


GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	83.850	-0.04
BRENT OIL	78.82	0.09
GOLD	2560.3	-0.24
INDIA10YR	6.8647	0.0145
US10YR	3.862	-0.18
NIFTY50	25235.90	0.33
SENSEX	82365.77	0.28

G-SEC/BONDS YIELDS

SECURITY	LTY(%)TODAY	LTY(%)PREV DAY
364DTB	6.55	6.62
G-SEC2028	6.784	6.7874
G-SEC2033	6.8942	6.8952
G-SEC2037	6.9115	6.9113
G-SEC2053	7.0023	6.9984
SDL2027	7.083	-
SDL2033	7.23	7.2410

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25B 7.64 BD 06DC29 FVRS1LAC	7.4917	100.60
RURAL ELECTRIFICATION CORPORATION LIMITED SR 218 A 7.56 BD 30JU26 FVRS1LAC	7.59	99.92
POWER FINANCE CORPORATION LIMITED SR BS225A 7.77 BD 15JL26 FVRS1LAC	7.5920	700.2703
NATIONAL BANK FOR FINANCING INFRASTRUCTURE AND DEVELOPMENT SR NABFID2023 1 7.43 BD 16JU33 FVRS1LAC	7.3161	100.6775

**AUCTION RESULT
OF GOI DATED SECURITIES**

SECURITY	MATURITY	CUTOFF YIELD	AMOUNT
7.10% GS 2034	2034	6.8711	20,000
7.09% GS 2054	2054	7.0266	10,000
TOTAL	30,000		

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.505	6.5157	6.195	6.210	6.080	6.080

BOND MARKET

The 10-year benchmark recorded a close of 6.8647 %, 0.1 bps lower from the close of the previous day's trading session. Yields traded in the range of 6.8611 to 6.8711 during the day.

DOMESTIC BROADCAST

India's core sector growth increased to 6.1% in July, up from 5.1% in June, according to government data released on August 30. The first four months of FY25 saw 6.1% growth, slightly below the 6.6% recorded during the same period last year. The Index of Eight Core Industries, which includes sectors like cement, coal, and steel, accounts for 40% of the Index of Industrial Production (IIP). Industrial production had fallen to a five-month low of 4.2% in June, down from 6.2% in May.

India's gross domestic product (GDP) grew 6.7 per cent y-o-y during the April-June 2024 quarter (Q1 FY25) as compared with the 8.2 per cent growth recorded a year ago, according to the latest official data released on Friday, August 30.

On AUGUST 29, 2024, money market operations recorded ₹533,456.54 crore at a WAR of 6.62%. RBI operations resulted in a net liquidity absorption of ₹101,715.23 crore.

GLOBAL BROADCAST

Eurozone inflation dropped to a three-year low in August, falling to 2.2% from 2.6% in July, nearing the European Central Bank's 2% target. Core inflation, excluding food and energy, also eased slightly to 2.8%. This decline suggests the possibility of another ECB interest rate cut next month.

The dollar remained steady near a one-week high on Friday, set to break a five-week losing streak after strong U.S. economic data led investors to reduce expectations of aggressive Fed rate cuts. The U.S. dollar index was flat at 101.40, following a 0.36% rise on Thursday. The Chinese yuan reached its strongest level since June 2023, while the euro remained stable as eurozone inflation data showed easing price pressures.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 318.27 bp, 16.2 bps higher than the closing of the previous day.

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

2 Years vs 1Year bond spread is 3.03 bp.

5 Years vs 2 Years bond spread is 4.67 bp.

10 Years vs 2Years bond spread is 13.23 bp.

MARKET OUTLOOK

Today's G-sec auction experienced strong demand. With continued inflows from bond index investors and a global tailwind, yields are expected to ease further. The yield is projected to fluctuate between 6.835% and 6.4%.

INDIA YIELD CURVE
