

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	88.024	-0.17
BRENT OIL	75.77	+1.23
GOLD	2935.62	+1.24
India 10Y	6.7128	+0.13
US 10 YR	4.507	+0.16
NIFTY 50	23381.60	-0.76
SENSEX	77311.80	-0.70

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.5100	6.4000
G-SEC 2028	6.6296	6.6149
G-SEC 2033	6.7754	6.7698
G-SEC 2037	6.8791	6.8667
G-SEC 2053	7.0369	7.0249
SDL 2027	6.8630	6.7805
SDL 2033	7.0110	7.0341

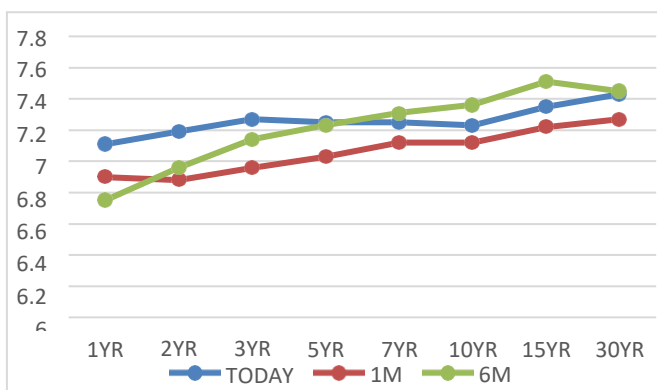
ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NUVAMA WEALTH FINANCE LIMITED SR I7L403A BR NCD	11.7500	101.2882
NATIONAL BANK FOR FINANCING INFRASTRUCTURE AND DEVELOPMENT	7.2450	99.8900
POWER FINANCE CORPORATION LIMITED SR 245A 7.24 BD 15JN35 FVRS1LAC	7.2365	100.00
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED	9.1541	102.9108

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.3700	6.3570	6.1400	6.1350	6.1450	6.1525

INDIA YIELD CURVE



BOND MARKET

The 10-year benchmark recorded a close of 6.7128%, ending 0.85 bps higher than the close of the previous day's trading session. The yield was in the range of 6.6916 to 6.7284.

DOMESTIC BROADCAST

Union Minister Jyotiraditya Scindia highlighted the Modi government's surge in infrastructure investment to ₹11 lakh crore, boosting highways, railways, telecom, and banking reforms. India's GDP grew 6.5%, with targets to become the third-largest economy by 2027 and a \$6 trillion economy by 2030. Banking NPAs fell from 11.5% in 2014 to 2.6%, aiding credit expansion. BharatNet and postal services are being expanded to enhance rural connectivity and logistics.

On February 7, the RBI reported ₹ 561163.45 at 6.26 market activity in the overnight and term segments. Under RBI operations, MSF saw ₹12223 crore at 6.50%, and SDF saw ₹78315 crore at 6.00%. The net liquidity absorbed totaled ₹107780.42 crore.

GLOBAL BROADCAST

China's CPI rose 0.7% MoM and 0.5% YoY in January, driven by Lunar New Year demand, but underlying disinflation persists. PPI fell 2.3% YoY, marking over two years of contraction, highlighting weak industrial demand. Deflation concerns may push Beijing toward more fiscal stimulus amid U.S. trade policy risks.

Japan's current account surplus hit a record ¥29.3T (\$192.67B) in 2024, driven by strong returns on foreign investments, despite a trade deficit. While exports improved, primary income from overseas assets remained the key contributor. However, much of this income is reinvested abroad, limiting yen support. The U.S. is pressuring Japan to reduce its \$68.5B trade surplus.

Traders in China's Yiwu export hub remain unfazed by U.S. President Donald Trump's tariffs, having pre-emptively adjusted their strategies, including setting up factories abroad. While the repeal of the 'de minimis' rule may impact platforms like Temu and Shein, businesses expect to absorb costs or pass them to consumers. With China preparing counter-tariffs, trade tensions between the two largest economies are set to escalate.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 220.58 bps, 0.22 bps higher than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities

2 Years vs 1 Years bond spread is 6.3 bps.

5 Years vs 2 Years bond spread is 6.83 bps.

10 Years vs 2Years bond spread is 9.97 bps.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended higher than the previous, the yield will be influenced by the inflation data which will be released on Wednesday. We expect the yield to fluctuate between 6.68% to 6.72%.