

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	86.952	-0.10
BRENT OIL	71.08	+1.37
GOLD	2997.69	+0.32
India 10Y	6.6896	-0.11
US 10 YR	4.309	-0.16
NIFTY 50	22509.65	+0.50
SENSEX	74169.95	+0.46

G-SEC / BONDS YIELDS

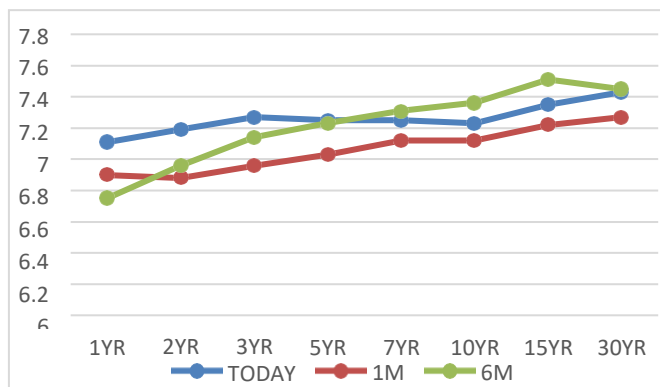
SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.4500	6.5000
G-SEC 2028	6.5819	6.5883
G-SEC 2033	6.7415	6.7494
G-SEC 2037	6.8397	6.8498
G-SEC 2053	7.0045	7.0228
SDL 2027	6.8847	6.8895
SDL 2033	7.1552	7.1665

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR	7.4835	99.6638
SAMMAAN CAPITAL LIMITED 9.75 NCD 12AP28 FVRS1LAC	9.9851	99.3400
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED	9.0727	99.5386
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR	9.1609	102.8400

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.1100	6.1100	5.9025	5.9000	5.9600	5.9500

INDIA YIELD CURVE

BOND MARKET

The 10-year benchmark recorded a close of 6.6986%, ending 0.71 bps higher than the close of the previous day's trading session. The yield was in the range of 6.6864 to 6.6975.

DOMESTIC BROADCAST

India's wholesale inflation rose to 2.38% in February from 2.31% in January, slightly above economist projections, driven by higher prices of some fruits and vegetables despite an overall easing trend. Wholesale food prices increased 5.94%, with potatoes, onions, and fruits rising 21-48%, while vegetable prices declined 5.80%. Cereal inflation moderated to 6.77% from 7.33% in January, and manufactured product prices, which make up 64% of the index, rose 2.86%. Fuel and power prices fell 0.71% year-on-year. Retail inflation, however, dropped below the RBI's 4% target, strengthening expectations for further interest rate cuts.

On March 13, the RBI reported ₹ 9053.07 at 6.17% market activity in the overnight and term segments. Under RBI operations, MSF saw ₹39 crore at 6.50%, and SDF saw ₹100110 crore at 6.00%. The net liquidity absorbed totaled ₹154916.52 crore.

GLOBAL BROADCAST

The Bank of England is expected to keep interest rates on hold at 4.5% on Thursday, with gradual cuts likely in May, August, and November, as it navigates economic uncertainty from Trump's trade policies and mixed UK data. While Britain's economy unexpectedly contracted in January, inflation expectations have risen, and labor market data due Thursday may indicate a slowdown in hiring. The BoE is also expected to factor in potential fiscal tightening from finance minister Rachel Reeves' March 26 budget, with economists now forecasting UK inflation to average 3.0% in 2025, up from 2.8% previously.

China's industrial output grew 5.9% in early 2025, exceeding forecasts, as stimulus boosted production ahead of new U.S. tariffs. Retail sales rose 4.0%, driven by subsidies and Lunar New Year spending, while fixed asset investment jumped 4.1%. However, unemployment edged up to 5.4%, signalling economic challenges. Beijing is expected to roll out further support to offset trade war impacts.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 238.06 bps, 2.01 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 1.66 bps.
 5 Years vs 2 Years bond spread is 6.67 bps.
 10 Years vs 2Years bond spread is 13.98 bps.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended slightly lower than the previous. We expect the yield to fluctuate between 6.65% to 6.70%.