DAILY REPORT
INDIAN DEBT MARKET
8TH AUGUST 2024

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	83.95	-0.008
BRENT OIL	78.33	2.42
GOLD	2432.4	0.033
India 10 YR	6.878	0.22
US 10 YR	3.966	2.01
NIFTY 50	24117	-0.74
SENSEX	78,886.22	-0.73

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.7250	6.5050
G-SEC 2028	6.8013	6.7893
G-SEC 2033	6.9149	6.9037
G-SEC 2037	6.9147	6.9290
G-SEC 2053	7.0312	7.0249
SDL 2027	7.0497	7.0403
SDL 2033	7.2631	7.2622

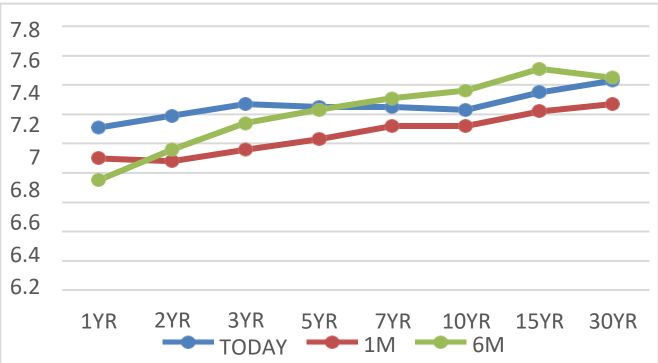
ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
LARSEN AND TOUBRO LIMITED 7.58 NCD 02MY25 FVRS1LAC	7.54	99.9205
NATIONAL HOUSING BANK 7.77 BD 02AP26 FVRS1LAC	7.4652	100.4823
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25A 7.70 BD 30SP27 FVRS1LAC	7.58	100.3410
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 24H 7.62 BD 10MY29 FVRS1LAC	7.52	100.3198
SHRIRAM FINANCE LIMITED SR PPD VI RR NCD 21AP25 FVRS1LAC	8.7102	100.4481

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.49	6.5325	6.195	6.22	6.10	6.1019

INDIA YIELD CURVE



BOND MARKET

The 10-year benchmark recorded a close of 6.878%, ending 1.48 bps higher from the close of the previous day's trading session. Yields traded in the range of 6.8575 to 6.6.8887 during the day.

DOMESTIC BROADCAST

The Monetary Policy Committee (MPC) met on 6th, 7th and 8th August 2024. After a detailed assessment of the evolving macroeconomic and financial conditions and the outlook, it decided by a 4 to 2 majority to keep the policy repo rate unchanged at 6.50 per cent. Consequently, the standing deposit facility (SDF) rate remains at 6.25 per cent and the marginal standing facility (MSF) rate and the Bank Rate at 6.75 per cent.

FPIs' net investment in the country's debt markets stood at ₹121,059 crore for FY24. This was the highest FPI inflow in the debt market since FY 2014-15, when they infused ₹130,302 crore.

Money market operations on August 8, 2024: Overnight segment totaled ₹501,423.01 crores at a 6.37% weighted average rate. The segment's significant operations included triparty repo at ₹342,161.25 crore and 6.36%. RBI's net liquidity absorption stood at ₹197,620.28 crore.

GLOBAL BROADCAST

In July, non-residents invested $36.5 billion in emerging market stocks and debt, the largest inflow since January, driven by prospects of lower U.S. interest rates, with $29.4 billion going to debt and $7.1 billion to stocks, more than doubling June's inflows.

JPMorgan raised the probability of a U.S. recession this year to 35% due to a weakening labor market, slowing wage inflation, and reduced labor market pressures, which could lead the Federal Reserve to lower policy rates by at least 100 basis points by year's end.

The Philippine economy grew 6.3% in Q2 2024, slightly above expectations, driven by strong government spending and investments, despite weak consumer growth due to inflation. This marks the fastest expansion since Q1 2023 and could lead to a rate cut to boost spending further.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 291.2 bps, 6.32 bps lower than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities.
2 Years vs 1Year bond spread is 16.9 bp.
5 Years vs 2 Years bond spread is 1.31 bp.
10 Years vs 2Years bond spread is 9.95 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended higher than yesterday, however the outcomes of RBI meeting resulted in less movement of market. As of now the rate cut decision is still in consideration for the FY2025Q4 meeting but will be influenced by the inflation data for the upcoming months. The yield is projected to fluctuate between 6.85% and 6.95%.