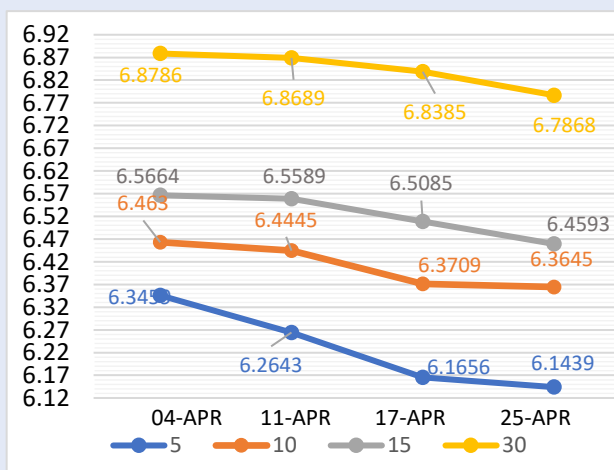
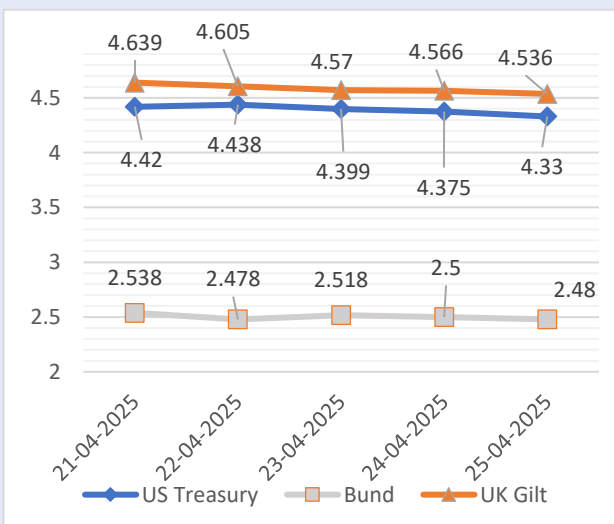


26TH APRIL 2025
MARKET OVERVIEW

	21 APR	22 APR	23 APR	24 APR	25 APR
USD/INR	85.37	85.23	85.53	85.67	85.66
OIL	67.72	68.04	68.65	67.02	67.18
GOLD	3442	3509	3396	3377	3384
India 10 Y	6.3164	6.3201	6.3294	6.3216	6.3645
US 10 Y	4.420	4.438	4.399	4.375	4.330
NIFTY 50	24120	24141	24282	24244	23992
SENSEX	79366	79475	80001	79801	79091

INDIA BOND YIELD (%)

KEY 10-YR YIELDS (%)

Key headlines from the week:

The 10-year benchmark yield concluded the week at 6.3645 at 0.64 bps lower the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (0.64 bps below), 10Y UST (9 bps below), 10Y Bund (5 bps below), and 10Y UKT (10 bps below).

Asian bonds saw their highest foreign inflows in seven months in March, with \$7.16 billion in net purchases, as investors sought safer assets amid U.S. tariff concerns and global recession fears. Rate cut hopes and easing by central banks in India and the Philippines boosted sentiment. South Korea led with \$3.99 billion in inflows, followed by India (\$1.11B), Indonesia (\$900M), Malaysia (\$732M), and Thailand (\$421M).

Japan's CPI rose 3.6% in March, with core inflation accelerating to 3.2% due to persistent food price increases, complicating the Bank of Japan's rate path. Underlying inflation excluding food and energy hit 2.9%, staying above the BoJ's 2% target.

U.S. jobless claims rose to 222,000 for the week ending April 19, matching expectations and slightly up from 216,000 the prior week. The four-week moving average dipped to 220,250, indicating labour market stability despite tariff-related economic uncertainty.

U.K. retail sales unexpectedly rose 0.4% in March, defying forecasts of a 0.3% decline, and were up 2.6% year-on-year, surpassing expectations despite declining consumer confidence due to recent U.S. tariffs. A survey by the British Retail Consortium showed sentiment about the economy fell sharply in April.

Liquidity Operation

Date	VRR	MSF	SDF
Apr14	-	8324	139007
Apr 15	9564	32	177126
Apr 16	10346	102	188292
Apr 17	32245	2018	256201
Apr 18	-	3	211023
Apr 19	-	5036	134001

MONEY MARKET SNAPSHOT

Item	Week Ended		
	APR 19. 2024	APR 11. 2025	APR 18. 2025
	1	2	3
Call Money	16675	25074	22900
Notice Money	6753	1582	11120
Triparty Repo	745111	679080	827215
Market Repo	715487	695612	810602
Repo in Corporate Bond	3449	6319	6241

Most Actively Traded Debt.

