


GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	CHANGE
USD/INR	85.681	0.05
BRENT OIL	76.14	0.64
GOLD	2645.20	0.33
India 10Y	6.7884	0.04
US 10YR	4.614	0.02
NIFTY50	23707.90	0.39
SENSEX	78199.11	0.30

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	6.7500	6.55
G-SEC2028	6.6735	6.6875
G-SEC2033	6.7960	6.7977
G-SEC2037	6.8811	6.8882
G-SEC2053	7.0059	7.0147
SDL 2033	7.0710	-
SDL 2037	7.1408	7.0744

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	500	500	7.15	10
2	Bihar	1000	1000	7.15	10
		1000	1000	7.15	15
3	Gujrat	500	500	7.01	06
		500	500	7.05	07
		1000	1000	7.06	09
4	Haryana	1000	1000	7.15	13
5	Karnataka	2000	1460.13	7.10	07
		2000	565.014	7.10	08
6	Maharashtra	2000	2000	7.11	13
		2000	2000	7.14	18
7	Tamil Nadu	2000	2000	7.11	30
8	Telangana	1000	1000	7.13	24
		1000	1000	7.12	29
		1000	1000	7.11	30
9	Uttar Pradesh	2000	2000	100.08/7.1397	12(R)
10	Uttarakhand	1000	1000	7.13	07
	Total	21500	19525.1		

BOND MARKET

The 10-year benchmark recorded a close of 6.7884%, ending 0.3 bps lower compared to the previous day's trading session.

DOMESTIC BROADCAST

India's GDP growth momentum improved in Q3 FY25, driven by gains in agriculture, exports, construction, and urban consumption, with GVA growth at 6.5%. Inflation eased, with food prices falling, and overall inflation projected below 5% in January. HSBC expects two 25bp repo rate cuts by April, supported by easing liquidity measures, though the rate-cutting cycle may be shallow due to a smaller BoP surplus and global FX volatility.

Money Market Operations on January 06, 2025: ₹591193.83 crore in the overnight segment at a weighted average rate of 6.56%. Net liquidity absorption: ₹ 136239.58 crore.

GLOBAL BROADCAST

UBS analysts project the UK economy to grow by 1.5% in 2025, supported by fiscal stimulus from increased public spending despite elevated taxes, borrowing costs, and wage pressures. While Starmer's government faces concerns over the precarious public finances and strained private sector sentiment, the fiscal measures announced in the latest budget could add 0.5% to GDP. However, challenges in addressing the fiscal deficit remain unresolved.

The U.S. dollar weakened following reports of potential softer tariffs under the Trump administration, despite Trump's denial, while markets await key U.S. economic data and jobs reports. The euro gained ahead of eurozone inflation data, which could influence ECB rate expectations, and the pound rose despite weak UK housing data. In Asia, the yuan remained under pressure, hitting a 17-year low amid U.S. restrictions on Chinese firms, while the yen stabilized after recent highs.

SPREAD ANALYSIS

The India 10 Years/United States 10 Years Government Bond spread value is 217.44 bps, 0.5 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 0.72 bp.

5 Years vs 2 Years bond spread is 6.49 bp.

10 Years vs 2 Years bond spread is 12.05 bp.

MARKET OUTLOOK

The market observed strong demand in the SDL auction. The 10-year benchmark yields ended lower than previous day. We expect the yield to fluctuate within the range of 6.78 and 6.82.

INDIA YIELD CURVE
