

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	83.896	0.06
BRENT OIL	80.52	-0.21
GOLD	2507.8	0.14
India 10Y	6.8580	-1.076
US 10 YR	3.857	-0.60
NIFTY 50	24,134.35	-0.019
SENSEX	79,074.52	0.15

G-SEC / BONDS YIELDS

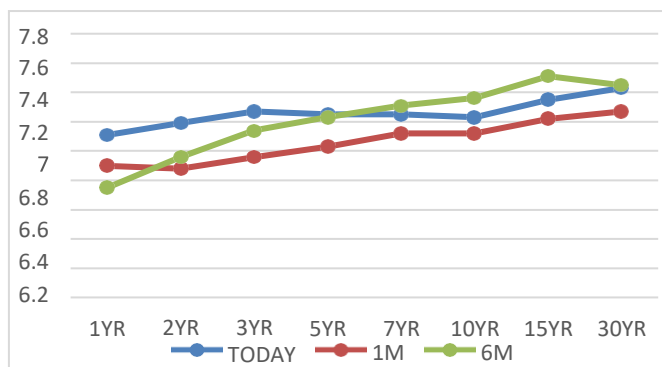
SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.7150	6.7151
G-SEC 2028	6.7745	6.7985
G-SEC 2033	6.8984	6.9221
G-SEC 2037	6.9250	6.9461
G-SEC 2053	7.0192	7.0335
SDL 2027	7.0307	7.21
SDL 2033	7.2153	-

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
REC LIMITED SR 237 7.55 BD 31OT26 FVRS1LAC	7.5729	100.00
AXIS FINANCE LIMITED SR 6 8.05 NCD 25AP28 FVRS1LAC	8.0242	99.995
HDFC BANK LIMITED SR US005 7.80 NCD 02JU25 FVRS1LAC	7.8895	99.8382
NATIONAL HIGHWAYS AUTHORITY OF INDIA 8.48 BD 22NV28 FVRS10LAC	5.1938	112.366
NATIONAL HIGHWAYS AUTHORITY OF INDIA SR IIA 7.39 BD 09MR31 FVRS1000	5.1769	111.96
SAMMAAN CAPITAL LIMITED 9.75 NCD 12AP28 FVRS1LAC	9.7519	100.00

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.505	6.515	6.2175	6.195	6.095	6.0825

INDIA YIELD CURVE

BOND MARKET

The 10-year benchmark recorded a close of 6.8632%, ending 7.46 bps lower from the close of the previous day's trading session. Yields traded in the range of 6.8566 to 6.8750 during the day.

DOMESTIC BROADCAST

The RBI conducted an auction for Treasury bills of 91 days, 182 days, and 364 days to raise 8,000crore, 6,000crore, and 6,000 crores respectively aggregating to Rs. 20,000 Cr. with a cutoff yield of 6.6152%, 6.7282%, and 6.724% respectively.

India's wholesale inflation, which had reached a 16-month high of 3.36% in June, cooled significantly in July, dropping to 2.04%. This decrease, attributed to lower food prices and primary articles, marks the lowest inflation rate in the last three months. The July figure was lower than economists' expectations of 2.39%. The Wholesale Price Index (WPI), reflecting producers' prices, has been positive since November 2023, contrasting with a negative -1.23% a year ago. Food inflation, a key driver of the index, also saw a sharp decline to 3.55% in July, down from 8.68% in June.

On August 13, 2024, the overnight money market volume was ₹513,673.92 crore at a 6.37% average rate. Net liquidity absorption was ₹125,501.95 crore.

GLOBAL BROADCAST

The UK's annual consumer price inflation rose to 2.2% in July, slightly below the 2.3% forecast, after two months at the Bank of England's (BoE) 2% target. This increase caused the British pound to drop sharply against the U.S. dollar, and financial markets responded by raising the likelihood of a BoE interest rate cut in September to 44%, up from 36% earlier. The BoE, which had cut rates from a 16-year high of 5.25% earlier in the month, anticipated inflation to climb further, reaching 2.4% in July and possibly 2.75% by year's end. Inflation is expected to stabilize at 2% by mid-2026.

The U.S. annual inflation rate slowed to 2.9% in July 2024, the lowest since March 2021, down from 3% in June and below expectations. On a monthly basis, the Consumer Price Index (CPI) rose 0.2%, rebounding from a 0.1% decline in June, with shelter costs contributing to nearly 90% of the increase.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 300.01 bps, 3.24 bps higher than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities.

2 Years vs 1Year bond spread is 1.02 bp.

5 Years vs 2 Years bond spread is 4.26 bp.

10 Years vs 2Years bond spread is 10.8 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower compared to the previous day, investors responded positively to the inflation data and the market maintained good liquidity and active trading. The yield is projected to fluctuate between 6.84% and 6.86%.