SOVEREIGN global

# DAILY REPORT
# INDIAN DEBT MARKET
# 30TH May 2025

## GLOBAL MARKET SNAPSHOT

| MARKETS | PRICE | % CHANGE |
|---|---|---|
| USD/INR | 85.530 | +0.13 |
| BRENT OIL | 62.71 | -1.01 |
| GOLD | 3317.15 | -0.65 |
| INDIA10YR | 6.2308 | -0.82 |
| US10YR | 4.414 | -0.09 |
| NIFTY50 | 24750.70 | -0.33 |
| SENSEX | 81451.01 | -0.22 |

## G-SEC/BONDS YIELDS

| SECURITY | LTY(%)TODAY | LTY(%)PREV DAY |
|---|---|---|
| 364DTB | 5.7000 | 5.6100 |
| G-SEC2028 | 5.7405 | 5.7363 |
| G-SEC2033 | 6.2627 | 6.2270 |
| G-SEC2037 | 6.3983 | 6.3710 |
| G-SEC2053 | 6.8285 | 6.8000 |
| SDL2027 | 5.9600 | 5.9408 |
| SDL2033 | 6.5638 | 6.5601 |

## MOST ACTIVELY TRADED CORPORATE BONDS

| SECURITY | YTM (%) | LTP |
|---|---|---|
| INDOSTAR CAPITAL FINANCE LIMITED SR XXV2027 9.60 NCD 26FB27 FVRS1LAC | 9.6228 | 100.03 |
| NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25G 7.48 BD 15SP28 FVRS1LAC | 6.5968 | 102.5465 |
| NATIONAL HOUSING BANK 6.80 BD 02AP32 FVRS1LAC | 6.6775 | 100.6563 |
| HDFC BANK LIMITED SR US004 7.65 NCD 25MY33 FVRS1LAC | 7.1100 | 103.1692 |

## AUCTION RESULT
## OF GOI DATED SECURITIES

| SECURITY | MATURITY | CUTOFF YIELD | AMOUNT |
|---|---|---|---|
| 6.64% GS 2027 | 2027 | 5.6939/102.19 | 6000 |
| 6.33%GS 2035 | 2035 | 6.1969/100.97 | 30000 |
| TOTAL | 27,000 | | |

## OVERNIGHT INDEXED SWAP

| OIS(1YEAR) | | OIS(2YEAR) | | OIS(5YEAR) | |
|---|---|---|---|---|---|
| OPEN | CLOSE | OPEN | CLOSE | OPEN | CLOSE |
| 5.6025 | 5.5950 | 5.4300 | 5.4950 | 5.6400 | 5.6300 |

## BOND MARKET

The 10-year benchmark recorded (6.33% GS 2035) a close of 6.2308%, 5.14 bps lower than the close of the previous day's trading session. Yields traded in the range of 6.1792 to 6.2322during the day.

## DOMESTIC BROADCAST

The Gross Domestic Product (GDP) in India expanded 7.40 percent in the first quarter of 2025 over the same quarter of the previous year. GDP Annual Growth Rate in India averaged 6.02 percent from 1951 until 2025, reaching an all-time high of 22.60 percent in the second quarter of 2021 and a record low of -23.10 percent in the second quarter of 2020.

On MAY 29, 2025, money market operations recorded ₹577073.30 crore at a WAR of 5.71%. RBI operations resulted in a net liquidity absorption of ₹179986.38 crore.

## GLOBAL BROADCAST

On Friday, the People's Bank of China (PBOC) reported that it carried out outright reverse repurchase agreements totaling 700 billion yuan ($97 billion) in May. The central bank explained that these operations were aimed at ensuring sufficient liquidity in the banking sector. The repos had maturities of three and six months. Separately, the PBOC also stated that it did not engage in any buying or selling of Chinese government bonds through open market operations during May.

Bank of England policymaker Alan Taylor downplayed April's 3.5% inflation spike, attributing it to one-off tax and price changes, and reiterated support for deeper rate cuts due to rising global trade risks from U.S. tariffs. He noted the BoE's downgraded inflation and growth forecasts, with U.S. tariffs expected to reduce U.K. inflation by 0.2 percentage points and GDP by 0.3% over the next few years. Taylor, who previously voted for a 50-bps rate cut, warned that global developments could further drag growth. His stance contrasts with BoE Governor Andrew Bailey's call for a cautious approach.

The U.S. dollar edged higher on Friday but was set for its fifth straight monthly decline amid ongoing trade policy uncertainty and concerns over U.S. fiscal health. Markets remained volatile after conflicting court rulings on President Trump's tariffs, with investors wary of further legal and economic instability. The dollar index rose 0.3% to 99.56 but was down 0.10% for May. Weak jobless and growth data added to fears of a U.S. slowdown, while attention turned to upcoming PCE inflation data. Meanwhile, emerging market currencies gained, and the yen held steady despite strong Tokyo inflation. The euro, pound, and Swiss franc remained firm, and the Australian and New Zealand dollars slipped.

## SPREAD ANALYSIS

The India 10Years vs the United States 10 Years Government Bond spread value is 181.68 bp, 5.14 bps lower than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities.
2 Years vs 1 Year bond spread is 0.79 bp.
5 Years vs 2 Years bond spread is 13.65 bp.
10 Years vs 2Years bond spread is 43.68 bp.

## MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower compared to the previous day. The yield is projected to fluctuate between 6.20% and 6.25%.


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