

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	84.102	-0.04
BRENT OIL	72.62	-2.00
GOLD	2752.85	-0.06
India 10Y	6.866	1.04
US 10 YR	4.269	-0.52
NIFTY 50	24339.15	-1.93
SENSEX	80005.04	-1.75

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.50	6.53
G-SEC 2028	6.7779	6.7450
G-SEC 2033	6.8818	6.8679
G-SEC 2037	6.9144	6.8956
G-SEC 2053	7.0028	6.9823
SDL 2027	6.9793	-
SDL 2033	7.13	7.1015

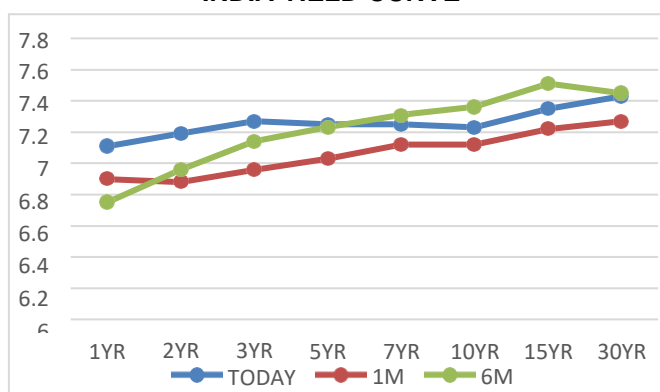
ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR IV 7.44 BD 10AP28 FVRS1LAC	7.4533	99.98
POWER GRID CORPORATION OF INDIA LIMITED SR LXXIX 7.08 BD 25OT34 FVRS1LAC	7.0754	100.00
DELHI INTERNATIONAL AIRPORT LIMITED RR NCD 22AG30 FVRS1LAC	9.8343	100.4650
STATE BANK OF INDIA SR 1 AT1 7.98 BD PP FVRS1CR	7.9737	100.01

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.585	6.5875	6.34	6.34	6.32	6.32

INDIA YIELD CURVE



BOND MARKET

The 10-year benchmark recorded a close of 6.866%, ending 1.5 bps higher than the close of the previous day's trading session.

DOMESTIC BROADCAST

India's economy is projected to grow at 6.9% this fiscal year and 6.7% next, following last year's 8.2% growth driven by government spending. However, Reuters-pollled economists highlight that key growth factors, like job creation and household spending, are likely to see only mild improvement over the next year. Weak private investment, limited job opportunities, and lack of structural reforms are cited as challenges, with economists urging an increase in consumption and private investment to sustain growth momentum.

On October 25, the RBI reported ₹ 560026.83 at 6.58 market activity in the overnight and term segments. Under RBI operations, MSF saw ₹475 crore at 6.75%, and SDF saw ₹60241 crore at 6.25%. The net liquidity absorbed totaled ₹48906.95 crore.

GLOBAL BROADCAST

The U.S. budget deficit for fiscal 2024 grew to \$1.833 trillion, The Bank of England is expected to cut its Bank Rate by 0.25% to 4.75% on November 7, according to all 72 economists polled by Reuters. However, nearly two-thirds predict no further changes in December, indicating a cautious approach. Inflation in the UK dropped to 1.7% in September, below the BoE's 2% target, creating room for rate cuts. Despite the favorable inflation data, BoE Governor Andrew Bailey and other MPC members have noted that challenges remain, with some, like Catherine Mann, emphasizing that inflation control is still a work in progress.

China's industrial profits fell sharply in September, declining 27.1% year-on-year—the steepest drop in 2023—after a 17.8% fall in August, largely due to weak demand and declining producer prices. Cumulatively, profits dropped 3.5% in the first nine months. Economic challenges persist, with sluggish growth, increased deflationary pressures, weak exports, and low loan demand, especially affecting sectors like the auto industry, where profits fell 21.4% in August. In response, Beijing has intensified stimulus efforts, including rate cuts, to meet its 5% growth target.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 259.7 bps, 4.65 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 7.64 bps.
5 Years vs 2 Years bond spread is 6.29 bps.
10 Years vs 2Years bond spread is 13.25 bps.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended slightly higher than the previous, tracking upcoming outcomes associated with the global inflation data and rate cut news. We expect the yield to fluctuate between 6.85% to 6.90%.