

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	84.681	0.10
BRENT OIL	73.67	0.43
GOLD	2642.84	-0.08
India 10Y	6.7282	-0.343
US 10 YR	4.233	0.67
NIFTY 50	24467.45	0.042
SENSEX	80956.33	0.14

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.51	6.40
G-SEC 2028	6.6115	6.6382
G-SEC 2033	6.7559	6.7780
G-SEC 2037	6.8223	6.8417
G-SEC 2053	6.9590	6.9826
SDL 2027	6.9624	6.9608
SDL 2033	7.0799	7.0598

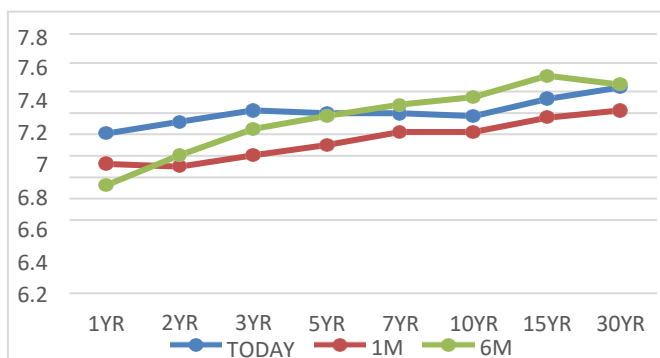
ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR V 7.51 BD 12JU28 FVRS1LAC	7.4438	100.3077
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25C 7.44 BD 24FB28 FVRS1LAC	7.4243	100.0770
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25B 7.64 BD 06DC29 FVRS1LAC	7.3823	100.0427
REC LIMITED SR 240B 7.34 BD 30AP30 FVRS1LAC	7.32	100.155

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.3200	6.3125	6.0375	6.0200	6.0225	6.000

INDIA YIELD CURVE



BOND MARKET

The 10-year benchmark recorded a close of 6.8406%, ending 2.31 bps lower than the close of the previous day's trading session. Yields traded in the range of 6.8377 to 6.8536 during the day.

DOMESTIC BROADCAST

The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) commenced its three-day meeting amid the challenge of balancing growth and inflation management. The repo rate has remained steady at 6.5% across nine consecutive meetings, with no immediate rate cuts expected, given the RBI's firm stance on achieving durable disinflation. In Q2 FY25, GDP grew by 5.4%, while October's CPI inflation at 6.21% exceeded the RBI's 4.8% projection. Analysts suggest the RBI is cautious about the timing of rate cuts, considering global uncertainties, FX implications, and the need to prevent generalized inflation feedback. While inflation is expected to ease by March 2025, the 4% target remains elusive. The meeting's outcome will signal the RBI's approach to balancing resilient economic growth with inflation control.

On December 3, 2024, the overnight money market volume was ₹580560.90 crore at a 6.27% average rate. Net liquidity absorption was ₹100217.29 crore.

GLOBAL BROADCAST

Australia's CPI inflation grew 2.1% year-on-year in October. Business activity in the euro zone contracted sharply in November as the services sector, previously supporting growth, joined manufacturing in decline. The HCOB composite PMI dropped to 48.3 from October's 50.0, signalling contraction across the bloc's top economies. Services PMI fell to 49.5, its first sub-50 reading since January, with steep declines in demand reflected in the new business index hitting a year-low of 46.8. Despite the downturn, services firms increased hiring, with the employment index rising to 51.0 from 50.3, showing resilience in the labour market.

ECB policymaker Robert Holzmann suggested a 25-basis point interest rate cut is "conceivable" at the upcoming meeting, depending on final data. Investors anticipate consistent rate cuts through mid-2025, with the deposit rate expected to drop to 1.75% by year-end 2025, a level seen as growth-stimulating.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 249.52 bps, 6.31 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 5.81 bp.
5 Years vs 2 Years bond spread is 1.5 bp.
10 Years vs 2 Years bond spread is 122.27 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower compared to the previous day, the market experienced higher liquidity and positive movement. The yield is projected to fluctuate between 6.82% and 6.85%.