

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	84.852	0.11
BRENT OIL	73.65	0.10
GOLD	2753.51	-0.30
India 10 YR	6.7819	0.30
US 10 YR	4.268	0.28
NIFTY 50	24548.70	-0.38
SENSEX	81709.12	-0.069

G-SEC / BONDS YIELDS

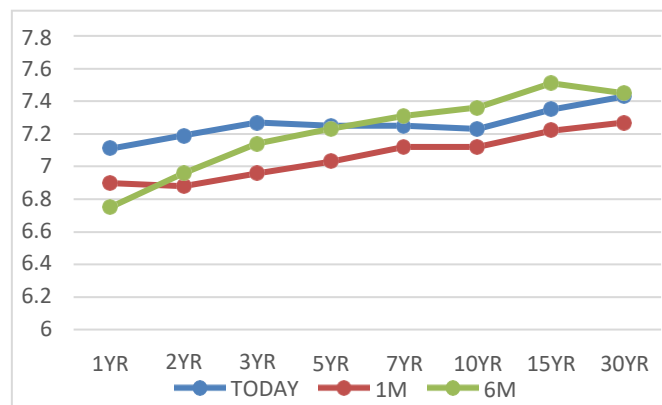
SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.43	6.35
G-SEC 2028	6.6749	6.6436
G-SEC 2033	6.8072	6.7770
G-SEC 2037	6.8673	6.8415
G-SEC 2053	6.9827	6.9669
SDL 2027	6.8401	7.0905
SDL 2033	7.062	7.0925

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
SHRIRAM FINANCE LIMITED SR PPD XXI OP2 TR3 9.20 NCD 22MY26 FVRS1LAC	8.6602	101.0469
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR I 2024-25 D 9.35 NCD 31DC30 FVRS1LAC	9.2796	100.63
NATIONAL BANK FOR FINANCING INFRASTRUCTURE AND DEVELOPMENT SR NABFID2023 I 7.43 BD 16JU33 FVRS1LAC	7.19	101.3961
HDFC BANK LIMITED SR Z001 6 NCD 29MY26 FVRS10LAC	7.75	97.6716

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.40	6.405	6.09	6.09	6.0275	6.035

INDIA YIELD CURVE

BOND MARKET

The 10-year benchmark recorded a close of 6.7819%, ending 2.05 bps higher than the close of the previous day's trading session. Yields traded in the range of 6.7657 to 6.7870 during the day.

DOMESTIC BROADCAST

India's retail inflation eased to 5.5% in November, down from 6.2% in October, as food inflation moderated to 9% from 10.9%. This aligns with a Moneycontrol poll forecast and marks the third consecutive month of consumer prices staying above 5%. Despite the decline, the RBI raised its inflation forecast for FY24 to 4.8% from 4.5% due to persistent inflationary pressures, maintaining policy rates for the eleventh time in December. Inflation is expected to cool further from January, with the Asian Development Bank projecting a decline to 4.3% by FY26. Experts anticipate a potential 25-bps rate cut in February as consumer prices ease.

Money market operations on December 04, 2024: Overnight segment totaled ₹587,676.92 crores at a 6.66% weighted average rate. The segment's significant operations included triparty repo at ₹1107.27 crore and 6.70%. RBI's net liquidity absorption stood at ₹47129.39 crore.

GLOBAL BROADCAST

Germany's economic recovery remains elusive, with major institutes revising forecasts downward. The IfW Kiel Institute expects stagnation in 2024, a 0.2% contraction this year, and reduced growth estimates for 2025 and 2026. DIW Berlin projects 0.2% growth in 2025 and 1.2% in 2026, citing cyclical downturns, structural issues, rising costs, and competition from China. The Ifo Institute outlines two scenarios: 0.4% growth if challenges persist or 1.1% if economic policies improve. Tight monetary policies and weak industrial orders weigh on growth, though easing inflation and improved purchasing power offer some relief, with inflation forecast at 2.3% for 2024 and 2.0% for 2026.

European stocks dipped slightly on Thursday, with the STOXX 600 down 0.1% as investors awaited an expected ECB rate cut amid slowing growth and political risks. Retail stocks lagged, automakers led gains, and eurozone banks rose 0.4% on rate cut expectations, with traders eyeing a likely 25 bps or 50 bps reduction. Swiss stocks climbed as the Swiss National Bank delivered a 50 bps rate cut, its largest in nearly a decade, to curb franc appreciation.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 251.39 bps, 1.95 bps 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 1.71 bp.
5 Years vs 2 Years bond spread is 0.04 bp.
10 Years vs 2Years bond spread is 12.3 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended higher compared to the previous day. The yield is projected to fluctuate between 6.73% and 6.78%.