


GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	CHANGE
USD/INR	84.05	0.01
BRENT OIL	75.19	-4.43
GOLD	2665.70	0.21
India 10Y	6.7684	0.21
US 10YR	4.2525	0.05
NIFTY50	25127.29	0.66
SENSEX	81820.12	-0.19

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	99.7540	99.8419
G-SEC2028	6.6758	6.6804
G-SEC2033	6.7877	6.799
G-SEC2037	6.8319	6.8389
G-SEC2053	6.9213	6.9228
SDL 2033	7.1001	6.8457
SDL 2037	7.0989	-

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	1500	1500	6.82	03
2	Himachal Pradesh	600	600	7.08	10
3	Karnataka	2000	2000	7.08	10
		2000	2000	7.09	11
		200	200	7.09	10
4	Puducherry	100	100	101.00/7.0690	8(R)
5	Punjab	1150	1150	7.11	20
6	Rajasthan	500	500	103.44/7.0907	8(R)
7	Telangana	1000	1000	7.11	21
8	Uttar Pradesh	3000	3000	7.08	08
	Total	13,050	13,050		

BOND MARKET

The 10-year benchmark recorded a close of 6.7684%, ending 1.43 bps lower compared to the previous day's trading session. During the day, yields remained in the range of 6.7644 to 6.7491.

DOMESTIC BROADCAST

India's Consumer Price Index (CPI) inflation rose to 5.49% in September, up from 3.65% in August, due to high base effects and weather conditions. Rural inflation stood at 5.87%, while urban inflation was 5.05%. The Consumer Food Price Index (CFPI) saw a significant rise to 9.24%. Housing inflation for the urban sector increased slightly to 2.78% from 2.66% in August.

Money Market Operations on October 14, 2024: ₹532740.60 crore in the overnight segment at a weighted average rate of 6.26%. Net liquidity absorption: ₹ 150,092.48 crore.

GLOBAL BROADCAST

China's economy is projected to grow 4.8% in 2024, falling short of the government's target, with growth expected to slow further to 4.5% in 2025, according to a Reuters poll. GDP is estimated to have risen 4.5% in Q3 2024, down from 4.7% in Q2 and marking the weakest growth since early 2023. Authorities have intensified stimulus measures since late September to boost the economy and meet the 2024 growth target of around 5%.

The U.S. dollar hovered near a two-month high on Tuesday, driven by expectations of modest Federal Reserve rate cuts. Resilient economic data and slightly higher-than-expected September inflation led traders to scale back bets on further large cuts. The Fed began its easing cycle with a 50-basis point cut in September, but market sentiment now favors a slower pace, with an 89% chance of a 25-bps cut in November.

Oil prices plunged over 4% on Tuesday, hitting a near two-week low, due to a weaker demand outlook and reports that Israel may not target Iranian oil facilities, easing supply disruption fears. Brent crude dropped 4.5% to \$73.95 per barrel, while West Texas Intermediate fell 4.7% to \$70.35.

SPREAD ANALYSIS

The India 10 Years/United States 10 Years Government Bond spread value is 251.59 bps, 4.68 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 4.42 bp.
5 Years vs 2 Years bond spread is 6.65 bp.
10 Years vs 2 Years bond spread is 15.42 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 6.73 and 6.80.

INDIA YIELD CURVE
