


GLOBAL MARKET SNAPSHOT

| MARKETS | PRICE | CHANGE |
|-----------|-----------|---------|
| USD/INR | 83.963 | 0.10 |
| BRENT OIL | 77.52 | -2.21 |
| GOLD | 2527.6 | -0.09 |
| India 10Y | 6.8707 | -0.06 |
| US 10YR | 3.909 | 0.26 |
| NIFTY50 | 25279.85 | 0.0046 |
| SENSEX | 82,555.44 | -0.0053 |

G-SEC/BONDS YIELDS

| SECURITY | LTY (%) TODAY | LTY (%) PREV |
|-----------|---------------|--------------|
| 364DTB | 6.64 | 6.60 |
| G-SEC2028 | 6.78 | 6.7902 |
| G-SEC2033 | 6.897 | 6.9068 |
| G-SEC2037 | 6.9169 | 6.9204 |
| G-SEC2053 | 6.9952 | 7.0094 |
| SDL 2033 | 7.1587 | 7.002 |
| SDL 2037 | - | 7.2108 |

YIELD-BASED AUCTION OF STATE GOVERNMENT SECURITIES

| Sr. No | State | Amount to be raised (₹ Crore) | Amount Accepted (₹ Crore) | Cut off Yield (%) | Tenure (Year) |
|--------|----------------|-------------------------------|---------------------------|-------------------|---------------|
| 1 | Andhra Pradesh | 1000 | 1000 | 7.23 | 10 |
| | | 1000 | 1000 | 7.25 | 13 |
| | | 1000 | 1000 | 7.25 | 20 |
| | | 1000 | 1000 | 7.25 | 23 |
| 2 | Assam | 1000 | 1000 | 7.25 | 20 |
| 3 | Goa | 150 | 150 | 7.25 | 11 |
| 4 | Haryana | 1000 | 1000 | 7.25 | 12 |
| 5 | Kerala | 753 | 753 | 7.24 | 16 |
| 6 | Maharashtra | 1500 | 1500 | 7.23 | 11 |
| | | 1500 | 1500 | 7.24 | 16 |
| | | 1500 | 1500 | 7.25 | 21 |
| | | 1500 | 1500 | 7.26 | 26 |
| 7 | Meghalaya | 150 | 150 | 7.25 | 10 |
| 8 | Rajasthan | 1000 | 1000 | 7.24 | 10 |
| 9 | Tamil Nadu | 1000 | 1000 | 7.06 | 05 |
| | | 1000 | 3000 | 7.19 | 08 |
| 10 | Telangana | 1500 | 1500 | 7.25 | 14 |
| | | 1000 | 1000 | 7.25 | 22 |
| 11 | West Bengal | 2000 | 2000 | 7.25 | 21 |
| | Total | 20553 | 20553 | | |

BOND MARKET

The 10-year benchmark recorded a close of 6.8707%, ending 0.47 bps lower compared to the close of the previous day's trading session. During the day, yields remained in the range of 6.8686 to 6.8782.

DOMESTIC BROADCAST

The debate over whether the Reserve Bank of India should cut interest rates has intensified. The RBI has held rates steady for eight consecutive meetings, with dissenting members warning of potential repercussions from inaction. The core issue is whether the RBI should prioritize combating food inflation by maintaining high rates or consider rate cuts by focusing on non-food inflation and economic stability.

Money Market Operations on September 2, 2024: ₹566,629.59 crore in the overnight segment at a weighted average rate of 6.29%. Net liquidity absorption: ₹ 223,150.23 crore.

GLOBAL BROADCAST

South Africa's economy grew by 0.4% in the second quarter of 2024, slightly below the expected 0.5%. On a year-on-year basis, GDP increased by 0.3%, also falling short of the 0.4% forecast.

Turkey's annual inflation dropped to 51.97% in August, down from 61.78% in July, driven by base effects and a slowdown in food prices. Monthly inflation was 2.47%, lower than expected despite a gas price hike. The decline continues from a peak of 75% in May, influenced by ongoing monetary tightening. Education prices surged 121%, and housing rose 101%, while food and non-alcoholic drinks increased by 45%.

South Korea's consumer inflation slowed to 2.0% in August, the weakest in nearly 3.5 years, aligning with the central bank's target. This decline from July's 2.6% supports expectations for potential monetary policy easing. Officials anticipate inflation to stabilize in the lower 2% range barring any shocks from weather or global oil prices.

SPREAD ANALYSIS

The India 10 Years/United States 10 Years Government Bond spread value is 296.17 bps, 0.47 bps higher than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities.
2 Years vs 1 Year bond spread is 0.37 bp.
5Years vs 2 Years bond spread is 2.37 bp.
10Years vs 2Years bond spread is 10.91 bp.

MARKET OUTLOOK

The market observed strong demand in the SDL auction. The 10-year benchmark yields ended higher than previous day. We expect the yield to fluctuate within the range of 6.85 and 6.87.

INDIA YIELD CURVE