Paper	Yield (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25A 7.70 BD 30SP27 FVRS1LAC	6.9321	101.5810
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR III 7.34 BD 26FB29 FVRS1LAC	6.9405	101.2777
POWER FINANCE CORPORATION LIMITED SR 238 7.55 BD 15AP27 FVRS1LAC	6.9300	101.0938
BAJAJ FINANCE LIMITED 7.82% NCD 31JN34 FVRS1LAC	7.4940	101.9930

Indian Market update:

India's central bank has cut rates by 25 basis points to 6% on April 9, marking the second consecutive reduction, and infused over \$70 billion into the banking system via bond purchases and FX swaps. Despite these efforts, growth—estimated to have slowed to a four-year low of 6.5% in FY 2024–25—may not revive quickly, as global uncertainties continue to weigh on corporate investment. Banks are parking around ₹2 trillion (\$23.41 billion) with the RBI's overnight facility, compared to ₹750 billion in January, reflecting subdued lending activity. While corporate bond yields have dropped 45–60 bps and lending rates have eased, analysts note that private capex, driven more by demand than capital costs, may remain sluggish. Inflation fell below the RBI's 4% target in February and March, enabling monetary easing, but experts emphasize that fiscal support is also crucial, as the RBI's efforts alone may not be sufficient to boost growth.

India's private sector growth hit an eight-month high in April, driven by strong demand and a record surge in foreign orders for manufactured goods, especially amid a 90-day pause on U.S. tariffs. The HSBC Flash India Composite PMI rose to 60.0, led by robust manufacturing and services growth. Output, employment, and export demand all improved sharply, though overall business sentiment softened due to concerns over global trade tensions, particularly in the services sector.

India's upcoming bond forwards, effective May 2, are expected to boost demand for higher-yielding state development loans (SDLs), lowering borrowing costs for state governments and deepening the local bond market.

In the SDL auction conducted on 22 Nd April, 4 states raised an aggregate amount of ₹ 10,870 Cr.

Upcoming auction schedule:

- **29TH April** – RBI announced the SDL auction, in which 11 states will be raising aggregating to 24,700 crores.
- **30TH 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

	21 APR	22 APR	23 APR	24 APR	25 APR
OPEN	85.3	85.1	85.2	85.5	85.2
HIGH	85.3	85.2	85.5	85.6	85.6
LOW	85.0	85.0	85.2	85.2	85.0
CLOSE	85.1	85.1	85.3	85.2	85.3

INTEREST RATES

COUNTRY	CURRENT	PREVIOUS
INDIA	6.00	6.25
USA	4.50	4.50
UK	4.5	4.5
CHINA	3.10	3.35
EURO AREA	2.40	2.65
JAPAN	0.50	0.50

WEEK AHEAD KEY EVENTS

DATE	EVENTS
28-APR	India Industrial Production
29-APR	Eurozone Economic Sentiment, Spain Inflation, Spain GDP, United States Wholesale Inventories, United States Goods Trade Balance
30-APR	Eurozone GDP, United States ADP Employment Change, United States Core PCE Price Index, United States GDP
1-MAY	Japan BoJ Interest Rate Decision, United States ISM Manufacturing PMI, Australia Trade
2-MAY	United States Non-Farm Payrolls, Unemployment Rate, Average Hourly Earnings, Japan Unemployment Rate, Worldwide Manufacturing PMIs, incl. global PMI, Japan Unemployment Rate

Currency Movement:

The Indian rupee closed lower on Friday, weakening by 0.2% to settle at 85.45 against the U.S. dollar, compared to its previous close of 85.26. The trading session was marked by heightened volatility, with the currency fluctuating in a range of 85.09 to 85.6550. Market sentiment remained cautious as investors closely monitored geopolitical developments, particularly concerns over a potential escalation in tensions with Pakistan following a recent militant attack in Kashmir earlier this week.

In February, the Reserve Bank of India (RBI) recorded a net sale of \$1.62 billion in the spot forex market, purchasing \$45.03 billion and selling \$46.65 billion, according to its April 22 monthly bulletin. This marked a significant drop from January's net sale of \$11.14 billion. The Indian rupee appreciated 0.5% in March 2025, supported by foreign portfolio inflows and year-end dollar receipts, though volatility persisted due to global uncertainties. However, the rupee's real effective exchange rate (REER) declined 1% month-on-month, attributed to nominal depreciation and a wider inflation gap with key trading partners. As of April 11, India's forex reserves stood at \$677.8 billion—enough to cover 11 months of imports and 94% of external debt—ranking as the fourth largest globally.

Key updates and week ahead:

The U.S. will release its Q1 GDP advance estimate midweek, with PMI data suggesting sluggish growth or possible contraction. April payrolls, core PCE, goods trade, and factory orders will also be closely watched, especially for tariff impacts.

The eurozone will release Q1 GDP and April flash inflation data, with expectations of modest growth and easing price pressures per recent PMI findings.

Key APAC data releases include Japan's industrial production, retail sales, and consumer confidence, Hong Kong SAR GDP, and Australia's inflation and trade figures. Meanwhile, the Bank of Thailand and Bank of Japan hold policy meetings, with markets closely watching the BoJ's stance amid rising inflation, though no rate changes are expected yet.