

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	85.535	+0.01
BRENT OIL	64.43	+0.78
GOLD	3373.52	-0.09
India 10Y	6.2144	-0.26
US 10 YR	4.434	+0.43
NIFTY 50	24716.60	-0.14
SENSEX	81373.75	-0.09

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	5.6000	5.7000
G-SEC 2028	5.7501	5.7405
G-SEC 2033	6.2397	6.2627
G-SEC 2037	6.4039	6.3983
G-SEC 2053	6.8215	6.8285
SDL 2027	5.9162	5.9600
SDL 2033	6.5715	6.5638

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR I 2024-25 G 9.35 NCD 30DC33 FVRS1LAC	9.1018	103.6050
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25G 7.48 BD 15SP28 FVRS1LAC	6.5896	102.5603
REC LIMITED SR 248B 6.81 BD 30AP36 FVRS1LAC	6.8655	99.5186
NATIONAL HOUSING BANK 7.59 BD 08SP27 FVRS1LAC	6.4650	102.3336
BAJAJ FINANCE LIMITED 7.3763 NCD 26JU28 FVRS1LAC	7.1375	100.5172
BAJAJ FINANCE LIMITED NCD 7.38 28JU30 FVRS1LAC	7.2428	100.4804
BAJAJ FINANCE LIMITED SR 286 TR 15 7.75 LOA 16MY33 FVRS10LAC	7.4225	101.8869
POWER FINANCE CORPORATION LIMITED SR 250A 6.61 BD 15JL28 FVRS1LAC	6.5833	100.0543
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 23H 7.58 LOA 31JL26 FVRS1LAC	6.6080	101.0275

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.5700	5.5575	5.4650	5.4500	5.6700	5.6600

BOND MARKET

The 10-year benchmark recorded a close of 6.2144%, ending 1.64 bps lower than the close of the previous day's trading session. The yield was in the range of 6.2063 to 6.2335.

DOMESTIC BROADCAST

Indian government bond yields dipped as markets priced in a potential rate cut by the Reserve Bank of India. The benchmark 10-year yield fell to 6.2132%, following Friday's volatility driven by stronger-than-expected growth data. The RBI is expected to announce a 25-basis-point cut in its June 6 policy meeting.

India's manufacturing growth slowed to a three-month low in May, with the PMI falling to 57.6 from 58.2 in April, amid softer demand, price pressures, and geopolitical tensions. Despite the slowdown, job creation hit a record high. The sector remains in expansion, and GDP grew 7.4% year-on-year in the last quarter.

On May 23, the RBI reported ₹ 607641.93, at 5.79% market activity in the overnight and term segments. Under RBI operations, MSF saw ₹679 crore at 6.25%, and SDF saw ₹182409 crore at 5.75%. The net liquidity absorbed totaled ₹204705 crore.

GLOBAL BROADCAST

The U.S. dollar's weakness has revived dollar-funded carry trades, with investors favoring higher-yielding emerging market currencies like the rupee, rupiah, and real. Fund managers expect continued dollar softness, boosting flows into EM bonds. April saw nearly \$9 billion in bond inflows into Asian markets. While Brazil's real offers high yields, currencies like the rupee provide more stability, making them attractive for carry trades.

Eurozone manufacturing neared stabilisation in May, with the PMI rising to a 33-month high of 49.4. Output grew for a third month, supported by near-stable demand and a rebound in confidence. Export orders hit a 38-month high, and job cuts slowed. Input costs fell sharply, prompting factories to reduce prices—supporting expectations of an ECB rate cut this week. Greece led the region, while Germany remained the weakest major economy.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 178.04 bps, 3.6 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 1 bps.

5 Years vs 2 Years bond spread is 15 bps.

10 Years vs 2Years bond spread is 47 bps.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower than the previous. We expect the yield to fluctuate between 6.18% to 6.25%.