

#### GLOBAL MARKET SNAPSHOT

MARKETS	Price	%Change
USD/INR	86.536	-0.06
BRENT OIL	76.56	-0.27
GOLD	2797.10	-0.04
India 10Y	6.7397	-0.05
US 10 YR	4.521	-0.14
NIFTY 50	23163.10	0.90
SENSEX	76532.96	0.83

#### G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.4600	6.4500
G-SEC 2028	6.6217	6.6141
G-SEC 2033	6.7519	6.7519
G-SEC 2037	6.8213	6.8231
G-SEC 2053	7.0093	6.9934
SDL 2027	-	7.0600
SDL 2033	7.0999	7.0150

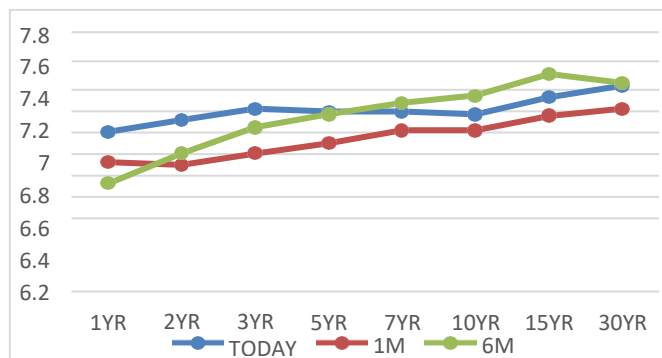
#### ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
EXPORT IMPORT BANK OF INDIA SR AA02 7.35 BD 27JL28 FVRS1LAC	7.3530	100.1005
NATIONAL HOUSING BANK 7.29 BD 04JL31 FVRS1LAC	7.2938	100.0150
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR I 2024-25 A 9.35 NCD 31DC27 FVRS1LAC	9.0379	101.0438

#### OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.3500	6.3600	6.0900	6.1000	6.0800	6.1025

#### INDIA YIELD CURVE



#### BOND MARKET

The 10-year benchmark recorded a close of 6.7397%, ending 0.4 bps lower than the close of the previous day's trading session. Yields traded in the range of 6.7215 to 6.7491 during the day.

#### DOMESTIC BROADCAST

The RBI's February MPC meeting is expected to take a growth-supportive stance, especially with the government focusing on fiscal consolidation in the upcoming budget. Recent liquidity injections (Rs 1.5 lakh crore via OMO, Rs 1.1 lakh crore via G-sec purchases, and a \$5 billion swap) signal a dovish shift, which could support lending, lower interest rates, and boost growth, though it may also pressure the rupee. The CRR cut in December (from 4.5% to 4%) already infused Rs 1.16 lakh crore, highlighting the RBI's push to ease liquidity constraints and counter the temporary slowdown in economic activity.

On January 28, 2025, the overnight money market volume was ₹560557.39 crore at a 6.55% average rate. Net liquidity absorption was ₹271171.71 crore.

#### GLOBAL BROADCAST

Eurozone bank lending to firms and households increased in December, signalling that ECB rate cuts are stimulating credit growth despite tight lending conditions. Business loans grew 1.5% (highest in 18 months), while household lending rose 1.1% (best since Aug 2023), with total loan flows hitting multi-year highs. The ECB's expected rate cuts in 2025 aim to boost sluggish economic growth, though at 3%, rates still restrict expansion. Meanwhile, the M3 money supply grew 3.5%, slightly below forecasts, hinting at moderate future growth momentum.

The Federal Reserve is expected to hold rates steady, awaiting further inflation and jobs data amid policy uncertainties under President Trump's administration. While markets anticipate rate cuts later in 2025, the Fed remains cautious as inflation hovers above 2% and economic growth shows resilience. Trump's fiscal policies, tariffs, and immigration measures add uncertainty, with potential inflationary risks. Investors expect cuts by June, but strong economic momentum and full-capacity conditions may limit easing, with the Fed prioritizing data-driven decisions to avoid reversing course.

#### SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 221.87 bps, 2.9 bps lower than the closing of the previous day.

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

3 Years vs 2 Years bond spread is 2.06 bp.  
5 Years vs 2 Years bond spread is 5.96 bp.  
10 Years vs 2 Years bond spread is 13.16 bp.

#### MARKET OUTLOOK

Today, the 10-year benchmark yields ended slightly lower compared to the previous day, the market experienced lower liquidity and sideways movement. The yield is projected to fluctuate between 6.70% and 6.80%.