

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	84.168	0.52
BRENT OIL	76.81	-3.41
GOLD	2469.8	-0.44
US 10 YR	3.787	-0.056
NIFTY 50	24,055	-2.68
SENSEX	78,759	-2.74

G-SEC / BONDS YIELDS

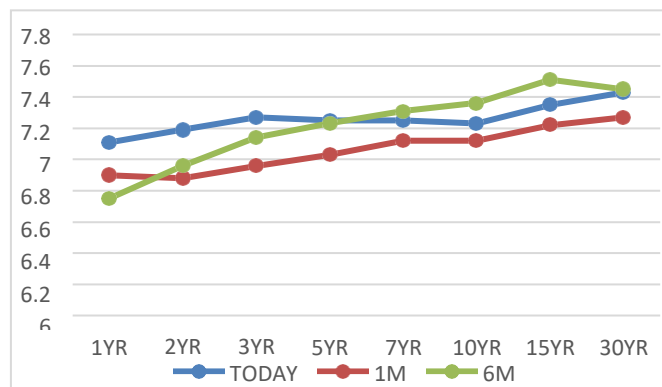
SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.62	6.55
G-SEC 2028	6.79	6.8162
G-SEC 2033	6.9015	6.9276
G-SEC 2037	6.9431	6.9668
G-SEC 2053	7.0265	7.0511
SDL 2027	7.0273	7.072
SDL 2033	7.23	7.1989

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NATIONAL BANK FOR FINANCING INFRASTRUCTURE AND DEVELOPMENT SR NABFID2023 1 7.43 BD 16JU33 FVRS1LAC	7.33	100.56
REC LIMITED SR 236-B 7.56 BD 31AG27 FVRS1LAC	7.50	100.1744
INDIAN RAILWAY FINANCE CORPORATION LIMITED SR 181 7.37 BD 31JL29 FVRS1LAC	7.48	99.5114
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED 9.10 NCD 27JU31 FVRS1LAC	9.099	100
SHRIRAM FINANCE LIMITED SR PPD VI RR NCD 21AP25 FVRS1LAC	8.7210	100.4575

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.55	6.515	6.22	6.2125	6.080	6.090

INDIA YIELD CURVE

BOND MARKET

The 10-year benchmark recorded a close of 6.8611%, ending 3.34 bps lower from the close of the previous day's trading session. Yields traded in the range of 6.8434 to 6.8467 during the day.

DOMESTIC BROADCAST

RBI announced the auctions of Government of India dated securities of 31,000 crores namely 7.10% GS 2034 for 20,000 crores, and 7.34% GS 2064 for 11,000 crores. The auction will be conducted on 9th August 2024.

Activity in India's services sector remained strong in July due to robust demand, resulting in significant job creation despite high-cost pressures, with the HSBC India Services PMI slightly decreasing to 60.3 from 60.5 in June, below the preliminary estimate of 61.1.

The RBI conducted a 4-day VRRR auction under LAF for notified amounts of Rs. 1,00,000 crores. The offers received amounted to Rs. 78,955 crores at WARs of 6.49%.

On August 4, the RBI reported no money market activity in the overnight and term segments. Under RBI operations, MSF saw ₹63 crore at 6.75%, and SDF saw ₹136,919 crore at 6.25%. The net liquidity absorbed totaled ₹277,916.68 crore.

GLOBAL BROADCAST

U.S. Treasury yields fell sharply on Monday, with the two-year yield dropping to 3.691%, its lowest since May, as weak jobs data fueled recession fears and traders anticipated significant rate cuts from the Federal Reserve.

The Reserve Bank of Australia is expected to keep interest rates unchanged at 4.35% on Tuesday, despite recent mild cooling in inflation, and is likely to signal that rates will remain high due to inflation staying above the 2-3% target range.

Gold prices slightly retreated on Monday but remained near record highs due to increased haven demand amid economic growth concerns, with spot gold at \$2,424.01 an ounce and December gold futures at \$2,464.15 an ounce, aided by a weaker dollar and anticipation of U.S. interest rate cuts.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 307.41 bps, 15.46 bps higher than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities.
 2 Years vs 1Year bond spread is -0.95 bp.
 5 Years vs 2 Years bond spread is 3.48 bp.
 10 Years vs 2Years bond spread is 10.16 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower than the previous, tracking a fall in US yields on the higher probability of cut in rate by the Federal in the September meeting. We expect the yield to fluctuate between 6.80% to 6.86% owing to the superior inflows and the negative sentiments driven by the recession data of the US market.