

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	85.429	+0.02
BRENT OIL	64.58	+0.40
GOLD	3326.54	+1.34
India 10 YR	6.1794	-0.08
US 10 YR	4.517	+0.95
NIFTY 50	24833.60	+0.33
SENSEX	81633.02	+0.39

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	5.6100	5.6150
G-SEC 2028	5.7363	5.7366
G-SEC 2033	6.2270	6.2193
G-SEC 2037	6.3710	6.3665
G-SEC 2053	6.8000	6.7867
SDL 2027	5.9408	-
SDL 2033	6.5601	6.5832

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
HDB FINANCIAL SERVICES LIMITED SR 228 TR 1 7.4091 NCD 05JU28 FVRS1LAC	7.3768	100.000
POWER FINANCE CORPORATION LIMITED SR 250A 6.61 BD 15JL28 FVRS1LAC	6.6164	99.8647
REC LIMITED SR 248B 6.81 BD 30AP36 FVRS1LAC	6.8084	99.9950
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR I 2024-25 G 9.35 NCD 30DC33 FVRS1LAC	9.0358	103.5300
ADITYA BIRLA CAPITAL LIMITED SR L3 8.0208 NCD 18FB30 FVRS 1LAC	7.4493	102.0447
HDFC BANK LIMITED SR US004 7.65 NCD 25MY33 FVRS1LAC	7.1079	103.2041
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25D 7.40 BD 29AP30 FVRS1LAC	6.6875	102.8795
BAJAJ FINANCE LIMITED NCD 7.38 28JU30 FVRS1LAC	7.2300	100.5558
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 24E 7.80 BD 15MR27 FVRS1LAC	6.5757	101.9599

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.5500	5.5800	5.5500	5.5700	5.6400	5.6400

BOND MARKET

The 10-year benchmark (6.33% GSec 2035) recorded a close of 6.1794%, ending at 0.51 bps lower than the close of the previous day's trading session.

DOMESTIC BROADCAST

The RBI's balance sheet grew 8.2% year-on-year to ₹76.25 lakh crore in FY25, driven by a 52.1% surge in gold holdings, 14.3% rise in domestic investments, and a modest 1.7% increase in foreign investments. Domestic assets comprised 25.73% of the portfolio, with the rest in foreign currency assets, gold, and overseas advances. On the liabilities side, the value of notes issued rose 6.03%, revaluation accounts increased 17.3%, and other liabilities jumped 23.3%. The RBI's income grew 22.8%, while expenditure rose 7.8%, resulting in a surplus of ₹2.68 lakh crore, up from ₹2.10 lakh crore in FY24.

Money market operations on May 21, 2025: Overnight segment totaled ₹588274.67 crores at a 5.77% weighted average rate. The segment's significant operations included triparty repo at ₹3210.00 crore and 5.85%. RBI's net liquidity absorption stood at ₹131690.44 crore.

GLOBAL BROADCAST

The UK government faces major fiscal challenges ahead of its June 11 Spending Review, pressured by rising yields, spending demands, and weak growth prospects. Fiscal consolidation may be announced in autumn to meet fiscal rules, amid potential Bank of England policy shifts and changes in gilt issuance. However, downgraded growth forecasts and increased health and defense spending could limit room for cuts, raising the risk of future tax hikes.

The dollar rose on Thursday after a U.S. court blocked President Trump's attempt to impose broad import tariffs, though the administration quickly appealed. The greenback gained 0.34% against the yen and Swiss franc, briefly hitting a two-week high, while the euro and pound slipped slightly. The dollar index climbed back above 100 but remains down 8% for the year amid trade policy uncertainty. Analysts remain cautious about a sustained dollar rally due to the likely long legal battle. Meanwhile, U.S. 10-year Treasury yields rose to 4.53%, and global risk sentiment improved after Trump delayed new EU tariffs. Traders also scaled back Fed rate cut expectations.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 166.24 bps, 4.59 bps lower than the closing of the previous day.

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

2 Years vs 1 Years bond spread is 3 bp
 5 Years vs 2 Years bond spread is 18 bp.
 10 Years vs 2 Years bond spread is 47 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended higher compared to the previous day. The yield is projected to fluctuate between 6.15% and 6.25%.