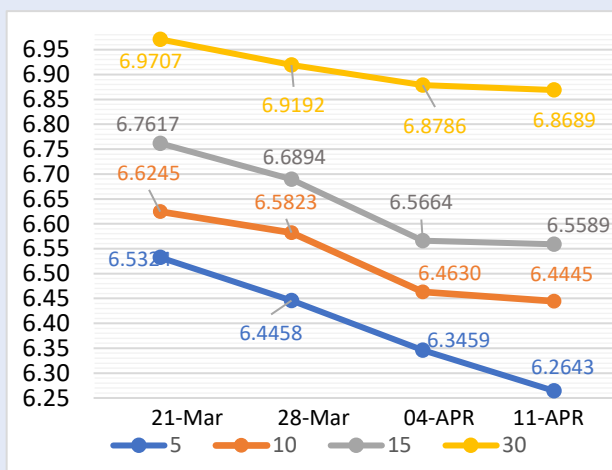
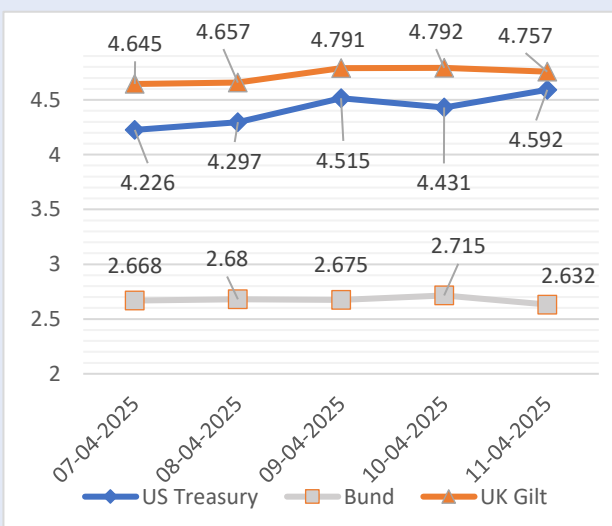


13TH APRIL 2025
MARKET OVERVIEW

	7 APR	8 APR	9 APR	10 APR	11 APR
USD/INR	85.9	86.3	86.7	86.3	86.3
OIL	67.43	65.21	66.02	66.08	65.08
GOLD	3084	3037	3118	3195	3263
India 10 Y	6.4836	6.4747	6.4432	-	6.4445
US 10 Y	4.226	4.297	4.515	4.431	4.592
NIFTY 50	22242	22547	22420	-	22842
SENSEX	73321	74273	73904	-	75223

INDIA BOND YIELD (%)

KEY 10-YR YIELDS (%)

Key headlines from the week:

The 10-year benchmark yield concluded the week at 6.4445 at 1.85 bps lower the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (1.85 bps below), 10Y UST (55 bps above), 10Y Bund (7.5 bps above), and 10Y UKT (22 bps above).

The U.K. economy expanded by 0.5% in February, rebounding from a 0.1% contraction in January and outperforming expectations of 0.1% growth, driven largely by a 0.3% rise in services. This positive surprise lifted the pound and the FTSE 100 index. However, economists caution that the momentum may not last amid rising business taxes, household bills, and global trade tensions—especially following new U.S. tariffs that increase costs for British exports and Chinese imports.

Despite market expectations of 125 bps in RBA rate cuts, Capital Economics sees only a 50-bps reduction, citing Australia's resilience and weak links between consumer sentiment and spending.

The U.S. budget deficit for March 2025 fell 32% year-on-year to \$161 billion, mainly due to a calendar shift in benefit payments. However, without the shift, the deficit would have been \$244 billion, up 11%. Customs duties rose to \$8.2 billion in March, boosted by recent Trump-imposed tariffs, though his claim of collecting \$2 billion daily is exaggerated. For the first half of fiscal 2025, the deficit hit \$1.307 trillion—up 23% and the second highest on record—driven by a 10% rise in spending to \$3.567 trillion, including higher interest, Social Security, and healthcare costs. Receipts rose 3% to a record \$2.260 trillion.

Liquidity Operation

Date	VRR	MSF	SDF
Mar 31	-	8244	385176
Apr 1	-	2804	357282
Apr 2	9170	176	413054
Apr 3	6012	1494	259087
Apr 4	12419	2167	208842
Apr 5	-	3959	181582

MONEY MARKET SNAPSHOT

Item	Week Ended		
	APR 5. 2024	MAR 28. 2025	APR 4. 2025
	1	2	3
Call Money	15444	27595	17637
Notice Money	7511	6082	9107
Triparty Repo	602875	818746	653565
Market Repo	619031	671533	564475
Repo in Corporate Bond	8085	6386	5897

Most Actively Traded Debt.

