


GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	CHANGE
USD/INR	86.368	0.24
BRENT OIL	76.17	0.13
GOLD	2773.35	0.23
India 10Y	6.7437	-0.40
US 10YR	4.554	0.72
NIFTY50	22957.25	0.56
SENSEX	75901.41	0.71

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	6.45	6.40
G-SEC2028	6.6141	6.6085
G-SEC2033	6.7519	6.7397
G-SEC2037	6.8321	6.8203
G-SEC2053	6.9934	6.9816
SDL 2033	7.0600	-
SDL 2037	7.0150	7.0506

YIELD-BASED AUCTION OF STATE GOVERNMENT SECURITIES

Sr. No	State	Amount to be raised (₹ Crore)	Amount Accepted (₹ Crore)	Cut off Yield (%)	Tenure (Year)
1	Assam	500	500	7.11	20
2	Bihar	1000	1000	7.12	12
		1000	1000	7.11	20
3	Gujrat	1000	1000	7.05	9
		1000	1000	7.03	10
4	Haryana	2000	2000	7.14	13
5	J &K	300	300	7.08	30
6	Karnataka	2000	2000	7.13	16
		2000	2000	100/7.1291	13
7	Maharashtra	2000	2000	99.83/7.13	11
		2000	2000	99.97/7.1128	13
8	Odisha	1000	1000	7.03	6
9	Punjab	1400	1400	7.12	20
10	Rajasthan	1500	1500	7.13	10
		1000	1000	7.10	25
		1000	1000	7.10	26
		1000	1000	104.25/7.1292	10
11	Tamil Nadu	2000	2000	7.11	20
		2000	2000	100.30/7.0955	30
12	Telangana	1000	1000	7.11	22
		1000	1000	7.08	24
		8000	8000	7.10	25
13	West Bengal	2000	2000	7.13	17
		1500	1500	7.13	19

BOND MARKET

The 10-year benchmark recorded a close of 6.7437%, ending 2.63 bps lower compared to the previous day's trading session.

DOMESTIC BROADCAST

India Inc. is optimistic about economic growth, expecting 6.5%-6.9% GDP growth in FY 2025-26, and emphasizes the need for a 15% increase in capital expenditure, reforms to enhance Ease of Doing Business, tax structure reviews, and sectoral focus on infrastructure, MSMEs, manufacturing, and agriculture to sustain growth and boost export competitiveness, as highlighted in FICCI's pre-Budget 2025-26 survey.

Money Market Operations on January 27, 2025: ₹548635.18 crore in the overnight segment at a weighted average rate of 6.55%. Net liquidity absorption: ₹ 310114.71 crore.

GLOBAL BROADCAST

The dollar firmed against major currencies as new U.S. tariff threats, including proposed duties on chips, pharmaceuticals, and steel, fueled inflation concerns, reducing U.S. rate cut expectations. Tariff fears, coupled with volatility in AI-driven equity markets and safe-haven moves, drove mixed currency reactions, while the Fed and ECB meetings this week are in focus for potential rate signals.

The Bank of Japan is expected to steadily raise interest rates, potentially reaching 0.75% by mid-2025 and 1.5% by fiscal 2026, supported by sustained inflation, wage growth, and strong economic performance. Rate hikes may be influenced by domestic politics, with the BOJ aiming to balance economic recovery with future policy flexibility.

SPREAD ANALYSIS

The India 10 Years/United States 10 Years Government Bond spread value is 218.07 bps, 4.54 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 4.26 bp.

5 Years vs 2 Years bond spread is 3.8 bp.

10 Years vs 2 Years bond spread is 15.27 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 6.75 and 6.85.

INDIA YIELD CURVE
