

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	85.414	0.08
BRENT OIL	73.39	-0.37
GOLD	2635.70	0.40
India 10 YR	6.8167	0.15
US 10 YR	4.597	0.61
NIFTY 50	23750.20	0.01
SENSEX	78472.48	-0.01

G-SEC / BONDS YIELDS

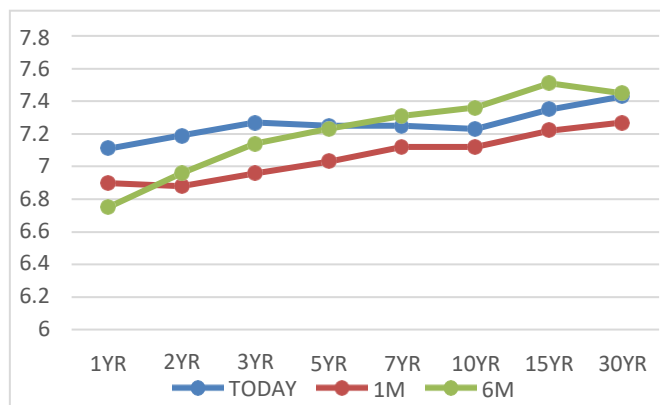
SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.65	6.55
G-SEC 2028	6.7409	6.7317
G-SEC 2033	6.8396	6.8226
G-SEC 2037	6.9072	6.8918
G-SEC 2053	7.0492	7.0314
SDL 2027	7.0401	7.0697
SDL 2033	7.1149	7.1461

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
PUNJAB & SIND BANK SR 1 7.74 BD 20DC34 FVRS1LAC	7.6859	100.000
SHRIRAM FINANCE LIMITED SR PPST I SD TR 6 9.10 NCD 20JU34 FVRS1CR	8.4153	104.2500
INDIA INFRADEBT LIMITED SR I TR VIII 8.23 NCD 23DC34 FVRS1LAC	8.2551	100.000
ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED SR 1 8.03 NCD 19DC34 FVRS1LAC	8.0199	100.000

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.5300	6.5300	6.2700	6.2825	6.2100	6.2250

INDIA YIELD CURVE

BOND MARKET

The 10-year benchmark recorded a close of 6.8167%, ending 1.01 bps higher than the close of the previous day's trading session. Yields traded in the range of 6.8055 to 6.8193 during the day.

DOMESTIC BROADCAST

India plans to cut income tax for individuals earning up to ₹1.5 million annually in the February budget to provide middle-class relief and boost consumption amid slowing economic growth. The move encourages taxpayers to switch to the 2020 tax system, which offers lower rates (5%-20% for incomes between ₹300,000 and ₹1.5 million) but excludes exemptions like housing rentals. Aimed at simplifying tax compliance and increasing disposable income for urban taxpayers burdened by inflation and high living costs, the measure could stimulate demand and address political concerns over high taxes. Final decisions on the tax cuts will be made closer to the budget.

Money market operations on December 24, 2024: Overnight segment totaled ₹590528.76 crores at a 6.573% weighted average rate. The segment's significant operations included triparty repo at ₹1183 crore and 6.49%. RBI's net liquidity absorption stood at ₹104225 crore.

GLOBAL BROADCAST

China revised its 2023 GDP upwards by 2.7% to 129.4 trillion yuan (\$17.73 trillion) but stated the change would minimally impact 2024 growth projections, as policymakers pledged increased stimulus for 2025. The revision follows the fifth national economic census, which highlighted a 52.7% rise in business entities in secondary and tertiary industries since 2018, though employment grew only 11.9%, with notable declines in the property sector. Challenges like U.S. trade tensions and subdued confidence continue to weigh on growth despite policy support targeting a 2024 GDP growth of around 5%. Chinese leaders plan to raise the budget deficit to a record 4% of GDP next year to bolster the economy, aligning with President Xi Jinping's goal of doubling the economy by 2035.

Asian shares eased on Thursday in holiday-thinned trade, with markets in Hong Kong, Australia, and New Zealand closed. Investors focused on the Federal Reserve's rate outlook, with markets pricing in limited rate cuts for 2025 following December's hawkish stance. U.S. Treasury yields rose, with the 10-year yield reaching 4.613%, lifting the dollar to a near two-year high, impacting commodities and gold.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 221.97 bps, 0.19 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 0.93 bp
 5 Years vs 2 Years bond spread is 0.52 bp.
 10 Years vs 2Years bond spread is 5.72 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended higher compared to the previous day. The yield is projected to fluctuate between 6.78% and 6.82%.