

**GLOBAL MARKET SNAPSHOT**

| MARKETS   | PRICE    | % CHANGE |
|-----------|----------|----------|
| USD/INR   | 85.767   | 0.01     |
| BRENT OIL | 76.67    | -0.14    |
| GOLD      | 2653.66  | -0.30    |
| India 10Y | 6.7914   | -0.36    |
| US 10 YR  | 4.615    | 0.06     |
| NIFTY 50  | 23616.05 | -1.62    |
| SENSEX    | 77964.99 | -1.59    |

**G-SEC / BONDS YIELDS**

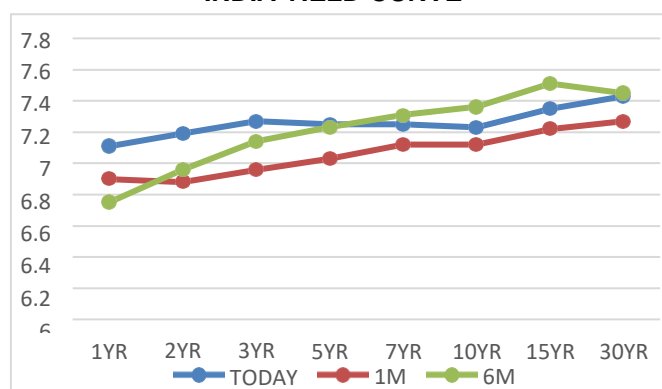
| SECURITY   | LTY (%) TODAY | LTY (%) PREV |
|------------|---------------|--------------|
| 364 DTB    | 6.55          | 6.40         |
| G-SEC 2028 | 6.6875        | 6.7361       |
| G-SEC 2033 | 6.7977        | 6.8408       |
| G-SEC 2037 | 6.8882        | 6.9048       |
| G-SEC 2053 | 7.0147        | 7.0309       |
| SDL 2027   | -             | -            |
| SDL 2033   | 7.0744        | 7.0795       |

**ACTIVELY TRADED CORPORATE BONDS**

| SECURITY  | YTM (%) | LTP      |
|---|---------|----------|
| NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 23H 7.58 LOA 31JL26 FVRS1LAC | 7.6198  | 99.88    |
| REC LIMITED SR 190A 6.88 BD 20MR25 FVRS10LAC  | 7.4000  | 99.8812  |
| HDFC BANK LIMITED SR AB001 7.69 NCD 27JN33 FVRS1LAC                                 | 7.5388  | 100.8791 |
| NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25A 7.70 BD 30SP27 FVRS1LAC  | 7.5392  | 100.3515 |

**OVERNIGHT INDEXED SWAP**

| OIS (1 YEAR) |        | OIS (2 YEAR) |        | OIS (5 YEAR) |        |
|--------------|--------|--------------|--------|--------------|--------|
| OPEN         | CLOSE  | OPEN         | CLOSE  | OPEN         | CLOSE  |
| 6.5200       | 6.4825 | 6.2600       | 6.2225 | 6.250        | 6.1775 |

**INDIA YIELD CURVE**

**BOND MARKET**

The 10-year benchmark recorded a close of 6.7914%, ending 2.48 bps lower than the close of the previous day's trading session. The yield was in the range of 6.7914 to 6.8285.

**DOMESTIC BROADCAST**

The PHDCCI urged tax simplification to boost disposable income, consumer spending, and economic growth while mitigating inflation. It proposed increasing the Union Budget to ₹51 lakh crore for 2025-26, rationalizing taxes, reducing business costs, and eliminating inverted duty structures in key sectors. It also emphasized boosting manufacturing, infrastructure, innovation, and female workforce participation to raise manufacturing's GDP share to 25% by 2030.

On January 3, the RBI reported ₹ 9253.25 at 6.43 market activity in the overnight and term segments. Under RBI operations, MSF saw ₹1904.75 crore at 6.75%, and SDF saw ₹96809 crore at 6.25%. The net liquidity absorbed totaled ₹38613.58 crore.

**GLOBAL BROADCAST**

Leading economists, including former Fed Chair Ben Bernanke, agree that while President-elect Donald Trump's economic policies—such as tariffs, tax cuts, and immigration restrictions—may pose inflationary risks, their overall impact on inflation is likely to be modest. However, attempts to undermine Federal Reserve independence could significantly disrupt financial markets and price stability, though the strong current momentum of the U.S. economy suggests it will likely remain on track with continued disinflation and robust confidence.

UK business activity growth stagnated in December, with the S&P Composite PMI slipping to 50.4 and employers cutting jobs at the fastest rate since January 2021, driven by cost pressures and pessimism following the government's tax-heavy budget, while future output expectations hit a one-year low.

Eurozone investor morale fell to a 14-month low in January, with the Sentix index at -17.7, weighed down by Germany's persistent recession, while slight improvement in expectations was offset by a worsening view of the current economic situation.

**SPREAD ANALYSIS**

The India 10 Years vs the United States 10 Years Government Bond spread value is 217.94 bps, 1.6 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 3.45 bps.  
 5 Years vs 2 Years bond spread is 3.36 bps.  
 10 Years vs 2Years bond spread is 12.08 bps.

**MARKET OUTLOOK**

Today, the 10-year benchmark yields ended slightly lower than the previous, tracking upcoming outcomes associated with Indian food inflation data. We expect the yield to fluctuate between 6.75% to 6.85%.