



GLOBAL MARKET SNAPSHOT

| MARKETS | PRICE | % CHANGE |
|-----------|--------|----------|
| USD/INR | 84.564 | 0.18 |
| BRENT OIL | 72.09 | 0.64 |
| GOLD | 2668.5 | -0.09 |
| India 10Y | 6.7478 | 0.39 |
| US 10 YR | 4.211 | 0.07 |
| NIFTY 50 | 24274 | 0.59 |
| SENSEX | 80248 | 0.56 |

G-SEC / BONDS YIELDS

| SECURITY | LTY (%) TODAY | LTY (%) PREV |
|------------|---------------|--------------|
| 364 DTB | | |
| G-SEC 2028 | 6.6382 | 6.672 |
| G-SEC 2033 | 6.7780 | 6.8136 |
| G-SEC 2037 | 6.8417 | 6.8675 |
| G-SEC 2053 | 6.9826 | 7.0049 |
| SDL 2027 | 6.9608 | 6.97 |
| SDL 2033 | 7.0598 | 7.06 |

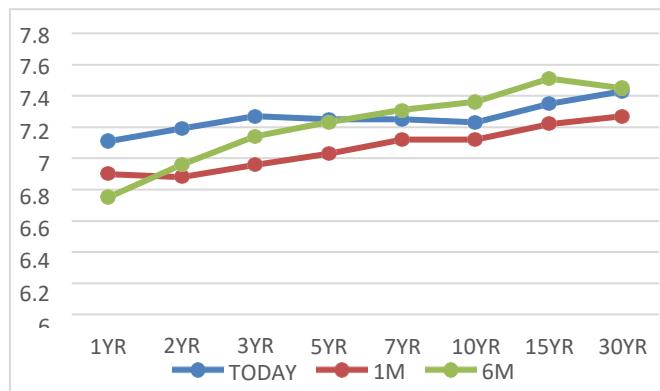
ACTIVELY TRADED CORPORATE BONDS

| SECURITY | YTM (%) | LTP |
|--|---------|----------|
| SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR V 7.51 BD 12JU28 FVRS1LAC | 7.4797 | 100.04 |
| NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25C 7.44 BD 24FB28 FVRS1LAC | 7.4435 | 100.0224 |
| SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR IV 7.44 BD 10AP28 FVRS1LAC | 7.4374 | 100.0477 |
| BANK OF BARODA SR XXVII 7.41 BD 28NV39 FVRS1CR | 7.4040 | 99.95 |

OVERNIGHT INDEXED SWAP

| OIS (1 YEAR) | | OIS (2 YEAR) | | OIS (5 YEAR) | |
|--------------|-------|--------------|--------|--------------|--------|
| OPEN | CLOSE | OPEN | CLOSE | OPEN | CLOSE |
| 6.32 | 6.32 | 5.9825 | 6.0225 | 6.010 | 6.0125 |

INDIA YIELD CURVE



BOND MARKET

The 10-year benchmark recorded a close of 6.7748%, ending 2.67 bps lower than the close of the previous day's trading session. The yield was in the range of 6.7622 to 6.7363.

DOMESTIC BROADCAST

India's factory growth slowed in November, with the PMI falling to 56.5 from October's 57.5, though it remained firmly in expansion territory for the 42nd consecutive month. Slower growth in output and new orders reflected easing domestic demand amid rising inflationary pressures.

On November 22, the RBI reported ₹ 616016.96 at 6.70 market activity in the overnight and term segments. Under RBI operations, MSF saw ₹3656 crore at 6.75%, and SDF saw ₹35624 crore at 6.25%. The net liquidity absorbed totaled ₹22145 crore.

GLOBAL BROADCAST

British manufacturing contracted sharply in November, with the S&P Global PMI falling to 48.0 from 49.9 in October, marking the steepest decline in nine months. The downturn was driven by falling domestic and international orders, compounded by rising costs from a 25-billion-pound tax hike, a 7% minimum wage increase, and global shipping disruptions. Additional uncertainty stemmed from U.S. tariff threats and global trade risks. Small businesses were particularly hard-hit, reporting sharp declines in output, orders, and exports. Overall, manufacturers faced a challenging environment of high costs, weak demand, and reduced business confidence, with output and employment declining at the fastest pace in nine months.

The U.S. dollar strengthened as December began, driven by Donald Trump's backing of its reserve status and euro weakness amid French political risks. France's potential government collapse pressured the euro, though bond yields steadied on stable ratings and ECB easing expectations. German and Chinese yields hit fresh lows, with speculation of further Chinese monetary easing weakening the yuan, despite upbeat business data. Markets anticipate Beijing may use a weaker yuan to counter potential U.S. tariffs.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 253.68 bps, 3.58 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 4.43 bps.

5 Years vs 2 Years bond spread is 7.59 bps.

10 Years vs 2 Years bond spread is 13.13 bps.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended slightly higher than the previous, tracking upcoming outcomes associated with global inflation. We expect the yield to fluctuate between 6.73% to 6.76%.