

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	83.96	0.02
BRENT OIL	73.75	-0.57
GOLD	2523	-0.32
India 10Y	6.8579	-0.186
US 10 YR	3.841	-0.71
NIFTY 50	25198.70	-0.32
SENSEX	82.352.64	-0.25

G-SEC / BONDS YIELDS

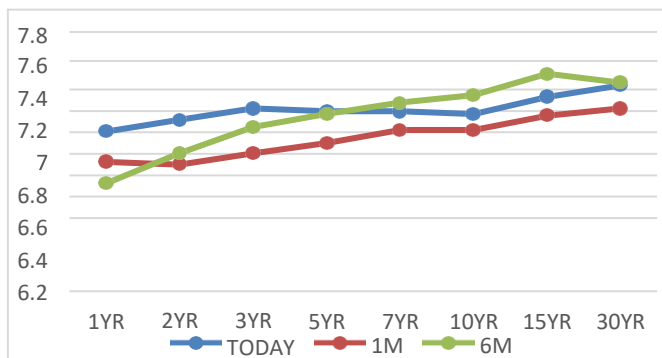
SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.7125	6.64
G-SEC 2028	6.7757	6.78
G-SEC 2033	6.8909	6.897
G-SEC 2037	6.9040	6.9169
G-SEC 2053	6.9787	6.9952
SDL 2027	-	7.1587
SDL 2033	7.2143	-

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 24E 7.80 BD 15MR27 FVRS1LAC	7.6060	100.3505
POWER GRID CORPORATION OF INDIA LIMITED SR-LIX 7.3 BD 19JU27 FVRS10LAC LOAUPTO11OT17	7.32	99.9081
HDB FINANCIAL SERVICES LIMITED SR 19 8.40 BD 22DC33 FVRS1LAC	7.8484	100.2000
CANARA BANK SR I PP 8.27 BD FVRS1CR	8.2694	100.05
REC LIMITED SR 236-B 7.56 BD 31AG27 FVRS1LAC	7.48	100.2036

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.49	6.485	6.195	6.180	6.0925	6.075

INDIA YIELD CURVE

BOND MARKET

The 10-year benchmark recorded a close of 6.8579%, ending 1.28 bps lower from the close of the previous day's trading session. Yields traded in the range of 6.8625 to 6.8568 during the day.

DOMESTIC BROADCAST

The RBI conducted an auction for Treasury bills of 91 days, 182 days, and 364 days to raise 8,000crore, 6,000crore, and 6,000 crores respectively aggregating to Rs. 20,000 Cr. with a cutoff yield of 6.6301%, 6.7261%, and 6.7153% respectively.

India's services sector activity surged in August, with the Services PMI rising to 60.9, its highest in five months, driven by strong domestic demand amid easing inflation. The index has remained above 50 since August 2021, indicating continued growth. New orders, especially domestic ones, fueled the growth, while international demand growth slowed to a six-month low.

On August 27, 2024, the overnight money market volume was ₹520,493.70 crore at a 6.24% average rate. Net liquidity absorption was ₹248,391.33 crore.

GLOBAL BROADCAST

Eurozone business activity saw a temporary boost in August, largely due to France hosting the Olympic Games, with the composite PMI rising to 51.0 from 50.2 in July. However, with weak demand persisting, the growth may not continue after the Paralympics ends. The PMI has stayed above 50 for six months, indicating modest growth, but the final reading was slightly below the initial estimate of 51.2.

Germany's services sector growth slowed for the third consecutive month in August, with the HCOB final services PMI dropping to 51.2 from 52.5 in July. Despite being slightly below the preliminary estimate of 51.4, the index remained above the 50.0 threshold, indicating continued, albeit slowing, expansion.

Oil prices continued to decline on Wednesday, falling to their lowest levels since December. Brent crude dropped 0.6% to \$73.32, and U.S. West Texas Intermediate fell 0.7% to \$69.85, following over 4% drops in the previous session. The decline was driven by hopes of resolving a Libyan export halt and concerns over weak global demand.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 301.69 bps, 5.52 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 2.38 bp.
5 Years vs 2 Years bond spread is 1.65 bp.
10 Years vs 2Years bond spread is 9.94bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower compared to the previous day, however towards the end of day the bond market experienced a rise in yield and maintained lower liquidity. The yield is projected to fluctuate between 6.84% and 6.86%.