

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	83.873	-0.01
BRENT OIL	71.61	0.85
GOLD	2610.7	-0.07
India 10Y	6.7613	-0.43
US 10 YR	3.647	-0.19
NIFTY 50	25383.75	0.11
SENSEX	82988	0.12

G-SEC / BONDS YIELDS

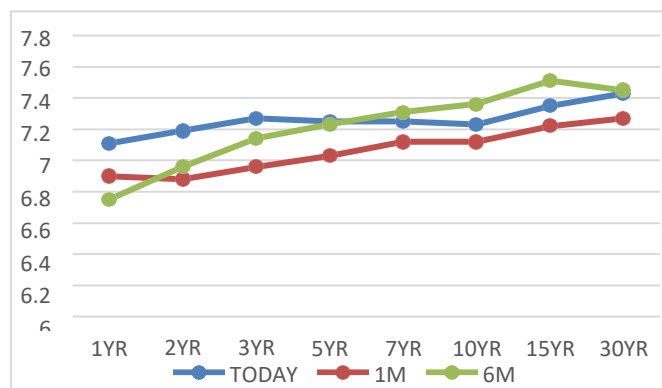
SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.5	6.58
G-SEC 2028	6.6971	6.7153
G-SEC 2033	6.7805	6.8373
G-SEC 2037	6.8211	6.8509
G-SEC 2053	6.9184	6.9293
SDL 2027	-	7.0012
SDL 2033	7.1418	7.1676

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
ADANI ENTERPRISES LIMITED SR IV 9.65 NCD 12SP27 FVRS1000	9.8373	98.25
SHRIRAM FINANCE LIMITED SR PPD XVIII OP 1 TR 7 9.15 NCD 19JN29 FVRS1	9.0275	100.3350
HDFC BANK LIMITED SR AA008 7.77 NCD 28JU27 FVRS10LAC	7.7833	99.9229
BAJAJ FINANCE LIMITED 7.87 NCD 08FB34 FVRS1LAC	7.8228	100.1844

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.3700	6.3700	6.050	6.0475	5.950	5.9475

INDIA YIELD CURVE

BOND MARKET

The 10-year benchmark recorded a close of 6.7613%, ending 2.91 bps lower than the close of the previous day's trading session. The paper traded in the range of 6.7578 and 6.7929.

DOMESTIC BROADCAST

In July 2024, India's mutual fund AUM rose to INR 64.7 lakh crore, a 5.5% MoM and 40% YoY increase. A net inflow of INR 1.9 lakh crore, driven by lower redemptions and record SIP inflows of INR 23,332 crore, boosted the growth. Active funds dominated with 83% of AUM, with active equity funds rising 6.2% MoM and 60% YoY, now comprising 44.1% of total AUM. Debt funds grew 4.6% MoM, but active debt schemes saw a decline in share.

On September 13, the RBI reported no money market activity in the overnight and term segments. Under RBI operations, MSF saw ₹4992 crore at 6.75%, and SDF saw ₹112238 crore at 6.25%. The net liquidity absorbed totaled ₹130,424 crore.

GLOBAL BROADCAST

British manufacturers are experiencing declining output and slowing new orders, with a factory output gauge falling to -2% in the third quarter, the lowest in four years. However, optimism is growing due to political stability following the Labour Party's election win, with output expected to surge to +33% in the fourth quarter. A majority of surveyed companies (58%) believe the new government will boost economic growth and Make UK has upgraded its 2025 growth forecast to 1.8%. However, they stress the need for the government to fulfill its economic promises.

China's industrial production grew 4.5% year-on-year in August, falling short of expectations and down from July's 5.1% rise, indicating pressure on factory activity from weak local demand and Western trade restrictions. Retail sales also underperformed, rising 2.1% compared to the forecasted 2.5%, and signaling deteriorating domestic consumption. Meanwhile, the unemployment rate unexpectedly increased to 5.3%, and fixed asset investment grew slower than anticipated, highlighting worsening economic conditions in the country.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 311.43 bps, 2.64 bps lower than the closing of the previous day.

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

2 Years vs 1 Years bond spread is 1.26 bp.
 5 Years vs 2 Years bond spread is 0.45 bp.
 10 Years vs 2Years bond spread is 8.56 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower than the previous, tracking upcoming outcomes of FED Cut Rate meeting decision. We expect the yield to fluctuate between 6.74% to 6.77%.