SOVEREIGN global

DAILY REPORT
INDIAN DEBT MARKET
7TH AUGUST 2025

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	87.464	-0.27
BRENT OIL	67.29	+0.60
GOLD	3455.72	+0.65
India 10 YR	6.3861	-0.47
US 10 YR	4.2350	+0.12
NIFTY 50	25496.15	+0.089
SENSEX	80623.26	+0.098

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	5.5125	5.4000
G-SEC 2028	5.9183	5.9002
G-SEC 2034	6.4591	6.4797
G-SEC 2039	6.7673	6.7804
G-SEC 2054	7.1808	7.0940
SDL 2027	6.0500	6.0433
SDL 2033	6.9280	6.9765

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 23F 7.5 BD 17DC25 FVRS10LAC	6.1500	100.3667
REC LIMITED SR 248A 6.52 BD 31JN28 FVRS1LAC	6.6200	99.7865
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 23A 7.40 BD 30JN26 FVRS10LAC	6.2500	100.4262
L&T METRO RAIL (HYDERABAD) LIMITED 7.55 NCD 28AP35 FVRS1LAC	7.5100	100.2513
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25E 7.53 BD 24MR28 FVRS1LAC	6.6920	101.8657
LIC HOUSING FINANCE LTD TR 451 7.66 NCD 11DC29 FVRS 1LAC	7.0100	102.3123
INDIAN RAILWAY FINANCE CORPORATION LIMITED SR 188 7.17 BD 27AP35 FVRS1LAC	7.0200	101.0376
LIC HOUSING FINANCE LTD TR 442 7.9265 NCD 14JL27 FVRS1LAC	6.8200	101.9247
REC LIMITED SR 249A 6.37 BD 31MR27 FVRS1LAC	6.4500	99.8843
HDFC BANK LIMITED SR AA008 7.77 NCD 28JU27 FVRS10LAC	6.8000	101.6696
LARSEN AND TOUBRO LIMITED 7.20 NCD 22JN35 FVRS1LAC	7.0900	100.6506
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 24E 7.80 BD 15MR27 FVRS1LAC	6.5700	101.7528

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.5025	5.4875	5.4600	5.4400	5.7075	5.6675

BOND MARKET

The 10-year benchmark (6.33% GSEC 2035) recorded a close of 6.3831%, ending at 3.01 bps lower than the day's trading session.

DOMESTIC BROADCAST

Indian companies are increasingly turning to corporate bonds and commercial papers for funding, driven by slower bank credit growth. Issuances of commercial paper have surged, and corporate bond issuances reached a four-year high in Q1 FY26. This shift reflects quicker transmission in money markets, making market-based instruments a more attractive funding source for large corporations.

Money market operations on August 06, 2025: Overnight segment totaled **600499.90** crores at a 5.20% weighted average rate. The segment's significant operations included triparty repo at ₹389060.35 crore and 5.20%. RBI's net liquidity absorption stood at ₹390650.79 79 crores.

GLOBAL BROADCAST

U.S. initial jobless claims rose to 226,000 last week, while continuing claims hit 1.974 million—the highest since November 2021—signalling labour market softening following a weak July payrolls report. Revised data showed steep downward revisions to May and June nonfarm payrolls, cutting a combined 258,000 jobs. The data's reliability was questioned after President Trump dismissed the BLS commissioner, alleging manipulation.

The Bank of England cut its benchmark interest rate by 25 basis points to 4%—its fifth cut in a year—to support a weakening jobs market as the economy contracts. However, the decision was split, with four of nine policymakers opposing the cut due to inflation concerns, which is expected to rise to 4%, double the BoE's target. While investors expect another rate cut in November, the scope for further easing in 2026 appears limited, with rates likely to remain higher than those in the eurozone.

President Trump's new tariffs, ranging from 15% to 35%, took effect Thursday on over 90 countries to push trade reforms and cut the U.S. deficit. China still faces a 30% levy, while key partners like the EU and Japan secured limited deals. Trump also threatened 100% tariffs on chips but offered exemptions for U.S. investments. In response, Apple pledged $100 billion in domestic investment, boosting its stock, though much of its iPhone production remains abroad.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 215.11 bps, 3.31 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 14.55 bp
5 Years vs 2 Years bond spread is 29.52 bp.
10 Years vs 2 Years bond spread is 62.01 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended higher compared to the previous day. The yield is projected to fluctuate between 6.36 and 6.40%.

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