

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	83.644	0.05
BRENT OIL	72.9	-2.76
GOLD	2684.7	0.77
India 10 YR	6.7178	-0.26
US 10 YR	3.785	-0.37
NIFTY 50	26246.50	0.81
SENSEX	85836.12	0.78

G-SEC / BONDS YIELDS

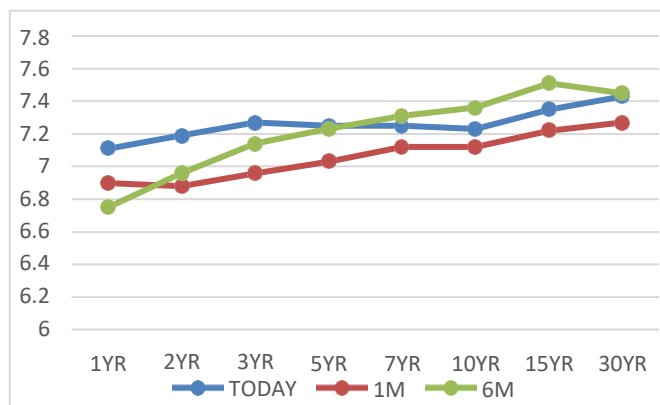
SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.43	6.55
G-SEC 2028	6.6674	6.6772
G-SEC 2033	6.7294	6.7511
G-SEC 2037	6.7728	6.7936
G-SEC 2053	6.8558	6.8986
SDL 2027	6.9160	6.9363
SDL 2033	7.0506	7.0819

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25B 7.64 BD 06DC29 FVRS1LAC	7.3492	101.2524
POWER FINANCE CORPORATION LIMITED SR 242A 7.27 BD 15OT31 FVRS1LAC	7.2703	99.9878
RURAL ELECTRIFICATION CORPORATION LIMITED SR-136 8.11 BD 07OT25 FVRS10LAC	7.72	100.3611
STATE BANK OF INDIA SR 2 7.33 BD 20SP39 FVRS1CR	7.3145	100.1060

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.3625	6.36	6.052	6.05	5.99	5.9875

INDIA YIELD CURVE

BOND MARKET

The 10-year benchmark recorded a close of 6.7178%, ending 1.77 bps lower from the close of the previous day's trading session. Yields traded in the range of 6.7051 to 6.7369 during the day.

DOMESTIC BROADCAST

The government will maintain its budgeted borrowing program for the ongoing financial year, planning to sell bonds worth 6.61 trillion rupees (\$79.06 billion) from October through March. In July, the government projected a gross market borrowing of 14.01 trillion rupees for the April-March financial year, with 7.40 trillion rupees scheduled for the first half of the year.

Money market operations on September 25, 2024: Overnight segment totaled ₹558,492.52 crores at a 6.55% weighted average rate. The segment's significant operations included triparty repo at ₹383,880.85 crore and 6.49%. RBI's net liquidity absorption stood at ₹9957.66 crore.

GLOBAL BROADCAST

ECB policy doves are pushing for a rate cut on Oct. 17 due to weak eurozone data, including falling business sentiment and wages, along with lower energy costs. However, hawks prefer waiting for hard data like GDP. Traders now estimate a 50-60% chance of a 25-basis point cut to 3.25%. Some suggest delaying cuts until December if conditions don't improve, while HSBC forecasts cuts at every ECB meeting from October to April.

The Swiss National Bank (SNB) cut interest rates by 25 basis points to 1.00%, its third reduction this year, aligning with similar moves by the ECB and U.S. Federal Reserve. The decision, made as inflation cooled to 1.1% in August, marks SNB Chairman Thomas Jordan's final move in his 12-year tenure. Jordan indicated the bank is open to further cuts as inflation remains within the 0-2% target range.

The Energy Information Administration (EIA) reported a significant drop in U.S. crude oil inventories by 4.471 million barrels, surpassing the expected 1.300-million-barrel decline. This larger-than-anticipated decrease suggests strong demand for crude oil and could lead to rising oil prices, potentially impacting broader economic trends.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 239.3 bps, 60.97 bps lower than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities.
2 Years vs 1Year bond spread is 0.38 bp.
5 Years vs 2 Years bond spread is 3.01 bp.
10 Years vs 2Years bond spread is 5.73 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower compared to the previous day, following the outcomes associated with the 50 bp Fed Rate Cut and bond market experienced a drop in yield and maintained higher liquidity. The yield is projected to fluctuate between 6.70% and 6.75%.