

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	83.744	0.051
BRENT OIL	80.84	3.55
GOLD	2483	1.26
US 10 YR	4.105	-0.87
NIFTY 50	25010.90	0.24
SENSEX	81867.55	0.15

G-SEC / BONDS YIELDS

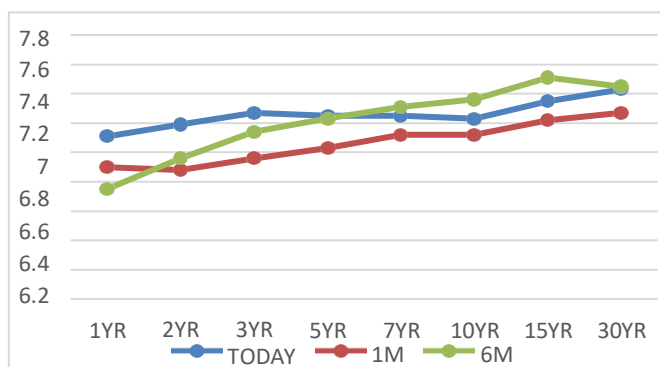
SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.7750	6.78
G-SEC 2028	6.8347	6.8393
G-SEC 2033	6.9549	6.962
G-SEC 2037	6.9796	6.9843
G-SEC 2053	7.060	7.057
SDL 2027	7.087	7.085
SDL 2033	7.2802	7.2851

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25A 7.70 BD 30SP27 FVRS1LAC	7.6013	100.3186
INDIAN RAILWAY FINANCE CORPORATION LIMITED SR 180 7.39 BD 15JL34 FVRS1LAC	7.3743	100.1684
AXIS FINANCE LIMITED SR 04 8.35 NCD 23JU34 FVRS1LAC	8.3061	100.2520
PUNJAB NATIONAL BANK SR XV 8.75 LOA PERPETUAL FVRS1CR	8.4650	100.7135
ESAF SMALL FINANCE BANK LIMITED SR 3B 11.10 BD 20AP31 FVRS1LAC	11.4787	99.30
INDIAN RAILWAY FINANCE CORPORATION LIMITED SR 171 7.23 BD 15OT26 FVRS1LAC	7.50	99.4711

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.63	6.65	6.33	6.345	6.19	6.2050

INDIA YIELD CURVE

BOND MARKET

The 10-year benchmark recorded a close of 6.9166%, ending 0.89 bps lower from the close of the previous day's trading session. Yields traded in the range of 6.9045 to 6.9198 during the day.

DOMESTIC BROADCAST

The RBI conducted a 1-day VRRR auction under LAF for notified amounts of Rs. 75,000 crores. The offers received amounted to Rs. 32,831 crores at WARs of 6.49%.

India's manufacturing activity grew solidly in July, driven by strong demand, with the HSBC final Manufacturing PMI at 58.1, slightly down from June's 58.3 but higher than the preliminary 58.5, while cost pressures rose significantly.

Money market operations on July 31, 2024: Overnight segment totaled ₹495,478.39 crores at a 6.42% weighted average rate. The segment's significant operations included triparty repo at ₹335,962.45 crore and 6.41%. RBI's net liquidity absorption stood at ₹155,617.68 crore.

GLOBAL BROADCAST

Federal Reserve Chair Jerome Powell said the interest rates could be cut as soon as September if the U.S. economy follows its expected path, putting the central bank near the end of a more than two-year battle against inflation

Hong Kong's retail sales dropped 9.7% in June from the previous year, totaling HK\$29.9 billion (\$3.83 billion). This marks the fourth consecutive monthly decline, following decreases of 11.5% in May, 14.7% in April, and 7% in March.

The Bank of England looks in a position to cut interest rates on Thursday after holding them at a 16-year high of 5.25% for the past year, though markets and economists are far from certain the British central bank will take the plunge.

Chinese manufacturing activity unexpectedly contracted in July, with the Caixin PMI falling to 49.8, below the expected 51.4 and down from 51.8 in June. This marks the first contraction since October.

Spanish manufacturing activity grew for the fifth month in July but at a slower pace due to weaker demand. The HCOB PMI fell to 51 in July from 52.3 in June and 54 in May.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 281.16 bps, 2.71 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 15 bp.
5 Years vs 2 Years bond spread is 5.7 bp.
10 Years vs 2Years bond spread is 12.01 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower than yesterday, however the outcomes of Fed meeting resulted in less movement of market. As of now the rate cut decision for September is still on the table but it can be influenced by the US inflation data. The yield is projected to fluctuate between 6.75% and 7.25%.