

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	85.786	+0.10
BRENT OIL	65.58	+0.99
GOLD	3372.12	-0.32
India 10 YR	6.2065	+0.06
US 10 YR	4.463	+0.14
NIFTY 50	24620.20	+0.32
SENSEX	80998.25	+0.32

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	5.6050	5.6001
G-SEC 2028	5.7239	5.7409
G-SEC 2033	6.2392	6.2364
G-SEC 2037	6.4060	6.3981
G-SEC 2053	6.8246	6.8246
SDL 2027	-	-
SDL 2033	6.6401	-

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
BAJAJ FINANCE LIMITED NCD 7.2337 28JU27 FVRS1LAC	7.0352	100.2267
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR IX 7.39 BD 21MR30 FVRS1LAC	6.6520	102.8990
REC LIMITED SR 239 BD 03NV34 FVRS1LAC	6.4271	55.3551
LIC HOUSING FINANCE LTD TR 455 7.07 NCD 29AP30 FVRS1LAC	6.9527	100.4466
INDIAN RAILWAY FINANCE CORPORATION LIMITED SR 191B 6.58 BD 30MY30 FVRS1LAC	6.5806	100.0000
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR I 2024-25 G 9.35 NCD 30DC33 FVRS1LAC	9.1494	102.8650
BAJAJ HOUSING FINANCE LIMITED 7.02 NCD 26MY28 FVRS1LAC	7.0200	99.9775
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 23H 7.58 LOA 31JL26 FVRS1LAC	6.5400	101.0891
LARSEN AND TOUBRO LIMITED 7.20 NCD 22JN35 FVRS1LAC	6.9100	101.9088
TATA POWER RENEWABLE ENERGY LIMITED 7.55 NCD 25AP40 FVRS1LAC	7.5416	100.000
REC LIMITED SR 245A 7.44 BD 29FB28 FVRS1LAC	6.5250	102.1820

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.5450	5.5400	5.4300	5.4300	5.6300	5.6350

BOND MARKET

The 10-year benchmark (6.33% GS 2035) recorded a close of 6.2065%, ending at 0.43 bps higher than the close of the previous day's trading session. Yields traded in the range of 6.1974 to 6.2126 during the day.

DOMESTIC BROADCAST

India's services sector maintained strong growth in May, supported by robust export demand and record job creation, though price pressures rose. The HSBC India Services PMI edged up to 58.8 from 58.7 in April, remaining well above the 50-mark that signals expansion, though below the initial estimate of 61.2, indicating slightly slower-than-expected momentum.

Money market operations on June 03, 2025: Overnight segment totaled ₹589368.22 crores at a 5.63% weighted average rate. The segment's significant operations included triparty repo at ₹1881.50 crore and 5.68%. RBI's net liquidity absorption stood at ₹300526.57 crore.

GLOBAL BROADCAST

Britain's services sector returned to modest growth in May, rebounding from April's contraction—the first in 18 months—triggered by U.S. tariff concerns. The S&P Global Services PMI rose to 50.9 from 49.0, exceeding the earlier estimate of 50.2 and signalling a recovery in economic activity.

The U.S. dollar remained mostly flat on Wednesday as markets weighed trade tensions ahead of key economic data. Uncertainty rose with President Trump's Wednesday deadline for trade offers and looming tariff hikes, especially involving China. Trump is expected to speak with Chinese President Xi Jinping, but his tough rhetoric has unsettled markets.

Germany's cabinet has approved a €46 billion tax relief package aimed at reviving its sluggish economy through 2029, including favourable depreciation rules and a gradual corporate tax cut to 10% by 2032. The measures, which also support electric vehicle purchases, aim to stimulate investment amid concerns of a third straight year of economic contraction. The reforms, expected to peak at a €12 billion revenue loss in 2028, require parliamentary approval. Additional stimulus plans, including a €500 billion infrastructure fund, are set to be proposed with upcoming budget drafts.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 174.35 bps, 4.67 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 25.78 bp
 5 Years vs 2 Years bond spread is 20.49 bp.
 10 Years vs 2 Years bond spread is 51.60 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower compared to the previous day. The yield is projected to fluctuate between 6.15% and 6.25%.