

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	83.926	0.02
BRENT OIL	77.52	-0.96
GOLD	2640.45	0.12
India 10Y	6.7676	-0.05
US 10 YR	4.022	0.38
NIFTY 50	24981.45	-0.12
SENSEX	81467.40	-0.21

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.52	6.39
G-SEC 2028	6.6863	6.7120
G-SEC 2033	6.7880	6.8184
G-SEC 2037	6.8232	6.8602
G-SEC 2053	6.9236	6.9353
SDL 2027	6.9044	7.09
SDL 2033	7.08	7.14

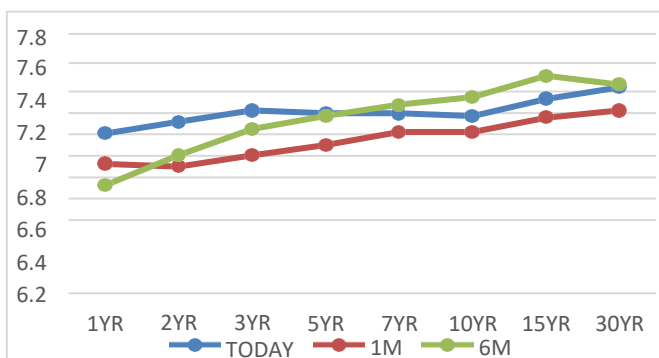
ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR III 7.34 BD 26FB29 FVRS1LAC	7.3355	100.0574
POWER FINANCE CORPORATION LIMITED SR 242B 7.22 BD 15OT39 FVRS1LAC	7.1732	100.4538
L&T METRO RAIL (HYDERABAD) LIMITED SR C 6.68 NCD 30AP27 FVRS10LAC	7.6483	97.7775
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25C 7.44 BD 24FB28 FVRS1LAC	7.4397	100.10

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.45	6.40	6.075	6.1225	6.135	6.120

INDIA YIELD CURVE



BOND MARKET

The 10-year benchmark recorded a close of 6.7676%, ending 4.01 bps lower than the close of the previous day's trading session. Yields traded in the range of 6.7349 to 6.8018 during the day.

DOMESTIC BROADCAST

The RBI's Monetary Policy Committee kept the repo rate unchanged at 6.5% and maintained India's FY25 GDP growth forecast at 7.2%. RBI Governor Shaktikanta Das noted inflation is expected to rise to 4.8% in Q3, with moderation likely to be slow and uneven.

RBI Governor Shaktikanta Das announced that retail inflation for FY25 is projected at 4.5%, aided by a healthy monsoon and stable supply. Food inflation is expected to ease later in the year. The RBI MPC's quarterly CPI estimates are 4.1% for Q2, 4.8% for Q3, and 4.2% for Q4.

On October 8, 2024, the overnight money market volume was ₹524,659.73 crore at a 6.24% average rate. Net liquidity absorption was ₹164,088.54 crore.

GLOBAL BROADCAST

German exports rose by 1.3% in August, driven by strong demand from the U.S. and U.K., defying expectations of a 1.0% decline. Despite this second consecutive increase, Volker Treier of the German Chamber of Commerce warned that high energy costs, taxes, and bureaucracy still weigh on the export economy. Germany's trade surplus grew to €22.5 billion in August, up from €16.9 billion in July.

The dollar remains strong after Friday's robust payroll report, with markets now favoring a 25 bps Fed rate cut in November over a 50-bps cut. The CME Fed Watch tool shows an 85% chance of a quarter-point reduction, with a small possibility of no change. Investors await the Fed's September meeting minutes for insights on the recent 50 bps cut, though recent policymaker comments may limit new revelations. The upcoming September CPI report on Thursday is also expected to influence the Fed's outlook.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 274.56 bps, 6.79bps 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 0.6 bp.
5 Years vs 2 Years bond spread is 14.61 bp.
10 Years vs 2 Years bond spread is 22.71 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower compared to the previous day, the market experienced higher liquidity and positive movement following the outcomes associated with the RBI MPC meeting. The yield is projected to fluctuate between 6.75% and 6.80%.