


GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	CHANGE
USD/INR	83.781	-0.08
BRENT OIL	77.66	0.19
GOLD	2541.3	0.86
India 10Y	6.8561	-0.13
US 10YR	3.871	0.10
NIFTY50	24,698.85	0.51
SENSEX	80,802.26	0.47

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	6.70	6.72
G-SEC2028	6.787	6.7932
G-SEC2033	6.8901	6.9022
G-SEC2037	6.9080	6.9195
G-SEC2053	6.6705	6.9923
SDL 2033	7.2050	7.1427
SDL 2037	7.2283	7.2105

YIELD-BASED AUCTION OF STATE GOVERNMENT SECURITIES

Sr. No	State	Amount to be raised (₹ Crore)	Amount Accepted (₹ Crore)	Cut off Yield (%)	Tenure (Year)
1	Bihar	2000	2000	7.24	09
2	Haryana	1500	1500	7.24	12
		1000	1000	7.25	15
3	J & K	200	200	7.23	27
4	Maharashtra	1500	1500	7.21	11
		1500	1500	7.23	16
		1500	1500	7.22	21
		1500	1500	7.22	26
5	Mizoram	90	90	7.20	07
6	Tamil Nadu	1000	1000	7.19	10
7	West Bengal	2000	2000	7.24	18
	Total	13790	13790		

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.5225	6.53	6.20	6.2125	6.115	6.105

BOND MARKET

The 10-year benchmark recorded a close of 6.8561%, ending 0.92 bps lower compared to the close of the previous day's trading session. During the day, yields remained in the range of 6.8497 to 6.8639.

DOMESTIC BROADCAST

The RBI conducted a 3-day VRRR auction under LAF for notified amounts of Rs. 25,000 crores. The offers received amounted to Rs. 875 crores at WARs of 6.49%.

In June 2023, the government's social security scheme added 1.93 million members, a 7.9% increase from the previous year, according to EPFO data. The scheme saw 1.03 million new employees, marking a 4% rise from the previous month and a 1% increase from the previous year.

Money Market Operations on August 19, 2024: ₹550,775.72 crore in the overnight segment at a weighted average rate of 6.36%. Net liquidity absorption: ₹117,257.64 crore.

GLOBAL BROADCAST

As Federal Reserve officials meet in Jackson Hole, they note the U.S. unemployment rate at 4.3% remains historically low. However, they are concerned about the pattern of unemployment rates staying below the 5.7% long-term average, only to surge rapidly, a trend they aim to avoid repeating.

Growth in negotiated wages in Germany slowed to 3.1% in the second quarter, down from 6.2% in the previous quarter, easing inflation concerns. This slowdown may support the case for another European Central Bank interest rate cut in September.

Gold prices reached a record high on Tuesday, with spot gold rising 0.7% to \$2,522.25 per ounce, driven by a weaker dollar and investor bets on a U.S. Federal Reserve rate cut in September. London's gold benchmark also hit an all-time high of \$2,521.55 per ounce.

SPREAD ANALYSIS

The India 10 Years/United States 10 Years Government Bond spread value is 298.51 bps, 1.48 bps higher than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities.
2 Years vs 1 Year bond spread is 1.78 bp.
5Years vs 2 Years bond spread is 3.15 bp.
10Years vs 2Years bond spread is 9.71 bp.

MARKET OUTLOOK

The market observed strong demand in the SDL auction. The 10-year benchmark yields ended lower than previous day. We expect the yield to fluctuate within the range of 6.84 and 6.88.

INDIA YIELD CURVE
