

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	85.656	-0.03
BRENT OIL	67.97	+0.36
GOLD	3351.45	+0.06
India 10 YR	6.2892	-0.05
US 10 YR	4.289	+0.16
NIFTY 50	25453.40	-0.35
SENSEX	83409.69	-0.34

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	5.5301	5.5000
G-SEC 2028	5.8472	5.8541
G-SEC 2033	6.3609	6.3675
G-SEC 2037	6.5995	6.6137
G-SEC 2053	7.0076	7.0124
SDL 2027	-	-
SDL 2033	6.7250	6.7211

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
LIC HOUSING FINANCE LTD TR 456 6.90 NCD 17SP27 FVRS1LAC	6.8713	100.2319
REC LIMITED SR 250A 6.60 BD 30JU27 FVRS1LAC	6.5535	100.0742
INDIAN RAILWAY FINANCE CORPORATION LIMITED SR 161 6.92 BD 31AG31 FVRS10LAC	6.8700	100.2250
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR F24 7.68 BD 30AP29 FVRS1LAC	6.7800	102.8932
POWER FINANCE CORPORATION LIMITED SR 208 6.50 BD 17SP25 FVRS10LAC	5.7911	100.0905
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 23H 7.58 LOA 31JL26 FVRS1LAC	6.4700	101.1029
TATA CAPITAL HOUSING FINANCE LIMITED SR E 7.685 NCD 24JL28 FVRS1LAC	7.0600	101.6488
MUTHOOT FINANCE LIMITED SR 28-A OP I 8.40 NCD 28AG28 FVRS1LAC	8.1096	100.73
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25C 7.44 BD 24FB28 FVRS1LAC	6.6525	101.8066
REC LIMITED SR 205B 5.94 BD 31JN26 FVRS10LAC	6.2200	99.7592
IIFL FINANCE LIMITED SR D33 OP B 9.25 NCD 24JU32 FVRS1LAC	9.6054	100.2400

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.5150	5.5225	5.4900	5.4800	5.6800	5.6650

BOND MARKET

The 10-year benchmark (6.33% GS 2035) recorded a close of 6.2892%, ending at 0.35 bps lower than the close of the previous day's trading session. Yields traded in the range of 6.2848 to 6.3006 during the day.

DOMESTIC BROADCAST

Indian government bond yields were largely steady in early Wednesday trading, with investors awaiting the Reserve Bank of India's next liquidity move and key U.S. jobs data. The 10-year benchmark yield stood at 6.30%, slightly up from 6.29% in the previous session, while the five-year 6.75% 2029 bond yield edged up to 5.97% from 5.97% on Tuesday.

Money market operations on July 1, 2025: Overnight segment totaled ₹681010.53 crores at a 5.20% weighted average rate. The segment's significant operations included triparty repo at ₹461298.25 crore and 5.19%. RBI's net liquidity absorption stood at ₹331875.71 crore.

GLOBAL BROADCAST

Morgan Stanley analysts believe unexpected weakness in the June U.S. jobs report could prompt the Federal Reserve to consider rate cuts as early as July. Fed Chair Jerome Powell, speaking at the ECB forum, signaled a cautious stance amid economic uncertainty from Trump's tariffs but acknowledged that most FOMC members see cuts as appropriate this year. Powell noted the Fed paused due to tariff-related inflation risks but is monitoring labor market data closely. A weak jobs report—such as flat payrolls or a 4.6%+ unemployment rate—could trigger earlier easing.

Eurozone unemployment edged up to 6.3% in May from 6.2% in April, defying expectations of no change. Despite the rise, it remains near record lows, though economic uncertainty from tariffs and geopolitical tensions continues to weigh on businesses.

The American Petroleum Institute (API) reported a surprise 0.68-million-barrel increase in U.S. crude inventories, defying expectations of a 2.26-million-barrel decline. This shift from last week's 4.28-million-barrel draw signals weaker demand for oil and its products, potentially pressuring crude prices in the near term. The data contrasts with prior trends and adds to bearish sentiment, though broader market factors will also influence prices.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 200 bps, 6.48 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 19.01 bp
 5 Years vs 2 Years bond spread is 31.07 bp.
 10 Years vs 2 Years bond spread is 52.2 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower compared to the previous day. The yield is projected to fluctuate between 6.26% and 6.30%.