

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	83.867	-0.03
BRENT OIL	79.15	-0.67
GOLD	2541.60	0.15
India 10Y	6.8653	-0.03
US 10 YR	3.895	-0.39
NIFTY 50	24,572.65	0.13
SENSEX	80,436.84	1.68

G-SEC / BONDS YIELDS

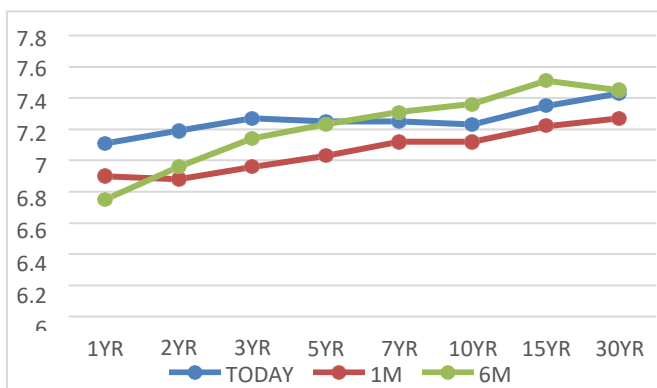
SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.72	6.7175
G-SEC 2028	6.7932	6.7912
G-SEC 2033	6.9022	6.9101
G-SEC 2037	6.9195	6.9329
G-SEC 2053	6.9923	7.0112
SDL 2027	7.1427	7.0013
SDL 2033	7.2105	7.2281

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25B 7.64 BD 06DC29 FVRS1LAC	7.5182	100.53
NATIONAL BANK FOR FINANCING INFRASTRUCTURE AND DEVELOPMENT SR NABFID2025-2 7.36 BD 12AG44 FVRS1LAC	7.353	100.00
INDIA INFRADEBT LIMITED SR II TR VI 7.95 NCD 13AG39 FVRS1AC	7.9449	100.00
INDIA INFRADEBT LIMITED SR I TR VI 8 NCD 29OT29 FVRS1LAC	8.0054	100.01

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.53	6.53	6.215	6.215	6.1025	6.1150

INDIA YIELD CURVE

BOND MARKET

The 10-year benchmark recorded a close of 6.8653%, ending 0.47 bps lower than the close of the previous day's trading session.

DOMESTIC BROADCAST

RBI announced the auctions of Government of India dated securities of 23,000 crores namely 7.04% GS 2029 for 12,000 crores, and 7.34% GS 2064 for 11,000 crores. The auction will be conducted on 23RD August 2024.

A study in the RBI's August Bulletin shows that while Budget speeches for Kerala, Karnataka, Tamil Nadu, and the Union Government have become shorter, their focus on Sustainable Development Goals (SDGs) has significantly increased over the past decade, especially on SDGs related to hunger, health, inequality, sustainable cities, and responsible consumption.

On August 16, the RBI reported no money market activity in the overnight and term segments. Under RBI operations, MSF saw ₹93,237 crore at 6.49%, and SDF saw ₹57,481 crore at 6.25%. The net liquidity absorbed totaled ₹155,230 crore.

GLOBAL BROADCAST

U.S. consumer sentiment rose to 67.8 in August, up from 66.4 in July, driven by the White House race, according to a University of Michigan survey. Inflation expectations remained unchanged. Economists had predicted a sentiment reading of 66.9.

Ahead of Federal Reserve Chair Jerome Powell's speech at the Jackson Hole Economic Symposium, Evercore ISI analysts predict that Powell will outline a flexible approach to rate cuts, signaling potential reductions as early as September. Powell is expected to emphasize the Fed's openness to significant cuts if needed but will likely avoid committing to a specific size, noting that the decision will depend on upcoming labor data.

Oil prices eased on Monday, with Brent crude falling below \$80 a barrel due to concerns over weakened demand in China, despite supply risks in the Middle East. Brent crude dipped 19 cents to \$79.49, while U.S. WTI crude edged down 1 cent to \$76.64. China's economic slowdown and reduced refinery activity in July contributed to the decline.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 297.03 bps, 3.43 bps higher than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities.
 2 Years vs 1Year bond spread is 1.92 bp.
 5 Years vs 2 Years bond spread is 4.27 bp.
 10 Years vs 2Years bond spread is 10.34 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower than the previous, tracking a fall in US yields on the higher probability of cut in rate by the Federal in the September meeting. We expect the yield to fluctuate between 6.85% to 6.88%.