SOVEREIGN global

DAILY REPORT
INDIAN DEBT MARKET
17TH April 2025

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	85.689	-0.04
BRENT OIL	66.78	+1.14
GOLD	3369.00	-0.02
India 10 YR	6.3709	-0.28
US 10 YR	4.304	+0.48
NIFTY 50	23851.65	+1.77
SENSEX	78553.20	+1.96

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	5.9600	6.0300
G-SEC 2028	6.5156	6.0821
G-SEC 2033	6.3553	6.3804
G-SEC 2037	6.4852	-
G-SEC 2053	6.8446	6.8415
SDL 2027	6.3803	-
SDL 2033	6.6579	6.7074

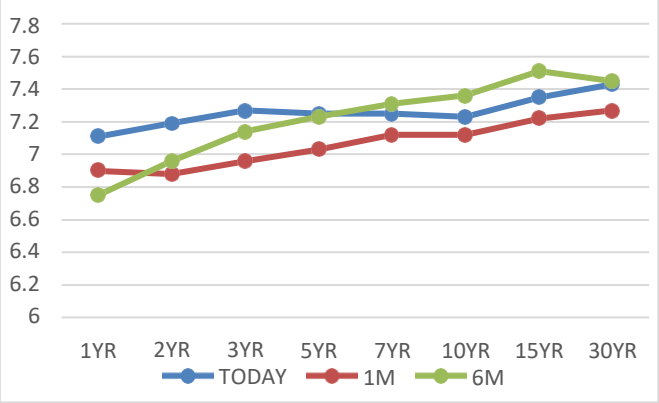
ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
POWER GRID CORPORATION OF INDIA LIMITED SR LXXXI 6.94 BD 15AP35 FVRS1LAC	6.9301	100.2499
LIC HOUSING FINANCE LTD TR 451 7.66 NCD 11DC29 FVRS 1LAC	7.1397	102.1186
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR I 2024-25 F 9.35 NCD 31DC32 FVRS1LAC	9.0431	103.1966
INDIAN RAILWAY FINANCE CORPORATION LIMITED SR 188 7.17 BD 27AP35 FVRS1LAC	6.9320	101.6670

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.7450	5.7300	5.5500	5.650	5.6850	5.6750

INDIA YIELD CURVE



BOND MARKET

The 10-year benchmark recorded a close of 6.3709%, ending at 1.80 bps below the close of the previous day's trading session. Yields traded in the range of 6.3688 to 6.3919 during the day.

DOMESTIC BROADCAST

India's debt market saw a notable improvement in sentiment during March 2025, supported by proactive liquidity measures from the Reserve Bank of India (RBI), easing inflationary pressures, and a narrowing trade deficit. Puneet Pal, Head – Fixed Income at PGIM India Mutual Fund, highlighted that the RBI's continued Open Market Operations (OMOs) and Forex (FX) swaps helped inject over ₹5 lakh crore of durable liquidity into the banking system during the January–March quarter. This followed a ₹1.13 lakh crore liquidity boost from a CRR cut in December 2024. Additionally, the RBI announced incremental OMO purchases worth ₹80,000 crore for April, further reinforcing its commitment to maintaining adequate liquidity and supporting the debt market.

Money market operations on April 17, 2025: Overnight segment totaled ₹642987.93 crores at a 5.76% weighted average rate. The segment's significant operations included triparty repo at ₹9042.50 crore and 5.78%. RBI's net liquidity absorption stood at ₹169845.06 crore.

GLOBAL BROADCAST

The European Central Bank cut key interest rates by 25 bps to support the weakening eurozone economy amid rising trade tensions and slowing inflation. While the eurozone shows some resilience, the ECB warned that uncertainty from tariffs may further weigh on growth. Markets expect at least two more rate cuts this year as inflation remains below target and the euro stays strong.

Australia's job market rebounded in March with 32,200 new jobs, though below expectations, and the unemployment rate rose slightly to 4.1%, still under forecasts.

U.S. jobless claims fell by 9,000 to 215,000 last week, signaling continued labor market stability despite business hesitation due to tariff uncertainty. While March saw strong job gains, rising continuing claims and economic uncertainty may pressure future employment growth, with the Fed warning of challenges to job and inflation goals.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 206.69 bps, 2.1 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 0.05 bp
5 Years vs 2 Years bond spread is 11.66 bp.
10 Years vs 2Years bond spread is 32.49 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended slightly higher compared to the previous day. The yield is projected to fluctuate between 6.35% and 6.40%.