Paper	Yield (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25D 7.40 BD 29AP30 FVRS1LAC	7.0058	101.6442
SAMMAAN CAPITAL LIMITED 9.75 NCD 12AP28 FVRS1LAC	9.8992	99.3773
TATA CAPITAL LIMITED SR A 7.97 NCD 19JL28 FVRS10LAC	7.5845	100.9889
LIC HOUSING FINANCE LTD TR 439 7.73 NCD 22MR34 FVRS 1LAC	7.3671	102.29

Indian Market update:

The RBI Governor Sanjay Malhotra-led MPC cut repo rate by 25 basis points (bps) to 6% amid cooling inflation and slowing economic growth. Moreover, the central bank also shifted the policy stance to 'accommodative' from 'neutral'.

India's industrial production growth slowed sharply to 2.9% year-on-year in February 2025, down from an upwardly revised 5.2% and falling short of market expectations of 4.0%. Industrial Production in India averaged 5.98 percent from 1994 until 2025, reaching an all-time high of 133.50 percent in April of 2021 and a record low of -57.30 percent in April of 2020.

Indian companies are set to raise \$4.5 billion via bonds in early April, taking advantage of a sharp drop in yields and surplus banking liquidity, as strong investor demand and RBI bond purchases create favorable borrowing conditions.

India's outward FDI commitments rose 20% year-on-year to \$5.81 billion in March 2025, driven by a sharp rise in loan commitments, despite declines in equity and guarantees. In Q4 FY25, total outward FDI stood at \$10.32 billion, with top destinations being Singapore, Mauritius, and the U.S. Cumulatively, actual outward FDI for April 2024–January 2025 reached \$20.19 billion, up from \$11.78 billion in the same period the previous year.

On a review of current and evolving liquidity conditions, the Reserve Bank has decided to conduct an OMO purchase auction of Government of India securities for an aggregate amount of ₹40,000 crore to be held on April 17, 2025.

In the SDL auction conducted on 8th April, 3 states raised an aggregate amount of ₹ 3000 Cr.

Upcoming auction schedule:

- **15th April** – RBI announced the SDL auction, in which 3 states will be raising aggregating to 3000 crores.
- **16th April** – RBI announced the auction of T bills for 91 days, 182 days, and 364 days for 9000, 5000, & 5000 crores respectively.

INR – DOLLAR EXCHANGE

	7 APR	8 APR	9 APR	10 APR	11 APR
OPEN	85.6	85.9	86.3	86.1	86.2
HIGH	85.9	86.3	86.7	86.3	86.2
LOW	85.8	85.8	86.3	86.1	85.9
CLOSE	85.8	86.2	86.6	86.1	86.1

INTEREST RATES

COUNTRY	CURRENT	PREVIOUS
INDIA	6.00	6.25
USA	4.50	4.50
UK	4.5	4.5
CHINA	3.35	3.35
EURO AREA	2.65	2.65
JAPAN	0.50	0.50

WEEK AHEAD KEY EVENTS

DATE	EVENTS
14-Apr	India, Thailand Market Holiday, Japan Industrial Production, India WPI
15-Apr	Australia RBA Meeting Minutes, Eurozone Industrial Production, United States Export and Import Prices, Eurozone ZEW Economic Sentiment,
16-Apr	Eurozone Inflation, United States Industrial Production, United Kingdom Inflation,
17-Apr	Eurozone ECB Interest Rate Decision, Japan Trade, Germany PPI, South Korea Interest Rate Decision, United States Building Permits, Housing Starts
18-Apr	Japan Inflation, Malaysia GDP, Italy Trade

Currency Movement:

The Indian rupee weakened by 0.73% from April 1 to April 11, making it the second-worst performing Asian currency after the Indonesian rupiah. This depreciation came despite a sharp drop in the U.S. dollar index, as foreign fund outflows and weak domestic equity markets restricted gains. Analysts cited that the upbeat domestic economic data and the RBI's recent rate cut failed to attract foreign investors amid global risk aversion.

On April 2, U.S. President Donald Trump imposed aggressive reciprocal tariffs on key trading partners, including a 26% tariff on Indian imports, claiming unfair trade practices. The announcement led to a global selloff in equities, triggering foreign outflows from India and further weakening the rupee. The broader concern over escalating trade wars added pressure on emerging market currencies and global investor sentiment.

Amid growing backlash from business leaders, Republicans, and investors, Trump announced a 90-day pause on the new tariffs for all countries except China, which saw its import duty raised dramatically to 125%.

Key updates and week ahead:

The Bank of Canada is expected to deliver another 25-bps rate cut in April amid worsening economic conditions, including the sharpest drop in private sector output since June 2020 and continued job losses. Upcoming inflation data will be key, especially with mixed signals on price pressures.

The ECB is expected to cut rates in April as inflation pressures ease, despite only modest eurozone growth. In the UK, upcoming inflation and employment data follow signs of slower services price increases and ongoing job losses for a sixth straight month.

The Bank of Korea may cut rates in April to support growth amid economic headwinds. Key APAC data include China's Q1 GDP and March activity indicators, expected to show modest improvement. Australia's jobs data and Japan's inflation and trade figures will also be closely watched.