


GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	85.405	-0.05
BRENT OIL	68.26	-0.78
GOLD	3345.30	+0.07
INDIA 10YR	6.2947	-0.11
US 10YR	4.3180	-0.01
NIFTY50	25461.00	+0.22
SENSEX	83432.89	+0.23

G-SEC/BONDS YIELDS

SECURITY	LTY(%) TODAY	LTY(%) PREV DAY
364DTB	5.4500	5.4500
G-SEC2028	5.8261	5.8295
G-SEC2033	6.3632	5.3508
G-SEC2037	6.6016	6.6018
G-SEC2053	7.0123	7.0124
SDL2027	-	6.0389
SDL2033	6.7853	6.7103

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
HDFC BANK LIMITED SR Y002 5.78 NCD 25NV25 FVRS10LAC	6.4000	99.6807
REC LIMITED SR 250A 6.60 BD 30JU27 FVRS1LAC	6.5250	100.2073
POWER FINANCE CORPORATION LIMITED SR 251A 6.27 BD 15JL27 FVRS1LAC	6.6087	99.3900
CAN FIN HOMES LIMITED SR 04 7.24 NCD 29MY28 FVRS1LAC	7.3000	99.8087
STATE BANK OF INDIA SR 2 8.34 PP BD FVRS1CR	7.5930	104.4685
STATE BANK OF INDIA SR 2 7.33 BD 20SP39 FVRS1CR	7.2504	100.6100
REC LIMITED SR 232 A 7.59 BD 31MY27 FVRS1LAC	6.4625	101.9343

**AUCTION RESULT
OF GOI DATED SECURITIES**

SECURITY	MATURITY	CUTOFF YIELD	AMOUNT
NEW GS 2040	2040	6.6800	16000
6.90% GS 2065	2065	7.1057/97.27	16000
TOTAL	32,000		

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.5000	5.5000	5.4700	5.4750	5.6600	5.6750

BOND MARKET

The 10-year benchmark recorded (6.33% GS 2035) a close of 6.2947%, 0.72 bps lower than the close of the previous day's trading session. Yields traded in the range of 6.2919 to 6.3057 during the day.

DOMESTIC BROADCAST

India's local-currency bond market may cool after the RBI signalled limited room for further rate cuts. A surprise 50 bps cut in June and ample liquidity drove yields to three-year lows, prompting record corporate bond issuance of ₹6.6 trillion (\$77.1 billion) in H1 2025, up 29% year-on-year. However, a shift in RBI's stance to 'neutral,' moderating growth, and geopolitical risks are dampening sentiment. Yields have started rising, slightly reversing earlier gains. Despite this, companies like Grasim, Adani Ports, and Jio Credit took advantage of historically low borrowing costs earlier this year.

On JULY 03, 2025, money market operations recorded ₹629660.72 crore at a WAR of 5.15%. RBI operations resulted in a net liquidity absorption of ₹404413.89 crore.

GLOBAL BROADCAST

The Reserve Bank of Australia (RBA) is expected to cut rates more than previously forecast, with a Reuters poll showing 31 of 37 economists anticipating a 25-bps cut to 3.60% on July 8 amid easing inflation and slowing growth. Most also expect another cut this quarter, bringing the rate to 3.35%, with the median year-end forecast at 3.10%. Inflation has cooled faster than expected, dropping to 2.1% in May, while Q1 GDP growth slowed to 0.2%.

The U.K. faces growing fiscal pressures likely to prompt tax hikes in the autumn Budget, according to Barclays. Recent welfare spending increases have worsened the outlook, briefly unsettling markets before stabilizing with PM Starmer's support for Chancellor Reeves. While Q1 GDP rose 0.7%, the rise in private consumption came amid a 0.9% drop in real disposable income, pushing the saving rate down to 10.9%. Final June PMI showed modest improvement, but Q2 growth remains weak. Barclays projects just 0.1% GDP growth for May, with signs of job losses and easing—but still elevated—inflation expectations.

China's Commerce Ministry said Friday it is reviewing export licenses for controlled items like rare earths, following the U.S.'s recent lifting of restrictions on chip technology and jet engine components to China. These moves align with a framework trade deal reached in May between the two countries. Beijing welcomed the U.S. action and expressed intent to further implement the agreement and enhance cooperation. China, the top rare earths producer, had earlier restricted exports during the trade war but is now easing measures under the improving trade environment.

The U.K. faces growing fiscal pressures that may require tax hikes in the autumn Budget, according to Barclays. Political setbacks, including a diluted welfare reform bill adding £4.8 billion in spending, have strained finances and briefly rattled markets. Despite Q1 GDP growth of 0.7% and slightly stronger consumption, falling household income and savings signal fragility. June's PMI showed modest improvement, but Q2 growth remains muted.

SPREAD ANALYSIS

The India 10Years vs the United States 10 Years Government Bond spread value is 197.67 bp, 4.58 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 13.51 bp.
5 Years vs 2 Years bond spread is 35.40 bp.
10 Years vs 2Years bond spread is 59.01 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower compared to the previous day and maintained good liquidity. The yield is projected to fluctuate between 6.26% and 6.33%.