

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	87.327	+0.11
BRENT OIL	71.32	-1.20
GOLD	2901.30	+0.91
India 10Y	6.7447	+0.09
US 10 YR	4.1530	+0.17
NIFTY 50	22082.65	-0.17
SENSEX	72989.93	-0.13

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.5700	6.5500
G-SEC 2028	6.6124	6.6075
G-SEC 2033	6.8147	6.8047
G-SEC 2037	6.9303	6.9151
G-SEC 2053	7.1308	7.1333
SDL 2027	6.8504	6.9291
SDL 2033	7.2029	7.2080

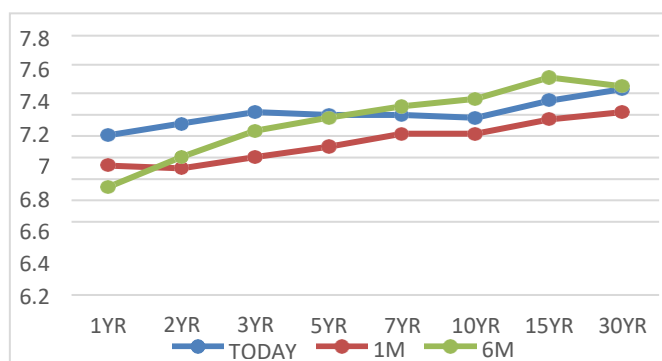
ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR VIII 7.49 BD 11JU29 FVRS1LAC	7.5021	100.000
NATIONAL HOUSING BANK 7.35 BD 02JN32 FVRS1LAC	7.3470	100.000
SBM BANK (INDIA) LIMITED SR I 9.75 BD 05AP32 FVRS1CR	9.3657	100.6700
REC LIMITED SR 244 7.99 BD PP FVRS1CR	7.9730	100.20

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.2350	6.2400	5.9700	5.9935	5.9825	6.0025

INDIA YIELD CURVE



BOND MARKET

The 10-year benchmark recorded a close of 6.7447%, ending 0.64 bps higher than the close of the previous day's trading session. Yields traded in the range of 6.7201 to 6.7455 during the day.

DOMESTIC BROADCAST

India's GDP is expected to grow at 6.5% in FY 2025-26, driven by stable commodity prices, improving consumption, and RBI rate cuts. Private Capex is key as the government curbs spending. Global trade risks may impact exports, while imports stay strong. Agriculture, services, and manufacturing show steady growth, with exports rebounding.

On October 22, 2024, the overnight money market volume was ₹563,557.45 crore at a 6.65% average rate. Net liquidity absorption was ₹73,775.07 crore.

GLOBAL BROADCAST

Eurozone government bond yields declined after rising on Monday due to higher-than-expected February inflation, as markets reacted to the enforcement of U.S. tariffs on Mexico, Canada, and an additional 10% tariff on China. Analysts view this as the official start of the trade war. Meanwhile, a substantial bond supply from Austria, Germany, Belgium, and the Netherlands is expected, with the 10-year German Bund yield dropping over 3 basis points to 2.434%.

Indian exports are under increasing pressure due to aggressive trade policies from the U.S. and EU, including higher import tariffs and protective measures like the CHIPS Act and the EU's carbon tax. With U.S. President Trump's proposed reciprocal tariffs posing a potential \$7 billion annual loss, Indian officials stress the need for comprehensive trade and industrial policy reforms. Despite a 7.2% year-on-year rise in exports to \$682.59 billion in FY 2024/25 (April-January), a trade deficit of \$87.47 billion persists, highlighting the challenge of achieving the \$2 trillion export target by 2030/31.

The Canadian dollar and Mexican peso fell to one-month lows after the U.S. imposed steep tariffs, though weak U.S. economic data limited the dollar's gains. Trump's 25% tariffs on Mexico and Canada, along with higher duties in China, triggered retaliatory measures from affected countries. Despite concerns over a broader trade war, markets remain hopeful for a resolution.

SPREAD ANALYSIS

The India 10 Years vs the United States 10Years Government Bond spread value is 259.17 bps, 8.24 bps higher than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities.

2 Years vs 1 Years bond spread is 2.07 bp.
5 Years vs 2 Years bond spread is 8.63 bp.
10 Years vs 2 Years bond spread is 17.80 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended higher compared to the previous day, the market experienced higher liquidity and sideways movement. The yield is projected to fluctuate between 6.71% and 6.77%.