

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	85.936	-0.07
BRENT OIL	64.54	+0.16
GOLD	3329	+0.82
INDIA 10YR	6.2107	-0.37
US 10YR	4.5250	-0.99
NIFTY50	24853.15	+0.99
SENSEX	81721.08	+0.95

G-SEC/BONDS YIELDS

SECURITY	LTY(%)TODAY	LTY(%)PREV DAY
364DTB	5.6600	5.6600
G-SEC2028	5.7698	5.7866
G-SEC2033	6.2337	6.2082
G-SEC2037	6.3782	6.4015
G-SEC2053	6.7939	6.8054
SDL2027	-	6.0249
SDL2033	6.5633	6.5402

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR I 2024-25 H 9.35 NCD 24NV34 FVRS1LAC	9.0546	103.6755
TATA CAPITAL HOUSING FINANCE LIMITED SR C 7.17 NCD 21MY30 FVRS1LAC	7.1509	100.1000
TATA CAPITAL HOUSING FINANCE LIMITED SR B 7.123 NCD 21JL27 FVRS1LAC	7.0841	100.0700
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR IX 7.39 BD 21MR30 FVRS1LAC	6.6800	102.7946

AUCTION RESULT OF GOI DATED SECURITIES

SECURITY	MATURITY	CUTOFF YIELD	AMOUNT
6.75% GS 2029	2029	5.8675/103.49	15000
7.09%GS 2054	2054	6.8197/103.39	12000
TOTAL	27,000		

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.5400	5.5400	5.4450	5.4350	5.6450	5.6300

BOND MARKET

The 10-year benchmark recorded (6.33% GS 2035) a close of 6.2107%, 2.32 bps lower than the close of the previous day's trading session. Yields traded in the range of 6.2073 to 6.2202 during the day.

DOMESTIC BROADCAST

If Indian 10-year bond yields fall below U.S. yields, the rupee could appreciate, as investors may seek Indian assets for currency stability rather than yield. A steeper domestic yield curve (1Y-10Y > 2%) encourages borrowing and long-term investment, potentially fueling growth, job creation, and consumption—similar to India's 2003-07 boom. While short-term equity volatility is likely amid global shocks, India's macroeconomic discipline positions it well for long-term outperformance. The narrowing India-U.S. yield spread may mark a shift in global investor confidence, highlighting India's growing economic leadership.

On MAY 22, 2025, money market operations recorded ₹600556.18 crore at a WAR of 5.67%. RBI operations resulted in a net liquidity absorption of ₹222931.33 crore.

GLOBAL BROADCAST

The *Global Times*, a Chinese state-affiliated newspaper, called for the U.S. to pressure the EU to unilaterally reduce tariffs on U.S. goods, warning that failure to do so may halt trade talks and trigger additional 20% tariffs. U.S. Trade Representative Jamieson Greer is expected to reject the EU's recent proposal as inadequate. The EU seeks a fair, balanced deal and has suspended planned retaliatory tariffs, offering zero duties on all industrial goods. Talks remain stalled ahead of the July 8 deadline, after the U.S. temporarily halved existing tariffs to allow for negotiations.

The U.S. dollar is heading for its first weekly decline in five weeks amid concerns over the country's growing \$36 trillion debt and the fiscal impact of Trump's tax bill. The dollar index fell 1.35% this week, as investors fled U.S. assets despite rising Treasury yields, driven by fears of fiscal recklessness rather than growth. The euro rose 1% for the week, gaining 9% in 2025, while the yen climbed 1.5% on strong inflation data boosting rate hike expectations. The Swiss franc also gained 1.2%. Analysts warn that U.S. debt concerns are becoming a structural burden on the dollar, triggering a renewed "Sell America" trend.

China has lowered the ceiling on deposit rates to protect banks' profit margins and discourage excessive savings amid weak economic conditions. The move, led by the central bank's regulatory body, follows recent benchmark lending rate cuts and state banks' deposit rate reductions. Some banks' time deposit ceilings were cut by 30-40 basis points. With net interest margins at a record low of 1.43% in Q1, regulators aim to ease pressure on banks struggling with tight margins, intensified by a property slump, weak consumption, and the U.S. trade war. Margins are expected to fall another 10-15 bps this year.

SPREAD ANALYSIS

The India 10Years vs the United States 10 Years Government Bond spread value is 168.57 bp, 6.98 bps lower than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities.
2 Years vs 1 Year bond spread is 0.79 bp.
5 Years vs 2 Years bond spread is 13.65 bp.
10 Years vs 2Years bond spread is 43.68 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower compared to the previous day. The yield is projected to fluctuate between 6.20% and 6.30%.