

GLOBAL MARKET SNAPSHOT

| MARKETS | PRICE | % CHANGE |
|-----------|----------|----------|
| USD/INR | 86.662 | 0.11 |
| BRENT OIL | 76.08 | -0.08 |
| GOLD | 2856.39 | -0.04 |
| INDIA10YR | 6.7446 | 0.19 |
| US10YR | 4.541 | 0.17 |
| NIFTY50 | 23508.40 | 1.11 |
| SENSEX | 77500.07 | 0.97 |

G-SEC/BONDS YIELDS

| SECURITY | LTY(%)TODAY | LTY(%)PREV DAY |
|-----------|-------------|----------------|
| 364DTB | 6.5700 | 6.5950 |
| G-SEC2028 | 6.6228 | 6.6953 |
| G-SEC2033 | 6.7551 | 6.7285 |
| G-SEC2037 | 6.8424 | 6.8311 |
| G-SEC2053 | 7.0219 | 7.0063 |
| SDL2027 | 6.8906 | - |
| SDL2033 | 7.0703 | 7.1131 |

MOST ACTIVELY TRADED CORPORATE BONDS

| SECURITY | YTM (%) | LTP |
|---|---------|-----------|
| NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25E 7.53 BD 24MR28 FVRS1LAC | 7.4966 | 100.01181 |
| NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25D 7.40 BD 29AP30 FVRS1LAC | 7.39 | 100.0542 |
| REC LIMITED SR 239 BD 03NV34 FVRS1LAC | 6.5407 | 53.5814 |
| TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR I 2024-25 F 9.35 NCD 31DC32 FVRS1LAC | 9.2015 | 102.3124 |

AUCTION RESULT OF GOI DATED SECURITIES

| SECURITY | MATURITY | CUTOFF YIELD | AMOUNT |
|---------------------|----------|---------------|--------|
| 6.79% GSEC 2031 | 2031 | 6.7402/100.46 | 10000 |
| 6.79% GOI SGrB 2034 | 2034 | 6.6941/100.67 | 5000 |
| 7.34% GSEC 2064 | 2064 | 7.0570/103.73 | 15000 |
| TOTAL | 30,000 | | |

OVERNIGHT INDEXED SWAP

| OIS(1YEAR) | | OIS(2YEAR) | | OIS(5YEAR) | |
|------------|--------|------------|--------|------------|--------|
| OPEN | CLOSE | OPEN | CLOSE | OPEN | CLOSE |
| 6.3500 | 6.3325 | 6.075 | 6.0775 | 6.0900 | 6.0900 |

BOND MARKET

The 10-year benchmark recorded a close of 6.7446 %, 1.29 bps higher than the close of the previous day's trading session. Yields traded in the range of 6.7271 to 6.7446 during the day.

DOMESTIC BROADCAST

A sharp correction in equity markets could significantly impact sentiment and spending by India's retail investors, especially new entrants post-COVID, as elevated valuations and rising U.S.-India market correlation increase the risk of a cascading downturn in 2025.

India's Economic Survey suggests that financial sector regulators, including the RBI, SEBI, and IBB, should establish an independent Regulatory Impact Assessment (RIA) agency within their frameworks. The RIA would report directly to the regulator's board, ensuring an impartial evaluation of regulatory processes, their economic and social impacts, and overall effectiveness. While regulators currently follow public consultation processes, the survey highlights the need for greater responsiveness and transparency. Implementing an RIA would enhance accountability, improve regulatory decision-making, and foster a more dynamic and investor-friendly financial environment.

On JANUARY 30, 2025, money market operations recorded ₹545691.61 crore at a WAR of 6.56%. RBI operations resulted in a net liquidity absorption of ₹222438718 crore.

GLOBAL BROADCAST

The ECB reaffirmed its commitment to further rate cuts following its fourth consecutive reduction to 2.75%, with policymakers optimistic about inflation reaching the 2% target by mid-year. Despite surveys indicating rising inflation expectations, lower-than-expected inflation data from France and Germany bolstered market bets for faster easing. ECB officials suggested that monetary policy could soon shift to a neutral stance, with another rate cut in March remaining the baseline expectation.

The US dollar strengthened following President Trump's renewed tariff threats on Canada and Mexico, while the euro weakened after the ECB's latest rate cut. Markets expect further ECB easing, especially after weak German retail sales and subdued French inflation data. The yen slipped despite strong Tokyo inflation, while the Chinese yuan saw muted movement amid Lunar New Year holidays.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 220.36 bp, 0.11 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 2.64 bp.
5 Years vs 2 Years bond spread is 2.29 bp.
10 Years vs 2Years bond spread is 14.38 bp.

MARKET OUTLOOK

Today's G-sec auction experienced relatively lower demand. The market movement will be influenced by the budget released tomorrow and will behave accordingly, however the yield is projected to fluctuate between 6.70% and 6.75%.

INDIA YIELD CURVE

