


GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	CHANGE
USD/INR	83.817	0.07
BRENT OIL	70.11	-2.22
GOLD	2669.90	0.39
India 10Y	6.7339	-0.23
US 10YR	3.752	-0.91
NIFTY50	25769.55	-0.16
SENSEX	84187.76	-0.13

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	6.35	6.35
G-SEC2028	6.6631	6.6723
G-SEC2033	6.7422	6.7632
G-SEC2037	6.7718	6.7962
G-SEC2053	6.8657	6.8850
SDL 2033	7.0860	7.10
SDL 2037	-	7.0901

YIELD-BASED AUCTION OF STATE GOVERNMENT SECURITIES

Sr. No	State	Amount to be raised (₹ Crore)	Amount Accepted (₹ Crore)	Cut off Yield (%)	Tenure (Year)
1	Andhra Pradesh	1000	1000	7.11	14
		1000	1000	7.14	20
		1000	1000	7.14	24
2	Assam	750	750	7.13	15
3	Bihar	2000	2000	7.11	9
4	Goa	100	100	7.12	11
5	Haryana	1500	1500	7.12	12
6	Karnataka	2000	2000	6.90	3
		2000	2000	7.00	6
7	Kerala	1245	1245	7.10	10
8	Meghalaya	197	197	7.12	10
9	Punjab	500	500	7.14	20 (R)
		650	650	7.14	25 (R)
10	Rajasthan	500	500	7.10	8 (R)
11	Telangana	1500	1500	7.12	15
		500	500	7.14	18
12	West Bengal	3500	3500	7.15	20
	Total	19,942	19,942		

BOND MARKET

The 10-year benchmark recorded a close of 6.7339%, ending 1.56 bps lower compared to the close of the previous day's trading session. During the day, yields remained in the range of 6.7289 to 6.7566.

DOMESTIC BROADCAST

India's fiscal deficit for April-August FY25 narrowed to Rs 4.4 lakh crore, 27% of the annual estimate, down from Rs 6.4 lakh crore (36%) during the same period last year. Total receipts stood at Rs 12.17 lakh crore, while expenditure reached Rs 16.52 lakh crore, slightly lower than last year's Rs 16.72 lakh crore. The RBI contributed Rs 2.11 lakh crore in surplus to the government.

Money Market Operations on October 1, 2024: ₹516,144.89 crore in the overnight segment at a weighted average rate of 6.65%. Net liquidity absorption: ₹ 145,899.34 crore.

GLOBAL BROADCAST

Euro zone inflation dropped to 1.8% in September, its first dip below 2% since mid-2021, driven by falling energy costs. Core inflation eased to 2.7%. The decline bolsters expectations for an ECB rate cut this month, following earlier cuts in June and September. ECB President Christine Lagarde hinted at further easing amid cooling price pressures.

Global factory activity weakened in September, with euro zone manufacturing PMI falling to 45.0, indicating contraction. Germany saw its worst decline in a year. Lower oil prices eased costs, but Middle East tensions may drive them back up. Euro zone inflation fell to 1.8%, reinforcing expectations for an ECB rate cut, while Fed Chair Powell signaled slower U.S. rate cuts ahead.

Oil prices dropped over 2% on Tuesday due to a strong supply outlook and weak global demand, despite concerns about Middle East tensions. Brent crude fell 2.08% to \$70.21 a barrel, while U.S. WTI declined 2.27% to \$66.62.

SPREAD ANALYSIS

The India 10 Years/United States 10 Years Government Bond spread value is 298.19 bps, 2.66 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 1.08 bp.
5 Years vs 2 Years bond spread is 2.68 bp.
10 Years vs 2 Years bond spread is 7.72 bp.

MARKET OUTLOOK

The market observed strong demand for the SDL auction. The 10-year benchmark yields ended higher than the previous day. We expect the yield to fluctuate within the range of 6.72 and 6.76

INDIA YIELD CURVE
