

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	87.5063	+0.27
BRENT OIL	67.75	+0.12
GOLD	3370.60	-0.32
INDIA10YR	6.5510	+0.35
US10YR	4.329	-0.07
NIFTY50	24870.10	-0.85
SENSEX	81306.85	-0.85

G-SEC/BONDS YIELDS

SECURITY	LTY(%) TODAY	LTY(%) PREV DAY
364DTB	5.5899	5.5800
G-SEC2028	6.0040	5.9718
G-SEC2034	6.6126	6.6466
G-SEC2039	6.9184	6.8961
G-SEC2054	7.2408	7.2389
SDL2027	6.1795	-
SDL2033	7.0423	7.0701

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
HDFC BANK LIMITED SR AA012 7.70 NCD 18NV25 FVRS10LAC	6.3167	100.2400
LIC HOUSING FINANCE LTD TR 456 6.90 NCD 17SP27 FVRS10LAC	6.8800	100.0467
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 23F 7.5 BD 17DC25 FVRS10LAC	6.1100	100.3263
HDFC BANK LIMITED SR Y002 5.78 NCD 25NV25 FVRS10LAC	6.3457	99.7892
INDIAN RAILWAY FINANCE CORPORATION LIMITED SR 177 7.44 BD 28FB34 FVRS10LAC	7.1400	101.8369
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 23A 7.40 BD 30JN26 FVRS10LAC	6.2700	100.3737

AUCTION RESULT OF GOI DATED SECURITIES

SECURITY	MATURITY	CUTOFF YIELD	AMOUNT
6.33% GSEC 2035	2035	98.39/6.5553	30,000
5.91% GSEC 2028	2028	99.75/6.0032	6,000
TOTAL	36,000		

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.5200	5.5250	5.4800	5.4850	5.7350	5.7400

BOND MARKET

The 10-year benchmark recorded (6.33% GS 2035) a close of 6.5510%, 2.32 bps higher than the close of the previous day's trading session.

DOMESTIC BROADCAST

Foreign Exchange Reserves in India increased to 695110 USD Million in August 15 from 693620 USD Million in the previous week. Foreign Exchange Reserves in India averaged 306618.61 USD Million from 1998 until 2025, reaching an all-time high of 704890 USD Million in September of 2024 and a record low of 29048 USD Million in September of 1998.

On AUGUST 21, 2025, money market operations recorded ₹634112.67 crore at a WAR of 5.42%. RBI operations resulted in a net liquidity absorption of ₹217469.13 crore.

GLOBAL BROADCAST

Germany's economy contracted 0.3% qoq in Q2 2025, sharper than the preliminary estimate of a 0.1% drop and reversing the 0.3% growth seen in the previous period. It was the steepest quarterly decline since Q2 2024, driven by a fall in fixed capital formation (-1.4% vs 0.3% in Q1), reflecting weaker investment in both construction and equipment, primarily machinery, equipment, and vehicles. Net trade dragged on growth as exports slipped (-0.1% vs 2.5%), weighed by rising U.S. tariffs, while imports continued to rise (1.6% vs 1.6%). At the same time, private consumption slowed sharply (0.1% vs 0.6%) even as government spending rebounded (0.8% vs -0.3%), and inventory changes made a positive contribution. By sector, output shrank in manufacturing, construction, trade, transport, hospitality, and financial and insurance services. On a yearly basis, the economy grew 0.2%, slightly below the 0.3% expansion in Q1, though marking a second consecutive quarter of annual growth.

Japan's annual inflation rate eased to 3.1% in July 2025 from 3.3% in the previous month, marking the lowest reading since November 2024. Electricity prices fell for the first time since April 2024 (-0.7% vs 5.5%), while gas prices were unchanged after a 2.7% increase previously. Education costs also continued to decline (-5.6% vs -5.6%). Meanwhile, price growth slowed for household items (2.5% vs 2.7%) and recreation (2.6% vs 2.8%). Inflation held steady for housing (at 1.0%), healthcare (at 1.5%), and miscellaneous goods (at 1.2%), but quickened for clothing (2.8% vs 2.6%), transport (2.6% vs 2.4%), and communications (6.4% vs 5.9%). On the food side, prices jumped 7.6%, the most since February, accelerating from 7.2% in June, driven by rice, which soared 90.7% year-on-year despite Tokyo's efforts to curb staple food costs. Core inflation also came in at 3.1%, matching the headline rate and reaching a 5-month low after June's 3.3%. Monthly, the CPI edged up 0.1%, the same as in June.

SPREAD ANALYSIS

The India 10Years vs the United States 10 Years Government Bond spread value is 222.20 bps, 1.22bps 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 12.24 bp.
5 Years vs 2 Years bond spread is 31.95 bp.
10 Years vs 2Years bond spread is 62.41 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended higher compared to the previous day and maintained good liquidity. The yield is projected to fluctuate between 6.50% and 6.60%.