

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	86.548	-0.01
BRENT OIL	75.77	0.11
GOLD	2798.37	1.30
India 10 YR	6.7317	-0.11
US 10 YR	4.527	-0.63
NIFTY 50	23249.50	0.37
SENSEX	76759.81	0.30

G-SEC / BONDS YIELDS

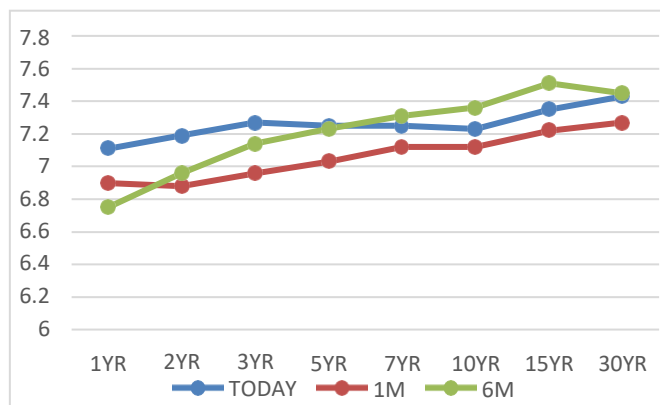
SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.5950	6.4600
G-SEC 2028	6.6953	6.6217
G-SEC 2033	6.7285	6.7519
G-SEC 2037	6.8311	6.8213
G-SEC 2053	7.0063	7.0093
SDL 2027	-	-
SDL 2033	7.1131	7.0999

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR I 2024-25 G 9.35	9.2005	102.64
EXPORT IMPORT BANK OF INDIA SR AA02 7.35 BD 27JL28 FVRS1LAC	7.3331	100.01
MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED SR BBB2024 8.24 NCD 06OT34 FVRS1LAC	8.2117	100.5278
NATIONAL HOUSING BANK 7.29 BD 04JL31 FVRS1LAC	7.2846	100.0715

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE

INDIA YIELD CURVE

BOND MARKET

The 10-year benchmark recorded a close of 6.7317%, ending at 0.80 bps lower than the close of the previous day's trading session. Yields traded in the range of 6.7244 to 6.7448 during the day.

DOMESTIC BROADCAST

The Mutual Credit Guarantee Scheme for MSMEs (MCGS-MSME) provides 60% guarantee coverage by NCGTC for loans up to ₹100 crore to eligible MSMEs for plant and machinery purchases, with repayment periods up to 8 years and zero guarantee fee in the first year; it aims to boost manufacturing and support 'Make in India', with a total guaranteed cap of ₹7 lakh crore over four years.

Money market operations on January 30, 2025: Overnight segment totaled ₹528986.59 crores at a 6.50% weighted average rate. The segment's significant operations included triparty repo at ₹205 crore and 6.54%. RBI's net liquidity absorption stood at ₹255641.71 crore.

GLOBAL BROADCAST

The ECB is set to cut interest rates by 25 bps, prioritizing weak economic growth over lingering inflation concerns, while keeping the door open for further easing; however, potential U.S.-EU trade tensions, inflation risks, and global volatility could complicate the pace and extent of future cuts.

Italy's unemployment rate rose to 6.2% in December from 5.9% in November, exceeding forecasts, while employment levels remained stable, and youth unemployment held at 19.4%.

UBS expects the USD to remain strong in the short term due to U.S. growth outpacing other economies and monetary policy divergence, while tariff-related volatility may persist; they recommend strategic currency positions, favoring AUD/NZD long and CHF/NOK short, and see opportunities in GBP- and JPY-linked yield strategies.

Oil prices declined for a second day due to higher-than-expected U.S. crude stockpiles and concerns over Trump's proposed 25% tariffs on Canadian and Mexican oil, while markets await the Feb. 3 OPEC+ meeting, where members may respond to U.S. production expansion, though analysts see a price war as unlikely.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 220.47 bps, 1.4 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 0.72 bp
 5 Years vs 2 Years bond spread is 1.28 bp.
 10 Years vs 2Years bond spread is 11.91 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended higher compared to the previous day. The yield is projected to fluctuate between 6.70% and 6.75%.