

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	84.810	0.03
BRENT OIL	74.41	-0.19
GOLD	2669.30	0.42
India 10Y	6.7856	0.22
US 10 YR	4.395	-0.31
NIFTY 50	24653.60	-0.46
SENSEX	81748.57	-0.47

G-SEC / BONDS YIELDS

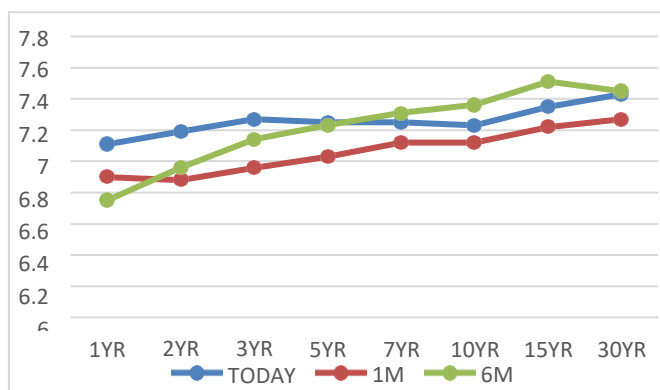
SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.50	6.53
G-SEC 2028	6.6811	6.6712
G-SEC 2033	6.7990	6.7884
G-SEC 2037	6.8507	6.8484
G-SEC 2053	6.9710	6.9552
SDL 2027	6.8599	-
SDL 2033	7.0348	7.0996

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
TRUST INVESTMENT ADVISORS PRIVATE LIMITED SR II 9.10 NCD 26SP31 FVRS1LAC	8.3259	103.7481
DME DEVELOPMENT LIMITED SR I 7.23 BD 11DC34 FVRS1LAC	7.3564	100.00
INDEL MONEY LIMITED 11.25 NCD 06AP26 FVRS1LAC	12.000	99.8343
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR I 7.43 BD 31AU26 FVRS1LAC	7.6061	99.6566

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.410	6.460	6.110	6.140	6.060	6.085

INDIA YIELD CURVE

BOND MARKET

The 10-year benchmark recorded a close of 6.7856%, ending 1.51 bps higher than the close of the previous day's trading session. The yield was in the range of 6.7679 to 6.7856.

DOMESTIC BROADCAST

India's Wholesale Price Index (WPI) inflation eased to 1.89% in November, down from 2.36% in October, driven by a slowdown in food inflation to 8.29% as fresh crops tempered the earlier spike in prices. Vegetables rose by 28.57%, a significant drop from October's 63%, while onion prices increased by just 2.85%. Fuel prices declined by 5.83%, further softening inflation. Retail inflation also dropped to 5.48%, offering relief to households after breaching the RBI's 6% upper limit in October.

On December 13, the RBI reported ₹ 552236.40 at 6.59 market activity in the overnight and term segments. Under RBI operations, MSF saw ₹22118 crore at 6.75%, and SDF saw ₹81273 crore at 6.25%. The net liquidity absorbed totaled ₹23283.39 crore.

GLOBAL BROADCAST

ECB policymaker Peter Kazimir advocates gradual 25-basis-point rate cuts, warning against aggressive easing as a response to structural economic issues in the euro zone. He emphasizes that monetary policy provides short-term relief but cannot replace essential structural reforms needed to address Europe's economic challenges.

Euro zone business activity improved slightly in December, driven by growth in services despite a continued manufacturing contraction. The PMI rose to 49.5, below the 50-growth threshold, while optimism reached a four-month high. Germany and France saw slower contractions, and the ECB's recent rate cuts aim to address economic challenges amid declining new orders and persistent manufacturing weakness.

The dollar has softened slightly as traders anticipate the Federal Reserve's expected 25 basis point rate cut on Wednesday, lowering the target policy range to 4.25-4.50%. Analysts at ING noted that attention will focus on the Fed's rationale for skipping a January meeting and its updated forecasts, which are likely to reduce the expected rate cuts in 2025 from four to three.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 239.06 bps, 4.96 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 4.81 bps.
5 Years vs 2 Years bond spread is 0.34 bps.
10 Years vs 2Years bond spread is 11.45 bps.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended slightly lower than the previous, tracking upcoming outcomes associated with Indian food inflation data. We expect the yield to fluctuate between 6.75% to 6.80%.