

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	84.07	0.01
BRENT OIL	73.19	1.35
GOLD	2738.70	0.42
India 10Y	6.8293	0.15
US 10 YR	4.097	0.86
NIFTY 50	24781.10	-0.29
SENSEX	81151.27	-0.09

G-SEC / BONDS YIELDS

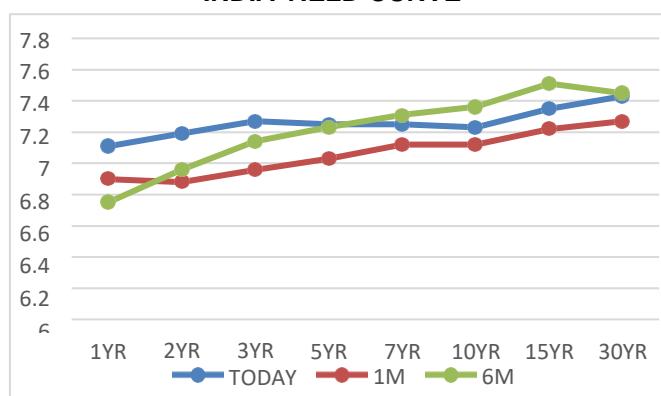
SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.45	6.50
G-SEC 2028	6.7345	6.7255
G-SEC 2033	6.8572	6.8413
G-SEC 2037	6.8847	6.8783
G-SEC 2053	6.9556	6.9666
SDL 2027	-	-
SDL 2033	7.07	-

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR III 7.34 BD 26FB29 FVRS1LAC	7.45	99.6175
POWER FINANCE CORPORATION LIMITED SR 242A 7.27 BD 15OT31 FVRS1LAC	7.325	99.6820
INDIAN RAILWAY FINANCE CORPORATION LIMITED SR 182 7.25 BD 29AG34 FVRS1LAC	7.17	100.5787
INDOSTAR CAPITAL FINANCE LIMITED OP III 10.30 NCD 25SP27 FVRS1000	10.7038	100.00

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.505	6.54	6.235	6.2625	6.21	6.25

INDIA YIELD CURVE

BOND MARKET

The 10-year benchmark recorded a close of 6.8293%, ending 1.0 bps Lower than the close of the previous day's trading session. The paper traded in the range of 6.8020 and 6.8436

DOMESTIC BROADCAST

Capital spending by 21 key Indian states is expected to grow by a modest 6.5% in FY25 to ₹6.5 lakh crore, with average GDP growth for these states projected at 11.2%, according to the NSE. These states account for over 95% of India's GDP. Punjab has the lowest capital spending ratio at 6.2%, while Gujarat leads at 36.2%.

On October 18, the RBI reported ₹ 6170.25 at 6.31 market activity in the overnight and term segments. Under RBI operations, MSF saw ₹54755 crore at 6.49%, and SDF saw ₹144586 crore at 6.25%. The net liquidity absorbed totaled ₹208694.13 crore.

GLOBAL BROADCAST

The U.S. budget deficit for fiscal 2024 grew to \$1.833 trillion, up 8% from the previous year, driven by rising federal debt interest surpassing \$1 trillion and increased spending on Social Security, healthcare, and the military. This marks the third-largest U.S. deficit in history, after the pandemic-era deficits of 2020 and 2021. The deficit, now at 6.4% of GDP, may challenge Vice President Kamala Harris in the upcoming election, as fiscal issues are key. A think-tank estimates Donald Trump's proposals would add \$7.5 trillion in new debt, more than twice Harris' projected \$3.5 trillion.

China's economy grew 4.6% in Q3 2024, slightly above forecasts but slower than the previous quarter's 4.7%. While consumption and factory output beat expectations, the property sector remains a major challenge. Despite recent stimulus measures, markets await more details for long-term economic stability. Authorities remain confident in reaching the 5% annual growth target, citing further policy support and additional cuts to banks' reserve requirements to boost recovery in Q4.

Oil prices rose on Monday, recovering from last week's more than 7% drop, driven by concerns over Chinese demand and easing worries about Middle East supply disruptions. Brent crude gained 1.6% to \$74.22 per barrel, while U.S.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 273.23 bps, 0.8 bps higher than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities

2 Years vs 1 Years bond spread is 11.62 bp
 5 Years vs 2 Years bond spread is 8.59 bp.
 10 Years vs 2 Years bond spread is 18.22 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended slightly higher than the previous, tracking upcoming outcomes associated with the global inflation data and rate cut news. We expect the yield to fluctuate between 6.80% to 6.85%.