GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	87.574	+0.19
BRENT OIL	66.88	+0.75
GOLD	3501.95	+1.36
INDIA10YR	6.4121	+0.04
US10YR	4.256	+0.01
NIFTY50	24363.30	-0.95
SENSEX	79857.79	-0.95

G-SEC/BONDS YIELDS

SECURITY	LTY(%) TODAY	LTY(%) PREV DAY
364DTB	5.5100	5.5125
G-SEC2028	5.5959	5.9183
G-SEC2034	6.4922	6.4591
G-SEC2039	6.7971	6.7673
G-SEC2054	7.1309	7.1808
SDL2027	6.1493	6.0500
SDL2033	6.9412	6.9280

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR I 2024-25 F 9.35 NCD 31DC32 FVRS1LAC	9.0867	102.6700
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR VII 7.42 BD 12MR29 FVRS1LAC	6.7200	102.0908
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 24E 7.80 BD 15MR27 FVRS1LAC	6.5400	101.7885
MUTHOOT FINANCE LIMITED 8.05 NCD 25NV27 FVRS1LAC	7.8476	100.4492
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25G 7.48 BD 15SP28 FVRS1LAC	6.7200	102.0493
INDIAN RAILWAY FINANCE CORPORATION LIMITED SR 180 7.39 BD 15JL34 FVRS1LAC	6.9800	102.5990

AUCTION RESULT OF GOI DATED SECURITIES

SECURITY	MATURITY	CUTOFF YIELD	AMOUNT
6.28% GSEC 2032	2032	99.64/6.3439	11,000
7.09% GSEC 2074	2074	98.78/7.1793	14,000
TOTAL	25,000		

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.5025	5.5100	5.4475	5.4600	5.6500	5.6725

BOND MARKET

The 10-year benchmark recorded (6.33% GS 2035) a close of 6.3680%, 0.55 bps lower than the close of the previous day's trading session.

DOMESTIC BROADCAST

Moody's warns that President Trump's 50% tariffs on Indian imports could slow India's FY26 GDP growth by 0.3 percentage points and hurt its manufacturing ambitions, especially in high-value sectors like electronics. The tariffs, combined with reduced Russian oil imports, may widen the current account deficit and deter investment. Moody's anticipates a likely negotiated resolution.

On AUGUST 7, 2025, money market operations recorded ₹597533.33 crore at a WAR of 5.35%. RBI operations resulted in a net liquidity absorption of ₹354931.76 crore.

GLOBAL BROADCAST

China's car sales rose 6.9% in July, sharply down from 18.6% growth in June, as stricter regulations aimed at curbing a price war among automakers began to impact the market, leading to uneven performance across manufacturers.

JPMorgan now expects the Federal Reserve to cut interest rates by 25 basis points in September, earlier than its prior forecast of December, following President Trump's nomination of Stephen Miran as a temporary Fed governor. Miran, a known Trump ally and former Treasury official, could support further rate cuts if confirmed, aligning with other dovish members. While some Fed officials back a September cut, others, like Atlanta Fed President Bostic, see room for only one cut this year. If confirmed in time, Miran could add to dissenting voices favoring rate reductions, complicating Fed Chair Powell's policy balancing act.

Consumer Credit rose to $7.37B, slightly below the $7.40B forecast but significantly higher than the previous $5.13B—marking a 44% increase. This suggests growing consumer confidence and willingness to borrow, despite a minor shortfall in expectations. The data signals a stable to positive outlook for consumer spending and the USD.

European stocks edged higher on Friday, with the STOXX 600 up 0.2% and set for its best week in 12, gaining 2.1%, driven by strong corporate earnings and a 4.6% jump in Novo Nordisk after Eli Lilly's weight-loss pill underperformed in trials. Despite a 7.4% drop in Munich Re shares and a 1.8% dip in insurance stocks, upbeat results from companies like Lotus Bakeries (+7%) and Bechtle (+13.8%) boosted sentiment. Market optimism was further supported by expectations of Fed rate cuts and news of Trump nominating Stephen Miran to the Fed, potentially influencing a dovish shift in U.S. monetary policy.

SPREAD ANALYSIS

The India 10Years vs the United States 10 Years Government Bond spread value is 215.61 bps, 0.54 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 12.24 bp.
5 Years vs 2 Years bond spread is 31.95 bp.
10 Years vs 2Years bond spread is 62.41 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower compared to the previous day and maintained good liquidity. The yield is projected to fluctuate between 6.39% and 6.44%.