

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	83.55	0.08
BRENT OIL	73.69	0.27
GOLD	2646.2	0.04
India 10Y	6.7682	0.12
US 10 YR	3.728	0.60
NIFTY 50	25939.09	0.57
SENSEX	84928.61	0.45

G-SEC / BONDS YIELDS

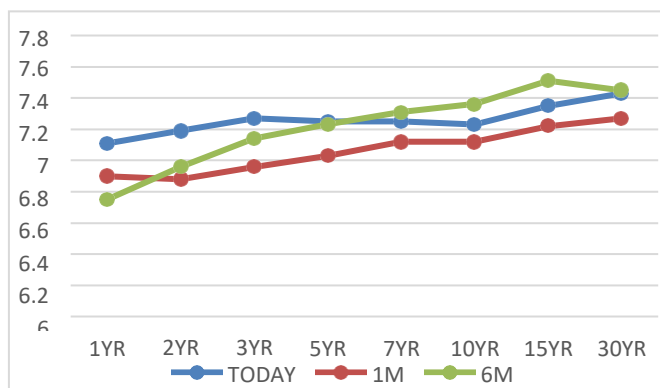
SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.50	6.53
G-SEC 2028	6.6935	6.6846
G-SEC 2033	6.7812	6.7734
G-SEC 2037	6.8258	6.8171
G-SEC 2053	6.9183	6.9199
SDL 2027	6.9469	6.9351
SDL 2033	7.1073	7.0975

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 22D 5.70 LOA 31JL25 FVRS10LAC	7.78	98.2897
REC LIMITED SR 205B 5.94 BD 31JN26 FVRS10LAC	7.72	97.7560
SBM BANK (INDIA) LIMITED SR 19.75 BD 05AP32 FVRS1CR	8.6313	102.7051
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 23H 7.58 LOA 31JL26 FVRS1LAC	7.6538	99.8479

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.3950	6.390	6.075	6.0775	6.00	6.010

INDIA YIELD CURVE

BOND MARKET

The 10-year benchmark recorded a close of 6.7682%, ending 0.82 bps higher than the close of the previous day's trading session. The paper traded in the range of 6.7576 and 6.7725.

DOMESTIC BROADCAST

The HSBC Flash PMI survey for September highlighted strong new business inflows, solid job creation, and optimistic growth expectations in India. Input cost and output price inflation remained muted. The India Services PMI dipped to 58.9 from 60.9 in August, indicating a slight slowdown in services activity. The Flash India Manufacturing PMI Output Index also eased to 60 from 60.3. The Composite PMI, combining manufacturing and services, decreased to 59.3 from 60.7. The HSBC Flash India Manufacturing PMI fell to 56.7 from 57.5 in August.

On September 20, the RBI reported no money market activity in the overnight and term segments. Under RBI operations, MSF saw ₹16671 crore at 6.75%, and SDF saw ₹80399 crore at 6.75%. The net liquidity absorbed totaled ₹39,130 crore.

GLOBAL BROADCAST

Euro zone business activity sharply contracted in September, with the PMI dropping to 48.9, signaling the first contraction since February. Germany's downturn worsened, while France returned to contraction. Demand fell at its fastest rate in eight months, and the services' PMI dropped to 50.5. Price pressures eased, with services inflation moderating.

China's fiscal revenue fell 2.6% year-on-year in the first eight months of 2024, with a 2.8% drop in August. Fiscal spending decreased by 6.7% in August after rising 6.6% in July. Economic momentum remains weak, with domestic demand struggling and growth forecasts being lowered.

Oil prices rose slightly on Monday, with Brent crude futures up 16 cents to \$74.65 a barrel and U.S. crude futures rising 21 cents to \$71.21. Both benchmarks gained over 4% last week, buoyed by a 50-basis point U.S. interest rate cut and a drop in U.S. crude supply following Hurricane Francine.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 304.02 bps, 2.45 bps lower than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities.

2 Years vs 1 Years bond spread is 1.36 bp.
 5 Years vs 2 Years bond spread is 0.31 bp.
 10 Years vs 2Years bond spread is 8.36 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended slightly higher than the previous, tracking upcoming outcomes of FED Cut Rate meeting decision and the HSBC flash PMI survey data for September. We expect the yield to fluctuate between 6.76% to 6.80%.