

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	83.765	0.19
BRENT OIL	77.2	0.08
GOLD	2550.6	-0.18
India 10Y	6.8578	0.025
US 10 YR	3.819	-1.34
NIFTY 50	24,770.20	0.29
SENSEX	80,802.86	0.47

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.71	6.70
G-SEC 2028	6.7919	6.787
G-SEC 2033	6.8923	6.8901
G-SEC 2037	6.9106	6.9080
G-SEC 2053	6.9679	6.6705
SDL 2027	7.0604	7.2050
SDL 2033	-	7.2283

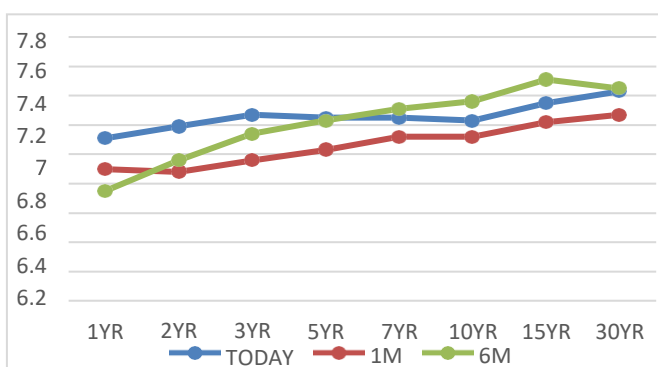
ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25B 7.64 BD 06DC29 FVRS1LAC	7.5114	100.53
HDFC BANK LIMITED SR US006 7.75 NCD 13JU33 FVRS1LAC	7.600	100.866
HDFC BANK LIMITED SR US002 7.80 NCD 03MY33 FVRS1LAC	7.600	101.1507
BAJAJ FINANCE LIMITED 7.93 NCD 02MY34 FVRS1LAC	7.8500	100.4363
INDIAN RAILWAY FINANCE CORPORATION LIMITED SR 181 7.37 BD 31JL29 FVRS1LAC	7.3553	100.1200

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.5125	6.5300	6.200	6.2200	6.090	6.1050

INDIA YIELD CURVE



BOND MARKET

The 10-year benchmark recorded a close of 6.8578%, ending 0.17 bps lower from the close of the previous day's trading session. Yields traded in the range of 6.84576 to 6.8578 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 6.6388%, 6.7239%, and 6.7284% respectively.

Foreign direct inflows increased by 26.4% to \$22.4 billion during April-June, marking significant growth. Sectors like manufacturing and financial services saw major investment, with countries such as Singapore and the US contributing. This uptick is promising for India's goal to attract more overseas investors diversifying beyond China.

GST on health insurance: Finance Minister Nirmala Sitharaman faced calls to remove GST on health and life insurance, stressing these taxes existed before GST. The discussion highlighted India's challenges in insurance affordability and penetration. Experts argue that reducing GST could lower premiums and improve accessibility.

On August 20, 2024, the overnight money market volume was ₹539,204.27 crore at a 6.38% average rate. Net liquidity absorption was ₹126,124.64 crore.

GLOBAL BROADCAST

Canada's annual inflation rate cooled to a 40-month low of 2.5% in July, matching forecasts, and core inflation measures eased as well, data showed on Tuesday, keeping the Bank of Canada on track to cut interest rates again in September.

Pay awards by British employers fell in the three months to July, with median basic pay rising 4.5% year-on-year, the smallest increase since April and down from 5% in the previous three months. This aligns with Bank of England expectations for slowing wage growth.

The S&P 500's recovery paused on Tuesday after eight consecutive days of gains, slipping 0.2%, its first decline since August 7. Futures on Wednesday provided little direction.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 303.9 bps, 5.39 bps higher than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities.
5 Years vs 2 Years bond spread is 2.56 bp.
10 Years vs 2Years bond spread is 9.79 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower compared to the previous day, however towards the end of day the bond market experienced a rise in yield and maintained lower liquidity. The yield is projected to fluctuate between 6.84% and 6.86%.