DAILY REPORT
INDIAN DEBT MARKET
14TH February 2025

SOVEREIGN global

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	86.757	+0.17
BRENT OIL	75.04	+0.01
GOLD	2958.14	+0.27
INDIA10YR	6.7071	-0.05
US10YR	4.528	-0.04
NIFTY50	22929.25	-0.44
SENSEX	75939.21	-0.26

G-SEC/BONDS YIELDS

SECURITY	LTY(%)TODAY	LTY(%)PREV DAY
364DTB	6.5500	6.5300
G-SEC2028	6.6359	6.6412
G-SEC2033	6.7722	6.7727
G-SEC2037	6.8709	6.8711
G-SEC2053	7.0408	7.0472
SDL2027	6.8900	6.8951
SDL2033	7.1026	7.0972

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR VII 7.42 BD	7.4237	99.97
HDFC BANK LIMITED SR US006 7.75 NCD 13JU33 FVRS1LAC	7.4479	101.7216
HDFC BANK LIMITED SR US002 7.80 NCD 03MY33 FVRS1LAC	7.4457	102.0169
NATIONAL HOUSING BANK 7.78 BD 26AP27 FVRS1LAC	7.4500	100.0128

AUCTION RESULT OF GOI DATED SECURITIES

SECURITY	MATURITY	CUTOFF YIELD	AMOUNT
06.64% GS 2027	2027	100.06/6.6112	7000
06.79% GS 2034	2054	100.56/6.7086	22000
07.09% GS 2074	2074	100.21/7.0735	10000
TOTAL	39,000		

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.3050	6.3000	6.0750	6.0600	6.1225	6.0925

BOND MARKET

The 10-year benchmark recorded a close of 6.7071%, 0.32 bps higher than the close of the previous day's trading session. Yields traded in the range of 6.6972 to 6.7096 during the day.

DOMESTIC BROADCAST

India's Wholesale Price Index (WPI) inflation eased to 2.31% in January 2025 from 2.37% in December 2024, driven by a 3.62% drop in food prices, while fuel prices rose 0.47%, and manufactured product prices saw a marginal 0.14% increase, with mixed trends across sectors.

India and the U.S. aim to boost bilateral trade to $500 billion, focusing on semiconductors, AI, critical technologies, and defence collaboration, under initiatives like iCET, INDUS Innovation Bridge, and TRUST, despite tariff challenges, reinforcing their strategic and economic partnership.

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On FEBRUARY 13, 2025, money market operations recorded ₹560389.95 crore at a WAR of 6.32%. RBI operations resulted in a net liquidity absorption of ₹241834.81 crore.

GLOBAL BROADCAST

Trump's reciprocal tariff policy is set for a slow but significant implementation, with reviews and investigations extending beyond April 1, targeting both allies and adversaries to match U.S. import duties with those imposed by other countries, signaling a major shift in trade policy.

The euro zone economy showed slight growth in Q4 2024, with GDP rising 0.1%, but employment stagnated, and weak consumption, industrial recession, high energy costs, and U.S. tariff threats suggest continued economic sluggishness.

The Central Bank of Russia kept its key rate at 21%, citing inflation concerns despite pressure for cuts, with no rate reduction expected before the second half of 2025, as inflation may peak at 10.3% in April amid economic constraints.

Germany's wholesale prices rose by 0.9% in January year-on-year, signaling a moderate increase in bulk goods costs and serving as a key economic indicator.

SPREAD ANALYSIS

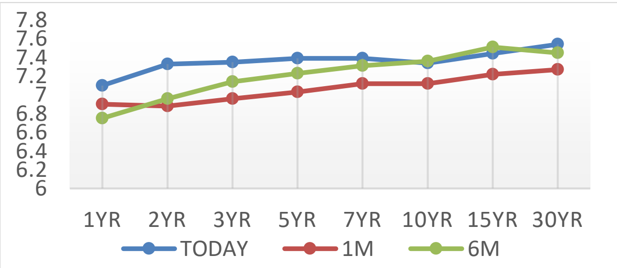
The India 10Years vs the United States 10Years Government Bond spread value is 217.91 bp, 8.28 bps higher than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities.
2 Years vs 1 Year bond spread is 1.69 bp.
5 Years vs 2 Years bond spread is 6.69 bp.
10 Years vs 2Years bond spread is 8.76 bp.

MARKET OUTLOOK

Today's G-sec auction experienced relatively lower demand. The WPI data released today did not influence the market movements significantly, with the OMO purchase data released today, the yield is projected to fluctuate between 6.65% and 6.72%.

INDIA YIELD CURVE



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