

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	88.157	+0.01
BRENT OIL	68.30	+1.22
GOLD	3543.22	+0.77
India 10Y	6.5850	+0.26
US 10 YR	4.249	+0.07
NIFTY 50	24625.05	+0.81
SENSEX	80364.49	+0.70

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	5.3600	5.4005
G-SEC 2028	6.0083	5.9462
G-SEC 2034	6.6774	6.6549
G-SEC 2039	6.9913	6.9856
G-SEC 2054	7.3279	7.3066
SDL 2027	-	6.1999
SDL 2033	7.2500	7.0953

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
BAJAJ HOUSING FINANCE LIMITED 7.98 NCD 09SP26 FVRS1LAC	6.7500	101.1786
SUNDARAM FINANCE LIMITED SR Z3 6.99 NCD 28MY27 FVRS1LAC	7.0300	99.8916
TATA CAPITAL HOUSING FINANCE LIMITED SR B 8.10 NCD 13DC28 FVRS1LAC	7.1700	102.5619
RELIANCE INDUSTRIES LIMITED SR IA 8.70 NCD 11DC28 FVRS10LAC	6.8900	105.0789
LIC HOUSING FINANCE LTD TR 443 7.8650 NCD 20AG26 FVRS1LAC	6.7000	101.0383
TOYOTA FINANCIAL SERVICES INDIA LIMITED SR S53 7.38 NCD 28AG28 FVRS1LAC	7.3723	100.000
RELIANCE INDUSTRIES LIMITED SERIES G 9.05 NCD 17OT28 FVRS10LAC	6.8900	105.0489
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR VII 7.75 BD 10JU27 FVRS1LAC	6.7700	101.5782
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR I 2024-25 F 9.35 NCD 31DC32 FVRS1LAC	9.1504	102.5325
POWER FINANCE CORPORATION LIMITED SR 251A 6.27 BD 15JL27 FVRS1LAC	6.7300	99.1974
POWER GRID CORPORATION OF INDIA LIMITED SR LXXXII 6.98 BD 12AG35 FVRS1LAC	7.0331	98.9152
POWER FINANCE CORPORATION LIMITED SR BS228B 7.62 BD 15JL33 FVRS1LAC	7.1800	102.5210

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.5400	5.5450	5.5050	5.5250	5.8000	5.8100

BOND MARKET

The 10-year benchmark recorded a close of 6.5967%, ending at 1.72 bps higher than the close of the previous day's trading session.

DOMESTIC BROADCAST

India's 7.8% GDP growth in Q1 FY26 hasn't lifted equities, as slowing nominal growth (8.8%) and weak corporate earnings (3.4% revenue growth for top 3,000 firms) weigh on sentiment. Foreign investors have pulled \$15B YTD, including \$4B in August after U.S. tariffs of up to 50%. The Nifty is up only 4% this year, among Asia's worst performers. Analysts warn tariffs and weak credit growth could pressure earnings further, with GDP growth hit by 0.6–0.8 ppt. Yet, some see valuations improving, with GST reform, tax cuts, and consumption recovery offering medium-term upside.

On AUGUST 29, the RBI reported ₹ 14546.80, at 5.32% of market activity in the overnight and term segments. Under RBI operations, MSF saw ₹850 crore at 5.75%, and SDF saw ₹116974 crore at 5.25%. The net liquidity absorbed totaled ₹243080.42 crore.

GLOBAL BROADCAST

Eurozone manufacturing grew in August for the first time since mid-2022, with the PMI rising to 50.7, driven by strong domestic demand and output. New orders hit their highest in nearly 3.5 years, offsetting weaker foreign demand amid U.S. tariffs. Greece and Spain led growth, while Germany's PMI neared expansion at 49.8. Manufacturers remained cautiously optimistic, though overall sentiment in the bloc weakened. Prices charged fell slightly despite higher input costs. The ECB is expected to keep rates steady at 2% this month before reconsidering cuts in autumn.

The dollar fell to a five-week low as investors awaited key U.S. labor market data that could shape expectations for Fed rate cuts, with markets pricing in a 25 bps September cut and about 100 bps easing by autumn 2026. Weaker U.S. economic performance, Trump's legal battles over tariffs, and his clash with the Fed over Governor Cook weighed further on sentiment. The euro and sterling edged higher, while the yen held steady and the yuan firmed as China signaled comfort with a stronger currency. Analysts warn that severe data weakness could prompt more aggressive Fed easing, while political risks in Europe and concerns over Fed independence add to uncertainty.

SPREAD ANALYSIS

The India 10Years vs the United States 10 Years Government Bond spread value is 233.60 bps, 0.02 bps higher than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities

2 Years vs 1 Years bond spread is 14.01 bps.
 5 Years vs 2 Years bond spread is 39.58 bps.
 10 Years vs 2Years bond spread is 59.75 bps.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower than the previous. We expect the yield to fluctuate between 6.55% to 6.65%.