

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	85.719	-0.18
BRENT OIL	65.22	+1.56
GOLD	3422.35	+0.61
India 10 YR	6.1960	-0.17
US 10 YR	4.342	-0.32
NIFTY 50	24750.90	+0.53
SENSEX	81442.04	+0.55

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	5.5500	5.6050
G-SEC 2028	5.7102	5.7239
G-SEC 2033	6.2238	6.2392
G-SEC 2037	6.4002	6.4060
G-SEC 2053	6.8208	6.8246
SDL 2027	5.9993	-
SDL 2033	6.6103	6.6401

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
INDIA INFRADEBT LIMITED SR I TR I 7.45 NCD 26JU30 FVRS1LAC	7.4477	100.000
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR IX 7.39 BD 21MR30 FVRS1LAC	6.6996	102.8971
INDIAN RAILWAY FINANCE CORPORATION LIMITED SR 191B 6.58 BD 30MY30 FVRS1LAC	6.6007	100.000
BAJAJ FINANCE LIMITED 7.020 NCD 18AP31 FVRS10LAC	7.2700	98.7954
BHARTI TELECOM LIMITED SR XVI 8.90 NCD 04DC25 FVRS1LAC	7.5000	100.5085
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 24A 7.5 BD 31AU26 FVRS1LAC	6.5300	101.0739
BHARTI TELECOM LIMITED SR XVII 8.95 NCD 04DC26 FVRS1LAC	7.5700	101.8035
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25A 7.70 BD 30SP27 FVRS1LAC	6.5654	102.3052
BAJAJ FINANCE LIMITED 7.70 NCD 04OT34 FVRS1LAC	7.3700	102.0812

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.5200	5.5300	5.4100	5.4100	5.6200	5.6000

BOND MARKET

The 10-year benchmark (6.33% GSEC 2035) recorded a close of 6.1960%, ending at 1.05 bps lower than the day's trading session.

DOMESTIC BROADCAST

With banks slow to transmit previous rate cuts, corporates are increasingly tapping the bond market—particularly favouring short-term debt. In May 2025, firms raised ₹61,200 crore through bonds with maturities up to five years, nearly triple the amount raised a year ago, according to Prime Database. This shift is driven by the Reserve Bank of India's substantial liquidity injection—around \$100 billion since December 2024—which has pushed short-term yields down more sharply than long-term ones. The system remains in a surplus of nearly ₹2 lakh crore, encouraging more corporate bond issuances amid expectations of further rate cuts.

Money market operations on June 5, 2025: Overnight segment totaled ₹55169.12 crores at a 5.64% weighted average rate. The segment's significant operations included triparty repo at ₹1853.90 crore and 5.62%. RBI's net liquidity absorption stood at ₹286076.14 crore.

GLOBAL BROADCAST

The euro held near six-week highs against the dollar on Thursday ahead of an expected ECB rate cut, while the U.S. dollar rebounded slightly after weak U.S. services and labour data fuelled rate cut bets. The ECB is anticipated to reduce rates by 25 bps, its eighth cut in 13 months, as eurozone inflation falls below target. FX markets remained subdued ahead of the ECB decision and U.S. non-farm payrolls data due Friday. The dollar index has dropped about 9% this year amid trade tensions, fiscal concerns, and expectations of Fed rate cuts, with markets pricing in easing by September.

The European Central Bank slashed interest rates at its latest policy meeting on Thursday, bringing its key deposit rate down by 25 basis points to 2.0%. In a statement, the ECB said its decision to lower borrowing costs for the eighth time since last June comes as the euro area economy faces waning inflation but persistent uncertainty around the impact of global trade tensions.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 185.40 bps, 11.05 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 8.36 bp
5 Years vs 2 Years bond spread is 19.65 bp.
10 Years vs 2 Years bond spread is 51.28 bp.

MARKET OUTLOOK

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