$45 billion smaller. July's receipts were \$330 billion, up 20%, while outlays rose 16% to \$574 billion, driven by a \$72 billion increase in Medicare spending. Interest on federal debt surged 21% to \$89 billion. For the first 10 months of fiscal 2024, the deficit decreased 6% to \$1.517 trillion compared to the same period in fiscal 2023.

Oil prices steadied on Tuesday after five consecutive sessions of gains, as market focus shifted to demand concerns following OPEC's forecast cut for 2024 due to weaker expectations in China. Brent crude futures fell 0.36% to \$82.00 a barrel, while U.S. West Texas Intermediate crude dropped 0.36% to \$79.77. On Monday, Brent and U.S. crude futures had surged over 3% and 4%, respectively.

SPREAD ANALYSIS

The India 10 Years/United States 10 Years Government Bond spread value is 296.86 bps, 0.55 bps higher than the closing of the previous day.

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

2 Years vs 1 Year bond spread is 5.74 bp.

5Years vs 2 Years bond spread is 2.81 bp.

10Years vs 2Years bond spread is 7.91 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 6.85 and 6.89, mainly driven by the negative sentiments of the market.

INDIA YIELD CURVE
