GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	84.725	+0.50
BRENT OIL	62.21	+0.10
GOLD	3398.11	-0.26
India 10 YR	6.3067	-0.22
US 10 YR	4.324	+0.62
NIFTY 50	24414.40	+0.14
SENSEX	80746.78	+0.13

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	5.8800	5.9000
G-SEC 2028	6.0050	6.0277
G-SEC 2033	6.3334	6.3465
G-SEC 2037	6.4547	6.4490
G-SEC 2053	6.7824	6.7893
SDL 2027	6.3469	6.3601
SDL 2033	6.7098	6.6737

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25G 7.48 BD 15SP28 FVRS1LAC	6.9339	101.6148
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR IX 7.39 BD 21MR30 FVRS1LAC	6.9145	101.9050
HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED SR A 6.9 NCD 23AP32 FVRS1LAC	6.9061	99.9300
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR I 2024-25 E 9.35 NCD 31DC31 FVRS1LAC	9.0502	102.8289
HDFC BANK LIMITED SR AB001 7.69 NCD 27JN33 FVRS1LAC	7.2690	102.3940
BAJAJ HOUSING FINANCE LIMITED 7.14 NCD 26FB27 FVRS1LAC	7.1148	100.0959
TATA CHEMICALS LIMITED 7.81 NCD 20AG27 FVRS1LAC	7.3500	100.8796
HDFC BANK LIMITED SR AA012 7.70 NCD 18NV25 FVRS10LAC	7.0500	100.2027
REC LIMITED SR 240B 7.34 BD 30AP30 FVRS1LAC	6.8600	101.6469

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.6100	5.6000	5.4800	5.4500	5.6300	5.5600

BOND MARKET

The 10-year benchmark recorded a close of 6.3067, ending at 1.37 bps below the close of the previous day's trading session. Yields traded in the range of 6.2999 to 6.3323 during the day.

DOMESTIC BROADCAST

Indian government bond yields experienced a decrease in early trading on Wednesday, despite geopolitical tensions arising from India's strikes on Pakistan. This drop is attributed to bargain buying by investors who had previously reduced their positions. Traders are closely monitoring Pakistan's response and awaiting the U.S. Federal Reserve's policy decision, with expectations of unchanged interest rates.

India's overnight index swap rates fell on receiving bias, tracking moves in the secondary government bond market. The one-year OIS rate fell 3 basis points to 5.60%, while the two-year OIS rate dropped 2 basis points to 5.47%, and the most liquid five-year OIS rate was down 4 basis points at 5.58%.

Money market operations on May 6, 2025: Overnight segment totaled ₹612824.24 crores at a 5.75% weighted average rate. The segment's significant operations included triparty repo at ₹9272 crore and 5.88%. RBI's net liquidity absorption stood at ₹137382.79 crore.

GLOBAL BROADCAST

The People's Bank of China (PBOC) announced a 50-basis point cut in the reserve requirement ratio (RRR) and a 10 basis point cut in the seven-day repo rate to inject liquidity and support the economy amid escalating trade tensions with the U.S. The RRR cut, releasing 1 trillion yuan ($138 billion), marks a shift toward looser monetary policy. These moves come ahead of U.S.-China trade talks in Switzerland and follow over 100% tariffs imposed by both countries. Despite Q1 economic improvement, weak April PMI data suggests trade war impacts may weigh on Q2 growth.

The UK construction sector remained in contraction for a fourth straight month in April, as the S&P Global Construction PMI rose slightly from 46.4 to 46.6 but stayed below the 50-mark indicating growth. The sector continued to struggle with declining new work and sustained cost pressures, reflecting broader economic challenges.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 203.67 bps, 8.33 bps higher than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities.

2 Years vs 1 Years bond spread is 3.89 bp
5 Years vs 2 Years bond spread is 8.72 bp.
10 Years vs 2 Years bond spread is 31.93 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended slightly below compared to the previous day. The yield is projected to fluctuate between 6.28% and 6.35%.

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