SOVEREIGN global

DAILY REPORT
INDIAN DEBT MARKET
29TH April 2025

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	85.15	-0.08
BRENT OIL	64.75	-0.17
GOLD	3348.17	-0.62
India 10Y	6.3419	-0.85
US 10 YR	4.207	+0.40
NIFTY 50	24335.95	+0.07
SENSEX	80228.38	+0.08

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	5.900	5.8500
G-SEC 2028	6.0609	6.1071
G-SEC 2033	6.3442	6.3977
G-SEC 2037	6.4440	6.5017
G-SEC 2053	6.7711	6.8169
SDL 2027	6.3561	6.3616
SDL 2033	-	-

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NATIONAL HOUSING BANK 6.80 BD 02AP32 FVRS1LAC	6.7953	100.000
REC LIMITED SR 239 BD 03NV34 FVRS1LAC	6.4773	55.0239
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25G 7.48 BD 15SP28 FVRS1LAC	6.9170	100.7167
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR II 7.44 BD 04SP26 FVRS1LAC	6.8632	100.6293
BAJAJ FINANCE LIMITED SR 286 TR 15 7.75 LOA 16MY33 FVRS10LAC	7.4800	101.5471
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR I 2024-25 F 9.35 NCD 31DC32 FVRS1LAC	9.1364	102.6214
BAJAJ FINANCE LIMITED 7.3763 NCD 26JU28 FVRS1LAC	7.2700	100.2097
LIC HOUSING FINANCE LTD TR 420 OPT II 6.25 LOA 20JU25 FVRS10LAC	6.6000	99.9007

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.6800	5.7250	5.5200	5.5300	5.5350	5.5600

BOND MARKET

The 10-year benchmark recorded a close of 6.3419%, ending 5.4 bps lower than the close of the previous day's trading session. Yields traded in the range of 6.3237 to 6.3712 during the day.

DOMESTIC BROADCAST

India's private capital expenditure likely peaked in FY25 at ₹6.56 lakh crore, a 66% rise from FY22, but is expected to decline to ₹4.9 lakh crore in FY26. Despite the dip, it will remain above FY22–23 levels. The finance ministry attributes the expected slowdown to global geopolitical uncertainties impacting investment sentiment.

On April 28, 2025, the overnight money market volume was ₹609110.25 crore at a 5.77% average rate. Net liquidity absorption was ₹90338.98 crore.

GLOBAL BROADCAST

Despite escalating U.S. tariffs and economic challenges, Chinese officials remain confident of achieving the 5% growth target for 2025. Vice head of the NDRC Zhao Chenxin reaffirmed this stance, though analysts and institutions like the IMF have downgraded China's growth forecasts. While no new measures were announced, Beijing is expected to unveil fresh stimulus policies in Q2 to counter trade war impacts and weak domestic demand.

Spain's economy grew by 0.6% in Q1 2025, slightly below the previous quarter's 0.7% and analyst expectations, as construction and services slowed. Annual growth was 2.8%, still outperforming major eurozone peers like France, Italy, and Germany. Unemployment rose to 10.36%, but heavy industry and manufacturing remained strong. The government projects 2.6% growth for the year.

In March, eurozone consumers' inflation expectations rose, but this data preceded the U.S. tariff shock that triggered global trade tensions. Since then, falling energy prices, a stronger euro, and weaker growth prospects are likely to dampen inflation. The ECB responded with an April rate cut and may cut again in June. ECB board member Piero Cipollone warned of recession risks, lower investment, and GDP growth due to trade policy uncertainty, with potential disinflationary effects for the euro area.

SPREAD ANALYSIS

The India 10 Years vs the United States 10Years Government Bond spread value is 213.49 bps, 1.86 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 2.6 bp.
5 Years vs 2 Years bond spread is 6.26 bp.
10 Years vs 2 Years bond spread is 31.54 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower compared to the previous day, the market experienced good liquidity and positive movement. The yield is projected to fluctuate between 6.30% and 6.35%.