

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	83.967	-0.03
BRENT OIL	78.54	0.82
GOLD	2676.90	0.01
INDIA 10YR	6.8339	-0.84
US 10YR	3.862	0.42
NIFTY50	25014.60	-4.63
SENSEX	81688.45	-0.98

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV DAY
364DTB	6.545	6.75
G-SEC2028	6.7123	6.691
G-SEC2033	6.8457	6.7867
G-SEC2037	6.8871	6.8096
G-SEC2053	6.9705	6.8996
SDL2027	6.9108	6.9198
SDL2033	7.12	7.0817

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
RURAL ELECTRIFICATION CORPORATION LIMITED SR-129 8.23 BD 23JN25 FVRS10LAC	7.4	100.1703
LIC HOUSING FINANCE LTD TR 414 5.6937 LOA 20MY25 FVRS10LAC	7.71	98.7114
POWER FINANCE CORPORATION LIMITED SR BS216 7.13 BD 15JL26 FVRS10LAC	7.56	99.3069
LARSEN AND TOUBRO LIMITED 7.58 NCD 02MY25 FVRS1LAC	7.55	99.8816

AUCTION RESULT OF GOI DATED SECURITIES

SECURITY	MATURITY	CUTOFF	AMOUNT
7.02% GS 2027	2027	100.78 / 6.6878%	7000
NEW GS 2034	2034	6.79%	22000
7.46% GS 2073	2073	106.67 / 6.9773%	10000
TOTAL	39,000		

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.44	6.4525	6.14	6.175	6.1075	6.1375

BOND MARKET

The 10-year benchmark recorded a close of 6.8339 %, 5.74 bps lower from the close of the previous day's trading session. Yields traded in the range of 6.7892 to 6.8378 during the day.

DOMESTIC BROADCAST

India's services sector growth slowed to a 10-month low in September, with the HSBC India Services PMI dropping to 57.7 from 60.9 in August. Despite the decline, the index remains well above the 50-mark, indicating continued expansion. The index has stayed above 50 for over three years.

On OCTOBER 3, 2024, money market operations recorded ₹543,858.34 crore at a WAR of 6.23%. RBI operations resulted in a net liquidity absorption of ₹288,364.21 crore.

GLOBAL BROADCAST

The U.S. economy added 254,000 jobs in September, up from 159,000 in August and exceeding expectations of 147,000. The unemployment rate dipped to 4.1%, while average hourly wages increased by 0.4%, slightly above the 0.3% forecast but below August's revised 0.5%.

The dollar hovered near a six-week high on Friday, driven by safe-haven demand amid Middle East conflict and anticipation of key U.S. jobs data that could influence interest rate policy. The dollar index stood at 101.91, close to its six-week peak of 102.09, marking a weekly gain of nearly 1.5%, the strongest since April. Meanwhile, the euro remained steady after five days of losses, and sterling ticked up 0.2% following comments from the Bank of England about a gradual approach to rate cuts.

Brent crude futures rose 0.7% to \$78.17 per barrel, while U.S. West Texas Intermediate (WTI) crude increased by 0.7% to \$74.21 per barrel.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 297.19 bp, 0.74 bps higher than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities.
2 Years vs 1Year bond spread is 7.0 bp.
5 Years vs 2 Years bond spread is 7.82 bp.
10 Years vs 2Years bond spread is 17.1 bp.

MARKET OUTLOOK

Today's G-sec auction experienced strong demand. However, the market cooled down and the yields were increased with decrease in liquidity. With continued inflows from bond index investors and a global tailwind, yields are expected to ease further. The yield is projected to fluctuate between 6.78% and 6.85%.

INDIA YIELD CURVE

