

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	85.394	-0.03
BRENT OIL	73.65	-0.18
GOLD	2638.82	0.01
India 10Y	6.8049	-0.20
US 10 YR	4.630	-0.70
NIFTY 50	23644.90	-0.71
SENSEX	78248.13	-0.57

G-SEC / BONDS YIELDS

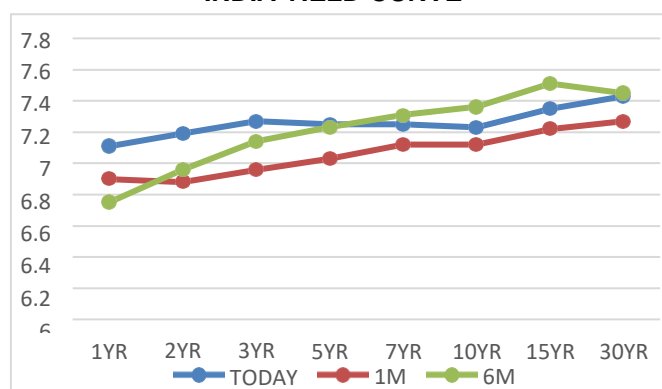
SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.69	6.65
G-SEC 2028	6.7322	6.7409
G-SEC 2033	6.8363	6.8396
G-SEC 2037	6.8965	6.9072
G-SEC 2053	7.0340	7.0492
SDL 2027	-	7.0401
SDL 2033	7.0767	7.1149

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
IIFL HOME FINANCE LIMITED SR I TR I 8.85 NCD 26DC26 FVRS1000	9.1887	99.2800
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR VI 7.48 BD 24MY29 FVRS1LAC	7.4934	99.98
REC LIMITED SR 239 BD 03NV34 FVRS1LAC	6.2137	55.2623
POWER FINANCE CORPORATION LIMITED SR 244B 7.40 BD 15JN30 FVRS1LAC	7.3973	99.9500

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.52	6.515	6.2800	6.2775	6.2175	6.2200

INDIA YIELD CURVE

BOND MARKET

The 10-year benchmark recorded a close of 6.8053%, ending 1.39 bps lower than the close of the previous day's trading session. The yield was in the range of 6.8049 to 6.8238.

DOMESTIC BROADCAST

The PHDCCI urged tax simplification to boost disposable income, consumer spending, and economic growth while mitigating inflation. It proposed increasing the Union Budget to ₹51 lakh crore for 2025-26, rationalizing taxes, reducing business costs, and eliminating inverted duty structures in key sectors. It also emphasized boosting manufacturing, infrastructure, innovation, and female workforce participation to raise manufacturing's GDP share to 25% by 2030.

On December 27, the RBI reported ₹ 581198.65 at 6.73 market activity in the overnight and term segments. Under RBI operations, MSF saw ₹26839 crore at 6.75%, and SDF saw ₹51924 crore at 6.25%. The net liquidity absorbed totaled ₹182788.00 crore.

GLOBAL BROADCAST

Global shares edged lower on Monday as high government bond yields dampened equity markets in thin year-end trading. MSCI's world index dipped 0.1%, though it remains 17% higher for the year. European stocks declined slightly, with the STOXX 600 down 0.1%, led by technology and industrial goods sectors. South Korea's index is down 9% for the year amid political uncertainty, and Jeju Air shares hit record lows following a plane crash. China's CSI300 rose 0.5%, up 16% for the year, driven by September stimulus promises, while Japan's Nikkei fell on profit-taking, though it gained nearly 20% in 2024.

Japan's factory activity contracted at a slower pace in December, with the au Jibun Bank PMI rising to 49.6, the mildest decline in three months, though still below the 50 threshold separating growth from contraction. Slower reductions in production and new orders contributed to the improvement, though new orders fell for the 19th consecutive month, partly due to subdued semiconductor demand. Employment expanded to its highest level since April amid labor shortages and future demand preparation. Input prices surged, driven by higher raw material and labor costs, with firms raising output prices at the fastest rate in five months to offset inflationary pressures from the weak yen.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 217.49 bps, 1.6 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 14.43 bps.

5 Years vs 2 Years bond spread is 2.73 bps.

10 Years vs 2Years bond spread is 9.37 bps.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended slightly lower than the previous, tracking upcoming outcomes associated with Indian food inflation data. We expect the yield to fluctuate between 6.75% to 6.85%.