


GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	CHANGE
USD/INR	84.103	0.01
BRENT OIL	71.58	-0.27
GOLD	2756.40	0.92
India 10Y	6.8551	-0.01
US 10YR	4.264	0.84
NIFTY50	24466.85	-0.09
SENSEX	80369.03	0.45

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	6.48	6.50
G-SEC2028	6.7477	6.7779
G-SEC2033	6.8611	6.8818
G-SEC2037	6.89920	6.9144
G-SEC2053	6.9902	7.0028
SDL 2033	7.1001	6.9793
SDL 2037	7.1656	7.13

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	7.15	15
		1000	1000	7.17	19
		1000	1000	7.16	23
2	Bihar	2000	2000	7.15	10
3	Chhattisgarh	1000	1000	103.30/7.1296	9
4	Karnataka	4000	4000	7.15	12
5	Kerala	1500	1500	7.15	15
6	Manipur	200	200	7.15	15
7	Punjab	850	850	7.17	20
8	Rajasthan	2000	2000	7.13	10
		1000	1000	7.16	21
		1000	1000	103.64/7.12	9
		1000	1000	101.91/7.13	10
9	Tamil Nadu	2000	2000	7.13	10
		2000	2000	7.16	30
		1000	1000	99.87/7.0308	5
		1000	1000	100.46/7.1102	8
10	Telangana	1000	1000	7.16	23
		500	500	7.16	25
		25050	25050		

BOND MARKET

The 10-year benchmark recorded a close of 6.8551%, ending 0.01 bps lower compared to the previous day's trading session.

DOMESTIC BROADCAST

The capital outlay of India's top 18 states is expected to rise 7-9% year-on-year to ₹7.2 lakh crore this fiscal, following last year's 27% increase to ₹6.7 lakh crore. The Centre has boosted interest-free capex loans for states to ₹1.5 lakh crore. Key growth drivers are expected to be transport, water supply, sanitation, and urban development, with irrigation seeing modest growth. These states' capital outlays, about 2.4% of their GSDP, will likely reach 90% of budget targets, supported by a manageable fiscal deficit of 2.6%.

Money Market Operations on October 28, 2024: ₹559669.61 crore in the overnight segment at a weighted average rate of 6.45%. Net liquidity absorption: ₹ 84,983.19 crore.

GLOBAL BROADCAST

Japan's jobless rate in September fell to 2.4% from 2.5% in August, government data showed on Tuesday. The seasonally adjusted unemployment rate compared with economists' median forecast of 2.5%. The jobs-to-applicants ratio in September edged up to 1.24 from 1.23 in August, separate labor ministry data showed. The median forecast was 1.23.

U.S. job openings dropped in September to their lowest since January 2021, signaling a cooling labor market that may support the Federal Reserve's case for another rate cut in November. The JOLTS report showed voluntary quits declined by 107,000 to 3.1 million, indicating less confidence among workers, while layoffs rose by 165,000 to 1.8 million. With 1.08 job openings per unemployed person, down from August, the Fed is now shifting focus to labor market support over inflation control. Markets anticipate a smaller 0.25% rate cut in November and a similar cut in December, with new data expected this week.

SPREAD ANALYSIS

The India 10 Years/United States 10 Years Government Bond spread value is 259.11 bps, 0.04 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 3.65 bp.
5 Years vs 2 Years bond spread is 6.02 bp.
10 Years vs 2 Years bond spread is 13.22 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 6.85 and 6.90.

INDIA YIELD CURVE
