

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	84.688	0.00
BRENT OIL	72.12	-0.86
GOLD	2633.82	0.13
INDIA10YR	6.7830	-0.145
US10YR	4.180	0.12
NIFTY50	24677.80	-0.13
SENSEX	81709.12	-0.06

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV DAY
364DTB	6.39	
G-SEC2028	6.6925	6.6246
G-SEC2033	6.8083	6.7539
G-SEC2037	6.8733	6.8240
G-SEC2053	6.9905	6.9551
SDL2027	-	6.91
SDL2033	7.090	7.03

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
SHRIRAM FINANCE LIMITED SR PPD XXI OP2 TR3 9.20 NCD 22MY26 FVRS1LAC	8.94	100.2286
LIC HOUSING FINANCE LTD TR 447 7.57 NCD 18OT29 FVRS1LAC	7.5929	99.8320
TRUST INVESTMENT ADVISORS PRIVATE LIMITED SR II 9.10 NCD 26SP31 FVRS1LAC	8.4497	103.32
STATE BANK OF INDIA SR 1 AT1 7.98 BD PP FVRS1CR	7.9152	100.14

AUCTION RESULT OF GOI DATED SECURITIES

SECURITY	MATURITY	CUTOFF	AMOUNT
NEW GS 2027	2027	6.64	7000
6.92 GS 2039	2039	100.38/6.8783	13000
7.09 GS 2054	2054	100.93/7.0140	10000
TOTAL	30,000		

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.3	6.44	6.03	6.135	5.99	6.08

BOND MARKET

The 10-year benchmark recorded a close of 6.8712 %, 0.99 bps lower than the close of the previous day's trading session. Yields traded in the range of 6.7027 to 6.7905 during the day.

DOMESTIC BROADCAST

The RBI cut the cash reserve ratio (CRR) by 0.5% to 4%, releasing ₹1.16 lakh crore into the banking system to boost lending, while keeping the repo rate unchanged at 6.5%, balancing growth and inflation concerns. Governor Shaktikanta Das highlighted India's resilient growth, declining inflation, stable external sector, and record forex reserves but cautioned against complacency amid global uncertainties. The monetary policy remains flexible.

On DECEMBER 05, 2024, money market operations recorded ₹596591.64 crore at a WAR of 6.54%. RBI operations resulted in a net liquidity absorption of ₹42369.71 crore.

GLOBAL BROADCAST

The US economy added 227,000 jobs in November, exceeding expectations of 202,000 and rebounding from October's hurricane and strike-affected 36,000 jobs. The unemployment rate improved to 4.2% from 4.1%, aligning with forecasts. Wage growth remained steady at 0.4%, above the expected 0.3%. Job gains were notable in healthcare, hospitality, government, and transportation manufacturing, with retail trade losing jobs. Despite recent economic resilience, including stronger labor market performance and slightly higher inflation, Fed Chair Jerome Powell signaled a cautious approach to rate cuts.

S&P Global projects 3% global growth in 2025, supported by easing inflation and resilient markets, but warns of risks from geopolitical tensions and regional disparities. Gradual rate cuts and fewer defaults are expected, though high borrowing costs and trade disruptions, including potential tariffs under Trump, could strain economies.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 260.3 bp, 6.89 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 2.26 bp.

5 Years vs 2 Years bond spread is 3.08 bp.

10 Years vs 2Years bond spread is 13.29 bp.

MARKET OUTLOOK

Today's G-sec auction experienced strong demand. However, the market cooled down and the yields increased with a decrease in liquidity. With continued inflows from bond index investors and a global tailwind, yields are expected to ease further. The yield is projected to fluctuate between 6.75% and 6.85%.

INDIA YIELD CURVE

