


GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	CHANGE
USD/INR	83.913	0.09
BRENT OIL	80.36	-0.47
GOLD	2555.2	-0.41
India 10Y	6.8619	0.16
US 10YR	3.817	0.94
NIFTY50	25017.75	0.029
SENSEX	81711.76	.017

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	6.5	6.615
G-SEC2028	6.7832	6.7784
G-SEC2033	6.9105	6.8826
G-SEC2037	6.9137	6.9056
G-SEC2053	6.9922	6.9843
SDL 2033	-	6.9703
SDL 2037	7.2235	7.1922

YIELD-BASED AUCTION OF STATE GOVERNMENT SECURITIES

Sr. No	State	Amount to be raised (₹ Crore)	Amount Accepted (₹ Crore)	Cut off Yield (%)	Tenure (Year)
1	Andhra Pradesh	1000	1000	7.24	12
		1000	1000	7.27	17
		1000	1000	7.23	22
2	Assam	1000	1000	7.26	15
3	Bihar	2000	2000	7.25	09
4	Goa	150	150	7.23	10
5	Haryana	1000	1000	7.24	12
6	J&K	400	400	7.23	30
7	Kerala	1000	1000	7.26	15
		2000	2000	7.22	35
8	Madhya Pradesh	2500	2500	7.26	14
		2500	2500	7.22	21
9	Maharashtra	1500	1500	7.20	15
		1500	1500	7.24	15
		1500	1500	7.25	20
		1500	1500	7.22	25
10	Manipur	200	200	7.27	12
11	Punjab	1500	1500	7.26	12
		1000	1000	7.26	13
12	Rajasthan	1000	1000	7.23	09
		1500	1500	7.22	10
		1000	1000	7.27	18
		1500	1500	7.23	22
13	Tamil Nadu	1000	1000	7.06	05
		3000	3000	7.22	30
14	West Bengal	3000	3000	7.23	25
	Total	36250	36250		

BOND MARKET

The 10-year benchmark recorded a close of 6.8619%, ending 1.1 bps higher compared to the close of the previous day's trading session. During the day, yields remained in the range of 6.8541 to 6.8623.

DOMESTIC BROADCAST

India's Q1 FY2025 GDP growth is expected to drop to 6%, a six-quarter low, down from 7.8% in Q4 FY2024, according to ICRA. This is lower than the Monetary Policy Committee's forecast of 7.1% but is attributed to temporary factors, with growth expected to rebound above 7% in H2 FY2025.

Money Market Operations on August 26, 2024: ₹552,039.42 crore in the overnight segment at a weighted average rate of 6.34%. Net liquidity absorption: ₹ 82,235.23 crore.

GLOBAL BROADCAST

UBS Global Wealth Management raised the probability of a U.S. recession to 25% from 20%, citing weaker jobs growth and July's unemployment data. Despite this, UBS still expects a soft landing, though the outlook remains "cloudy." In contrast, J.P. Morgan increased its recession odds to 35%, while Goldman Sachs lowered its estimate to 20% for the next 12 months.

Germany's economy contracted by 0.1% in the second quarter of 2024, following a 0.2% growth in the first quarter, according to the statistics office. The year-on-year change for the second quarter was revised to 0.0%, slightly better than the initially reported -0.1%. The economy showed signs of cooling after a modest increase earlier in the year.

British retailers saw sales decline for the third consecutive month in August, with a retail sales balance of -27, slightly better than July's -43 but still the second lowest since April, according to the Confederation of British Industry. Retailers expect further declines in September, leading them to cut back on hiring and investment plans.

SPREAD ANALYSIS

The India 10 Years/United States 10 Years Government Bond spread value is 304.49 bps, 0.50 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 1.27 bp.
5Years vs 2 Years bond spread is 7.08 bp.
10Years vs 2Years bond spread is 10.25 bp.

MARKET OUTLOOK

The market observed strong demand in the SDL auction. The 10-year benchmark yields ended higher than previous day. We expect the yield to fluctuate within the range of 6.85 and 6.87.

INDIA YIELD CURVE
