

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	85.166	0.20
BRENT OIL	73.08	-0.42
GOLD	2601.61	-1.25
India 10 YR	6.8216	0.52
US 10 YR	4.516	2.83
NIFTY 50	23951.70	-1.02
SENSEX	79218.50	-1.20

G-SEC / BONDS YIELDS

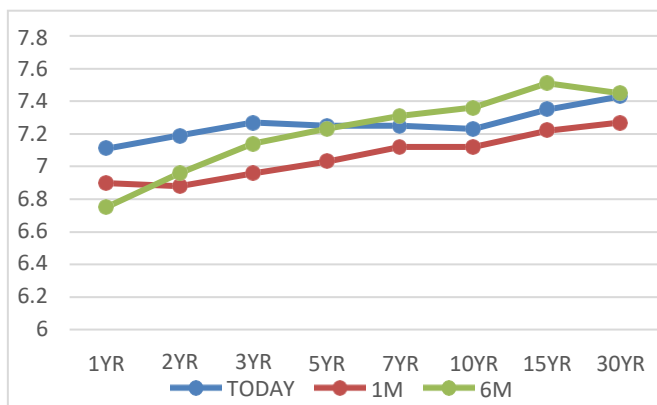
SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.55	6.60
G-SEC 2028	6.7080	6.7046
G-SEC 2033	6.8362	6.7992
G-SEC 2037	6.8866	6.8507
G-SEC 2053	7.0144	6.7949
SDL 2027	-	6.9314
SDL 2033	7.08	7.0598

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
ADITYA BIRLA FINANCE LIMITED SR SA1 8.31 NCD 11JL34 FVRS1LAC	8.2603	100.22
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25D 7.40 BD 29AP30 FVRS1LAC	7.4507	99.82
HDB FINANCIAL SERVICES LIMITED SR 19 8.40 BD 22DC33 FVRS1LAC	8.2566	11.85
STATE BANK OF INDIA SR 1 AT1 7.98 BD PP FVRS1CR	7.8947	100.5988

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.5125	6.5350	6.24	6.27	6.1625	6.1950

INDIA YIELD CURVE

BOND MARKET

The 10-year benchmark recorded a close of 6.8216%, ending 3.55 bps higher than the close of the previous day's trading session. Yields traded in the range of 6.8187 to 6.8328 during the day.

DOMESTIC BROADCAST

India leads global remittance inflows in 2024 with \$129 billion, followed by Mexico, China, the Philippines, and Pakistan, as per the World Bank. Global remittances to low- and middle-income countries are projected at \$685 billion, growing 5.8% from 2023, driven by post-COVID job market recovery in high-income OECD countries, particularly the U.S. Remittances continue to surpass FDI, widening the gap due to migration pressures from demographic trends, income disparities, and climate change. South Asia sees the highest growth at 11.8%, fueled by flows to India, Pakistan, and Bangladesh. The report urges leveraging remittances for poverty reduction, health, education, and financial inclusion.

Money market operations on December 18, 2024: Overnight segment totaled ₹592544.43 crores at a 6.53% weighted average rate. The segment's significant operations included triparty repo at ₹1183 crore and 6.49%. RBI's net liquidity absorption stood at ₹104225 crore.

GLOBAL BROADCAST

The Federal Reserve cut rates by 25 bps to 4.25%-4.50% in December, signalling a "hawkish rate cut" with nuanced forward guidance hinting the cutting cycle may be nearing its end. The Summary of Economic Projections (SEP) suggests only two rate cuts in 2025, amid rising inflation concerns and upward revisions to inflation (2.5% PCE) and long-term rate expectations (3.0%). Economic forecasts show stronger growth and lower unemployment, but risks now tilt toward higher inflation, partly linked to fiscal and trade policies. Chair Jerome Powell emphasized a slower pace of rate cuts, citing cooling labor markets and lingering inflation uncertainties, while downplaying the direct impact of tariffs.

Oil prices dipped slightly as the Fed signalled slower rate cuts in 2025, strengthening the dollar and pressuring demand. Brent crude settled at \$73.36, WTI at \$70.56. Despite falling U.S. crude stocks and rising exports, global demand growth remains below forecasts, raising concerns of a 2025 supply surplus despite OPEC+ cuts.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 230.56 bps, 14.11 bps lower than the closing of the previous day.

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

5 Years vs 2 Years bond spread is 1.51 bp.
10 Years vs 2Years bond spread is 10.34 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended higher compared to the previous day. The yield is projected to fluctuate between 6.78% and 6.85%.