SOVEREIGN global

DAILY REPORT
INDIAN DEBT MARKET
13TH FEBRUAUARY 2025

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	86.92	+0.01
BRENT OIL	75.02	-1.17
GOLD	2929.62	+0.53
India 10 YR	6.7103	+0.12
US 10 YR	4.614	-0.23
NIFTY 50	23031.40	-0.060
SENSEX	76138.71	-0.042

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.5300	6.5300
G-SEC 2028	6.6412	-
G-SEC 2033	6.7727	6.7681
G-SEC 2037	6.8711	6.8647
G-SEC 2053	7.0472	7.0368
SDL 2027	6.8951	6.8800
SDL 2033	7.0972	7.0917

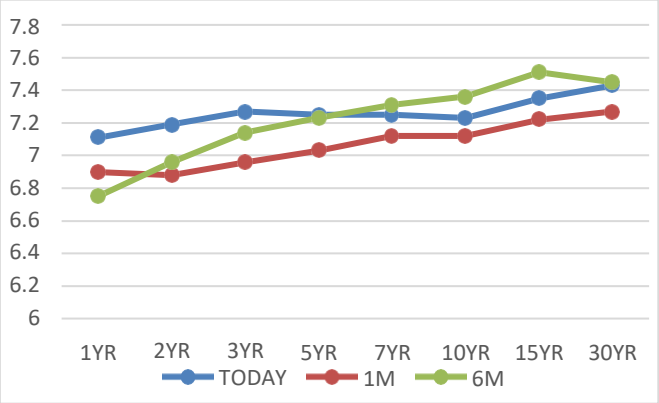
ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED	9.2604	100.25
LARSEN AND TOUBRO LIMITED 7.20 NCD 22JN35 FVRS1LAC	7.2018	100.1700
REC LIMITED SR 239 BD 03NV34 FVRS1LAC	6.6334	53.5669
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25E 7.53 BD 24MR28 FVRS1LAC	7.4949	100.0968

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.3500	6.3250	6.1050	6.0900	6.1600	6.1350

INDIA YIELD CURVE



BOND MARKET

The 10-year benchmark recorded a close of 6.7103%, ending at 0.81 bps lower than the close of the previous day's trading session. Yields traded in the range of 6.6986 to 6.7199 during the day.

DOMESTIC BROADCAST

The Income Tax Bill, 2025, introduced by Finance Minister Nirmala Sitharaman, aims to simplify and modernize India's tax framework by replacing the 1961 Income Tax Act with clearer provisions, reducing legal disputes, and making the system more taxpayer-friendly, without altering tax slabs or rebates; it is expected to take effect from April 1, 2026, after parliamentary review.

Money market operations on February 12, 2025: Overnight segment totaled ₹577339.04 crores at a 6.27% weighted average rate. The segment's significant operations included triparty repo at ₹465.70 crore and 6.27%. RBI's net liquidity absorption stood at ₹207082.81 crore.

GLOBAL BROADCAST

The U.K. economy grew by 0.1% in Q4 2024, avoiding a recession, but weak growth, rising costs, and uncertain trade conditions suggest a sluggish 2025; with rate cuts expected the Bank of England downgraded 2025 growth forecasts from 1.5% to 0.75%, signalling continued economic struggles.

The People's Bank of China signaled timely monetary policy adjustments to support the economy amid rising global challenges. Noting weak domestic demand and potential risks, the central bank aims to use tools like interest rates and reserve requirements to ensure ample liquidity, stable prices, and a balanced yuan exchange rate.

Japan's wholesale inflation surged to a seven-month high of 4.2% in January, driven by rising food and raw material costs, reinforcing expectations of a BOJ rate hike in 2024. While inflationary pressures persist, weak consumer sentiment may delay aggressive tightening, with markets pricing in a July rate hike amid rising U.S. yields and a weaker yen.

The Bank of England on Thursday allotted a record 54.666 billion pounds ($68.30 billion) in seven-day funds in its weekly short-term repo operation, higher than the previous record set last week of 53.417 billion pounds

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 209.63 bps, 5.69 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 0.93 bp
5 Years vs 2 Years bond spread is 6.11 bp.
10 Years vs 2 Years bond spread is 8.03 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended higher compared to the previous day. The yield is projected to fluctuate between 6.68% and 6.75%.

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