



GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	CHANGE
USD/INR	83.997	-0.56
BRENT OIL	76.3	-0.89
GOLD	2444.4	-0.43
US 10YR	3.78	1.04
NIFTY50	23,992.55	-0.26
SENSEX	78,593.07	-0.21

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	6.45	6.62
G-SEC2028	6.7952	6.79
G-SEC2033	6.9133	6.9015
G-SEC2037	6.9407	6.9431
G-SEC2053	7.0305	7.0265
SDL 2033	-	7.0273
SDL 2037	7.2576	7.23

YIELD-BASED AUCTION OF STATE GOVERNMENT SECURITIES

Sr. No	State	Amount to be raised (₹ Crore)	Amount Accepted (₹ Crore)	Cut off Yield (%)	Tenure (Year)
1	Assam	1000	1000	7.30	15
2	Chhattisgarh	500	500	7.1377	Reissue (6.94%@2029)
3	Haryana	1000	1000	7.26	12
4	Himachal Pradesh	500	500	7.25	9
		500	-	-	11
5	J&k	500	500	7.29	21
6	Kerala	1000	1000	7.31	16
		2000	2000	7.27	35
7	Madhya Pradesh	2500	2500	7.26	11
		2500	2500	7.28	21
8	Maharashtra	1500	1500	7.22	10
		1500	1500	7.27	15
		1500	1500	7.27	20
		1500	1500	7.26	25
9	Punjab	700	700	7.2901	Reissue (7.34%@2035)
10	Tamil Nadu	2000	2000	7.23	10
11	Telangana	1000	1000	7.29	16
		1000	1000	7.29	18
		1000	1000	7.28	22

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.55	6.5225	6.25	6.2325	6.125	6.12

BOND MARKET

The 10-year benchmark recorded a close of 6.8767%, ending 1.56 bps higher compared to the close of the previous day's trading session. During the day, yields remained in the range of 6.8646 to 6.8799.

DOMESTIC BROADCAST

The Securities and Exchange Board of India (Sebi) said that the valuation of additional tier-1 (AT-1) bonds by mutual funds shall be based on yield to call, accepting a long-standing market request and paving the way for an increase in demand for the instruments.

Money Market Operations on August 5, 2024: ₹486,616.84 crore in the overnight segment at a weighted average rate of 6.24%. Net liquidity absorption: ₹215,833.00 crore.

GLOBAL BROADCAST

Japan's inflation-adjusted real wages rose by 1.1% in June, the first increase in over two years, with nominal wages growing at the fastest rate since 1997, but household spending fell more than expected casting doubt on the Bank of Japan's plan to raise interest rates.

Ireland's unemployment rate rose to 4.7% in July, the highest in two-and-a-half years, marking a steady increase over five months from 4.1% in February, according to revised data from the Central Statistics Office.

Oil prices declined on Tuesday, with Brent futures down 0.6% to \$75.82 a barrel and West Texas Intermediate crude down 0.7% to \$72.44 a barrel, as concerns over slowing economic growth outweighed fears of conflict in the Middle East.

SPREAD ANALYSIS

The India 10 Years/United States 10 Years Government Bond spread value is 308.77 bps, 1.36 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 10.51 bp.

5Years vs 2Years bond spread is -0.3 bp.

10Years vs 2Years bond spread is 8.64 bp.

MARKET OUTLOOK

The market observed strong demand for the SDL auction. The 10-year benchmark yields ended higher than the previous day. Canada posted a surprise trade surplus of \$638 million in June, driven by significant increases in oil and gold exports, defying forecasts of a \$1.84 billion deficit, with exports up 5.5% and imports up 1.9%, as the Bank of Canada continues to focus on boosting economic growth. We expect the yield to fluctuate within the range of 7.90 and 7.95, mainly driven by the negative sentiments of the market.

INDIA YIELD CURVE

