

GLOBAL MARKET SNAPSHOT

| MARKETS | PRICE | % CHANGE |
|-------------|----------|----------|
| USD/INR | 83.829 | -0.90 |
| BRENT OIL | 61.64 | -0.85 |
| GOLD | 3246.10 | +0.67 |
| India 10 YR | 6.3538 | -0.03 |
| US 10 YR | 4.230 | +0.36 |
| NIFTY 50 | 24346.70 | +0.05 |
| SENSEX | 80501.99 | +0.32 |

G-SEC / BONDS YIELDS

| SECURITY | LTY (%) TODAY | LTY (%) PREV |
|------------|---------------|--------------|
| 364 DTB | 5.8800 | 5.9000 |
| G-SEC 2028 | 6.0386 | 6.0451 |
| G-SEC 2033 | 6.3507 | 6.3340 |
| G-SEC 2037 | - | 6.4518 |
| G-SEC 2053 | 6.7802 | 6.7787 |
| SDL 2027 | 6.2949 | 6.3347 |
| SDL 2033 | 6.6651 | 6.6801 |

ACTIVELY TRADED CORPORATE BONDS

| SECURITY | YTM (%) | LTP |
|---|---------|----------|
| NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 23H 7.58 LOA 31JL26 FVRS1LAC | 6.6872 | 100.7627 |
| HDFC BANK LIMITED SR Z001 6 NCD 29MY26 FVRS10LAC | 7.1277 | 98.8755 |
| TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR I 2024-25 G 9.35 NCD 30DC33 FVRS1LAC | 9.0495 | 103.4481 |
| NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25G 7.48 BD 15SP28 FVRS1LAC | 6.9200 | 101.6492 |
| REC LIMITED SR 245A 7.44 BD 29FB28 FVRS1LAC | 6.8610 | 101.4104 |
| HINDUSTAN PETROLEUM CORPORATION LIMITED SR I 6.73 NCD 29AP30 FVRS1LAC | 6.7258 | 100.000 |
| SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR I 7.43 BD 31AU26 FVRS1LAC | 6.8700 | 100.6319 |
| INDIAN RAILWAY FINANCE CORPORATION LIMITED SR 189 6.78 BD 30AP30 FVRS1LAC | 6.7816 | 100.000 |
| LIC HOUSING FINANCE LTD TR 453 7.73 NCD 18MR27 FVRS1LAC | 7.0500 | 100.1230 |

OVERNIGHT INDEXED SWAP

| OIS (1 YEAR) | | OIS (2 YEAR) | | OIS (5 YEAR) | |
|--------------|--------|--------------|--------|--------------|--------|
| OPEN | CLOSE | OPEN | CLOSE | OPEN | CLOSE |
| 5.6200 | 5.6300 | 5.5050 | 5.4850 | 5.6300 | 5.5934 |

BOND MARKET

The 10-year benchmark recorded a close of 6.3538%, ending at 0.29 bps lower than the close of the previous day's trading session. Yields traded in the range of 6.3447 to 6.3727 during the day.

DOMESTIC BROADCAST

Indian government bond yields edged slightly higher on Friday morning, with market focus on demand for a new 10-year bond being auctioned later. The 10-year yield stood at 6.3573%, up marginally from the previous close. Yields have dropped sharply in recent months—22 bps in April and 15 bps in March—prompting some consolidation. The government plans to raise ₹360 billion, including ₹300 billion via the new 10-year bond. Sentiment remains bullish amid RBI's planned ₹1.25 trillion bond purchases in May. Meanwhile, OIS rates were marginally lower, continuing a four-month declining trend.

Money market operations on April 30, 2025: Overnight segment totaled ₹603530.26 crores at a 5.96% weighted average rate. The segment's significant operations included triparty repo at ₹8776.50 crore and 6.14%. RBI's net liquidity absorption stood at ₹129080.84 crore.

GLOBAL BROADCAST

The U.S. added 177,000 jobs in April, exceeding expectations but down from March's 185,000, reflecting economic uncertainty from President Trump's tariff policies. The unemployment rate remained at 4.2%, while wage growth slowed to 0.2%. Despite continued labor market resilience, warning signs include a sharp drop in job openings, weak ADP payrolls, rising jobless claims, and a 0.3% GDP contraction in Q1. The Fed is expected to keep rates steady next week, though markets anticipate four cuts by year-end. However, ongoing tariff impacts may complicate the Fed's balancing act between inflation and growth risks.

Euro-zone headline inflation held steady at 2.2% in April 2025, meeting expectations and signaling economic stability. Core inflation rose to 2.7% from 2.4%, driven by a temporary surge in services inflation linked to Easter timing. Energy inflation fell, while food-related inflation slightly increased. The ECB is not expected to react strongly, viewing the services inflation rise as short-lived. Meanwhile, the unemployment rate edged up to 6.2% and labor market indicators weakened. With U.S. tariffs seen as disinflationary, Capital Economics expects two ECB rate cuts this year, potentially lowering the deposit rate to 1.75%.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 212.38 bps, 5.81 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 3.22 bp
 5 Years vs 2 Years bond spread is 12.61 bp.
 10 Years vs 2 Years bond spread is 35 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended higher compared to the previous day. The yield is projected to fluctuate between 6.30% and 6.38%.