


GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	CHANGE
USD/INR	83.964	-0.03
BRENT OIL	81.01	-2.19
GOLD	2662.15	-0.29
India 10Y	6.8077	-0.62
US 10YR	4.022	-0.19
NIFTY50	25013.15	0.88
SENSEX	81634.81	0.72

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	6.39	6.40
G-SEC2028	6.7120	6.7509
G-SEC2033	6.8184	6.8621
G-SEC2037	6.8602	6.9005
G-SEC2053	6.9353	6.9721
SDL 2033	7.09	-
SDL 2037	7.14	7.1157

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	750	750	7.13	10
2	Bihar	2000		7.14	09
3	Chhattisgarh	1000	1000	102.39/7.0998	7(R)
4	J&K	400	400	7.16	25
5	Karnataka	2000	2000	7.10	08
		2000	2000	7.12	09
6	Madhya Pradesh	2500	2500	7.15	11
		2500	2500	7.15	19
7	Maharashtra	1500	1500	7.10	08
		1500	1500	7.13	13
8	Mizoram	50	50	7.15	15
9	Sikkim	1000	1000	7.14	10
10	Tamil Nadu	1000	1000	7.12	10
11	Uttarakhand	500	500	7.05	05
	Total	18,700	18,700		

BOND MARKET

The 10-year benchmark recorded a close of 6.8077%, ending 4.3 bps lower compared to the close of the previous day's trading session. During the day, yields remained in the range of 6.8012 to 6.8391.

DOMESTIC BROADCAST

The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) will announce its repo rate decision on October 9, 2024, following the US Fed's 50-basis point rate cut. The MPC has maintained the rate at 6.50% since April 2023. This meeting introduces three new external members to the panel. India's headline inflation rose to 3.65% YoY in August 2024, with food inflation at 5.66%. Inflation has remained below 4% due to a favorable base effect but is expected to rise in September as that effect diminishes.

Money Market Operations on October 7, 2024: ₹523299.71 crore in the overnight segment at a weighted average rate of 6.23%. Net liquidity absorption: ₹157,431.26 crore.

GLOBAL BROADCAST

John Williams, president of the New York Fed, expressed confidence that the central bank is "well positioned" to achieve a soft landing for the U.S. economy, pointing to the strong September jobs report and easing inflation. He indicated a more gradual pace of rate cuts following September's significant half-point reduction. Williams noted that the Fed's current policy is effectively balancing economic strength with efforts to bring inflation down to 2%. The positive jobs data has also reduced concerns of a recession and tempered expectations for another large rate cut in November.

Oil prices dropped on Tuesday as concerns over supply disruptions eased, with markets awaiting Israel's response to last week's Iranian rocket attacks that initially fueled a price surge. Brent crude fell 1.37% to \$79.82 a barrel, while U.S. West Texas Intermediate dropped 1.45% to \$76.82. Despite Monday's 3% rise and last week's 8% rally—driven by fears of Middle East disruptions

SPREAD ANALYSIS

The India 10 Years/United States 10 Years Government Bond spread value is 278.57 bps, 5.6 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 17.06 bp.
5 Years vs 2 Years bond spread is 3.5 bp.
10 Years vs 2 Years bond spread is 12.12 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 6.85.

INDIA YIELD CURVE
