

**GLOBAL MARKET SNAPSHOT**

MARKETS	PRICE	% CHANGE
USD/INR	83.927	0.08
BRENT OIL	76.93	0.21
GOLD	2527.6	0.13
India 10Y	6.8754	0.01
US 10 YR	3.909	0.57
NIFTY 50	25278.80	0.17
SENSEX	82,559.84	0.24

**G-SEC / BONDS YIELDS**

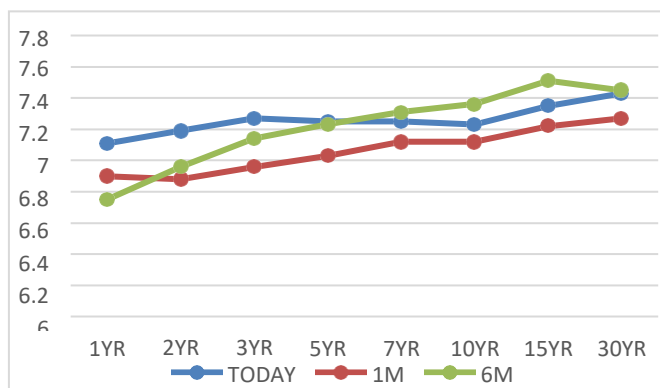
SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.60	6.55
G-SEC 2028	6.7902	6.784
G-SEC 2033	6.9068	6.8942
G-SEC 2037	6.9204	6.9115
G-SEC 2053	7.0094	7.0023
SDL 2027	7.002	7.083
SDL 2033	7.2108	7.23

**ACTIVELY TRADED CORPORATE BONDS**

SECURITY	YTM (%)	LTP
CANARA BANK SR I PP 8.27 BD FVRS1CR	8.2752	99.89
PUNJAB NATIONAL BANK SR XXI 8.47 PP BD FVRS1CR	8.2944	100.31
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25B 7.64 BD 06DC29 FVRS1LAC	7.51	100.5527
NATIONAL BANK FOR FINANCING INFRASTRUCTURE AND DEVELOPMENT SR NABFID2023 1 7.43 BD 16JU33 FVRS1LAC	7.4661	99.70

**OVERNIGHT INDEXED SWAP**

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.4975	6.5125	6.19	6.2250	6.095	6.1225

**INDIA YIELD CURVE**

**BOND MARKET**

The 10-year benchmark recorded a close of 6.8754%, ending 1.07 bps higher than the close of the previous day's trading session. The paper traded in the range of 6.864 and 6.8799.

**DOMESTIC BROADCAST**

India's manufacturing growth eased to a three-month low in August, with the HSBC India Manufacturing PMI falling to 57.5 from 58.1 in July, as demand softened. Although growth slowed, the index remained above the 50-mark, indicating continued expansion since July 2021. This slowdown comes as India's economic growth fell to 6.7% last quarter from 7.8%, partly due to reduced government spending.

The RBI conducted a 4-day VRRR auction under LAF for notified amounts of Rs. 1,50,000 crores. The offers received amounted to Rs. 38,965 crores at WARs of 6.49%.

On August 31, the RBI reported no money market activity in the overnight and term segments. Under RBI operations, MSF saw ₹1025 crore at 6.75%, and SDF saw ₹80418 crore at 6.25%. The net liquidity absorbed totaled ₹87,928 crore.

**GLOBAL BROADCAST**

China's manufacturing activity fell to a six-month low in August, with the PMI dropping to 49.1 from 49.4 in July, marking its sixth consecutive decline and fourth month below the 50 thresholds, indicating contraction. Factory gate prices tumbled, and orders struggled, increasing pressure on policymakers to introduce more household-focused stimulus.

Eurozone manufacturing activity remained in contraction in August, with the PMI at 45.8, slightly above the preliminary 45.6 but well below the growth threshold of 50. Demand fell at its sharpest pace this year, indicating a delayed recovery. The output index, which influences the broader economic health measure, rose marginally to 45.8 from 45.6 in July.

British factories experienced their strongest month in over two years in August, driven by strong domestic demand despite a decline in exports. The S&P Global UK Manufacturing PMI rose to 52.5, its highest since June 2022, matching the preliminary flash reading for the month.

**SPREAD ANALYSIS**

The India 10 Years vs the United States 10Years Government Bond spread value is 296.64 bps, 21.63 bps lower than the closing of the previous day.

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

2 Years vs 1Year bond spread is 1.36 bp.

5 Years vs 2 Years bond spread is 2.87 bp.

10 Years vs 2Years bond spread is 11.41 bp.

**MARKET OUTLOOK**

Today, the 10-year benchmark yields ended higher than the previous, tracking a fall in PCE data and GDP data. We expect the yield to fluctuate between 6.85% to 6.88%.