

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	86.911	+0.43
BRENT OIL	76.36	+0.13
GOLD	2833.91	-0.88
India 10Y	6.7227	-0.33
US 10 YR	4.510	-0.39
NIFTY 50	23361.05	-0.52
SENSEX	77186.74	-0.41

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.5000	6.5700
G-SEC 2028	6.5959	6.6228
G-SEC 2033	6.7351	6.7551
G-SEC 2037	6.8269	6.8424
G-SEC 2053	7.0307	7.0219
SDL 2027	6.8318	6.8906
SDL 2033	7.0416	7.0703

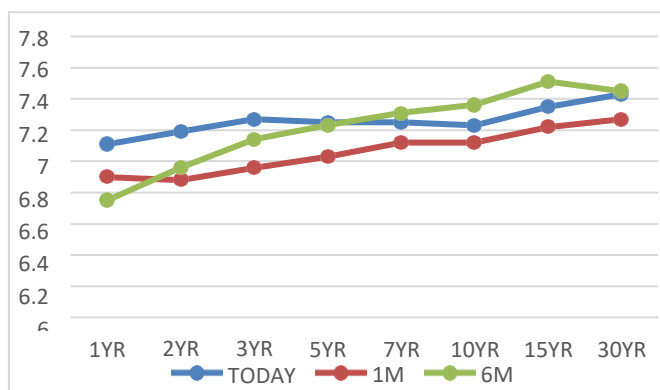
ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25E 7.53 BD 24MR28 FVRS1LAC	7.4912	100.1985
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED	9.2050	102.6317
NATIONAL HOUSING BANK 7.29 BD 04JL31 FVRS1LAC	7.2814	100.2184
LIC HOUSING FINANCE LTD TR 451 7.66 NCD 11DC29 FVRS 1LAC	7.6444	100.1281

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.3400	6.3200	6.0700	6.0755	6.0700	6.0725

INDIA YIELD CURVE



BOND MARKET

The 10-year benchmark recorded a close of 6.7227%, ending 2.9 bps lower than the close of the previous day's trading session. The yield was in the range of 6.7110 to 6.7576.

DOMESTIC BROADCAST

India's upcoming economic report is expected to forecast GDP growth of 6.3%-6.8% for FY 2025-26, with the current fiscal year's growth slowing to 6.4%, the lowest in four years, down from 8.2% last year, signaling a moderation in economic momentum.

On January 30, the RBI reported ₹ 545691.61 at 6.56 market activity in the overnight and term segments. Under RBI operations, MSF saw ₹3099 crore at 6.75%, and SDF saw ₹69667 crore at 6.25%. The net liquidity absorbed totaled ₹222438.71 crore.

GLOBAL BROADCAST

ECB policymaker Gediminas Simkus expects an interest rate cut in March, followed by additional reductions in the coming months, though the exact timing will depend on economic data. He also warned that potential U.S. tariffs on EU imports could create economic uncertainty and impact growth and inflation, but their actual effect will depend on the specifics and the EU's response.

Trump defended his tariffs on Mexico, Canada, and China, acknowledging potential short-term economic pain but insisting they are necessary to curb immigration, narcotics trafficking, and unfair trade practices. Global markets reacted negatively, with stocks falling and currencies weakening, while oil and gasoline prices surged. EU leaders expressed concerns over potential U.S. tariffs on Europe, warning of a trade war, though Germany emphasized the need for a negotiated solution.

The Indian rupee hit a record low of 87.127 per dollar, driven by Trump's trade tariffs on key economies, concerns over a global trade war, and steady foreign capital outflows amid slowing GDP growth. The Union Budget's tax cuts raised fiscal deficit concerns, further dampening investor sentiment.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 221.27 bps, 0.09 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 1.74 bps.
5 Years vs 2 Years bond spread is 6.05 bps.
10 Years vs 2Years bond spread is 12.9 bps.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower than the previous, tracking outcomes associated with the new budget presented. We expect the yield to fluctuate between 6.70% to 6.75%.