



GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	CHANGE
USD/INR	84.918	0.04
BRENT OIL	73.91	-0.83
GOLD	2668.47	-0.57
India 10Y	6.7971	-0.17
US 10YR	4.397	-0.20
NIFTY50	24336	-1.35
SENSEX	80648.45	-1.30

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	6.75	6.50
G-SEC2028	6.6965	6.6811
G-SEC2033	6.8118	6.7990
G-SEC2037	6.8613	6.8507
G-SEC2053	6.9828	6.9710
SDL 2033	7.07	6.9788
SDL 2037	7.0778	7.0348

YIELD-BASED AUCTION OF STATE GOVERNMENT SECURITIES

Sr. No	State	Amount to be raised (₹ Crore)	Amount Accepted (₹ Crore)	Cut off Yield (%)	Tenure (Year)
1	Arunachal Pradesh	395	395	7.12	20
2	Bihar	2000	2000	7.12	10
3	Himachal Pradesh	500	500	7.12	12
4	Jammu & Kashmir	400	400	7.10	25
5	Karnataka	2000	2000	7.11	11
		2000	2000	7.12	12
6	Kerla	1255	1255	7.10	18
7	Meghalaya	635	635	7.11	9
8	Mizoram	140	140	7.13	15
9	Rajasthan	1000	1000	7.11	10
		1000	1000	7.12	15
		1000	1000	7.10	22
10	Tamil Nadu	1000	1000	6.97	04
		1000	1000	7.10	30
11	Telangana	500	500	7.10	22
		1000	1000	7.10	23
12	Uttar Pradesh	3000	3000	99.63/7.122	14(R)
13	West Bengal	1500	2000	7.13	16

BOND MARKET

The 10-year benchmark recorded a close of 6.7971%, ending 1.15 bps lower compared to the previous day's trading session.

DOMESTIC BROADCAST

India's total exports in November 2024 rose 9.59% YoY to \$67.79 billion, driven by services growth, while merchandise exports fell slightly to \$32.11 billion due to lower petroleum exports. Non-petroleum exports increased 7.75% to \$28.40 billion, led by gains in electronic goods (54.72%), engineering goods (13.75%), rice (95.18%), marine products (17.82%), and garments (9.81%). Total imports surged 27.47% YoY to \$87.63 billion, with gold imports hitting a record \$14.8 billion. The April-November trade deficit widened to \$37.84 billion, up from \$27.14 billion, driven by higher gold imports.

Money Market Operations on December 16, 2024: ₹564432.69 crore in the overnight segment at a weighted average rate of 6.67%. Net liquidity absorption: ₹ 104225.00 crore.

GLOBAL BROADCAST

Bank of America strategists expect the Federal Reserve to cut the fed funds rate by 25 basis points to 4.25%-4.5% in December, with a focus on future policy signals in the SEP and Chair Powell's remarks. They anticipate a slower pace of cuts ahead, possibly pausing in January, as inflation progress stalls, particularly in goods like cars, which the Fed may view as temporary. Housing inflation has stabilized near the 2% target, and November PCE inflation is expected to remain subdued. BofA predicts the 2025 median dot plot will indicate fewer rate cuts than September's projection of 100 basis points, showing three cuts in 2025, two in 2026, and none in 2027, raising the policy rate path by 25 basis points.

Gold prices slipped on Tuesday as investors awaited central bank decisions, particularly from the Fed, which is expected to cut rates by 25 basis points and signal a slower pace of cuts amid sticky inflation and labor market strength. Spot gold fell 0.5% to \$2,639.56 an ounce, pressured by a stronger dollar and high U.S. rates increasing the opportunity cost of holding metals. The BOE is likely to hold rates steady, while the BOJ's decision remains uncertain. Industrial metals, including copper, fell amid concerns over sluggish economic growth in China despite supportive measures from Beijing.

SPREAD ANALYSIS

The India 10 Years/United States 10 Years Government Bond spread value is 240.01 bps, 0.95 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 4.25 bp.

5 Years vs 2 Years bond spread is 0.33 bp.

10 Years vs 2 Years bond spread is 10.3 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 6.75 and 6.85.

INDIA YIELD CURVE

