



GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	83.705	0.11
BRENT OIL	71.09	0.23
GOLD	2694.9	-0.23
INDIA10YR	6.7609	0.64
US10YR	3.795	-0.11
NIFTY50	26175.15	-0.16
SENSEX	85580.82	-0.30

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV DAY
364DTB	6.5	6.43
G-SEC2028	6.6643	6.6674
G-SEC2033	6.7670	6.7294
G-SEC2037	6.8130	6.7728
G-SEC2053	6.9096	6.8558
SDL2027	6.9293	6.9160
SDL2033	7.0603	7.0506

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
POWER FINANCE CORPORATION LIMITED SR 242B 7.22 BD 15OT39 FVRS1LAC	7.1747	100.4224
POWER FINANCE CORPORATION LIMITED SR 242A 7.27 BD 15OT31 FVRS1LAC	7.2692	100.00
SHRIRAM FINANCE LIMITED SR PPD XXIV TR 8 OP 1 9.15 NCD 28JU29 FVRS1L	9.0988	100.0953
HDB FINANCIAL SERVICES LIMITED SR 19 8.40 BD 22DC33 FVRS1LAC	8.3361	100.30

AUCTION RESULT OF GOI DATED SECURITIES

SECURITY	MATURITY	CUTOFF	AMOUNT
7.04% GS 2029	2029	101.52 / 6.6530%	12000
7.23% GS 2039	2039	104.07 / 6.7848%	12000
7.09% GS 2054	2054	102.28 / 6.9076%	10000
TOTAL	34,000		

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.38	6.3825	6.0675	6.080	6.000	6.0325

BOND MARKET

The 10-year benchmark recorded a close of 6.7609 %, 4.31 bps lower from the close of the previous day's trading session. Yields traded in the range of 6.7184 to 6.7652 during the day.

DOMESTIC BROADCAST

UBS expects the Reserve Bank of India's Monetary Policy Committee to begin easing rates from December 2024, forecasting a 75 basis points cut, up from a previous estimate of 50 bps. This is due to an improved domestic inflation outlook, which is expected to be 30 bps lower than the RBI's 4.5% forecast for FY25, and a global monetary easing cycle.

On SEPTEMBER 26, 2024, money market operations recorded ₹579,199.63 crore at a WAR of 6.48%. RBI operations resulted in a net liquidity absorption of ₹44,337.34 crore.

GLOBAL BROADCAST

Euro zone consumers lowered their inflation expectations to a three-year low, with the ECB's August Consumer Expectations Survey showing a median forecast of 2.7% inflation over the next 12 months, down from 2.8% in July. Expectations for inflation three years ahead also fell to 2.3%, the lowest since June. This signals growing confidence in the ECB's efforts to bring inflation closer to its 2% target. The ECB recently cut borrowing costs, following weaker growth forecasts and expectations for a gradual decline in inflation.

Core inflation in Tokyo matched the Bank of Japan's 2% target in September, signaling progress toward the central bank's criteria for potential rate hikes. The core consumer price index (CPI), excluding fresh food, rose 2.0% year-on-year, slowing from 2.4% in August due to government subsidies for utility bills. A separate index excluding fresh food and fuel costs, closely watched by the BOJ, rose 1.6%, unchanged from August.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 296.59 bp, 3.31 bps higher than the closing of the previous day.

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

2 Years vs 1Year bond spread is 0.29 bp.

5 Years vs 2 Years bond spread is 0.53 bp.

10 Years vs 2Years bond spread is 8.75 bp.

MARKET OUTLOOK

Today's G-sec auction experienced strong demand. However, in the second half the market cooled down and the yields were increased. With continued inflows from bond index investors and a global tailwind, yields are expected to ease further. The yield is projected to fluctuate between 6.72% and 6.75%.

INDIA YIELD CURVE

