

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	85.366	+0.84
BRENT OIL	61.22	+0.16
GOLD	3359.69	-0.69
India 10 YR	6.3668	+1.63
US 10 YR	4.286	+0.58
NIFTY 50	24273.80	-0.58
SENSEX	80334.81	-0.51

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	5.8401	5.8800
G-SEC 2028	6.0424	6.0050
G-SEC 2033	6.3924	6.3334
G-SEC 2037	6.4918	6.4547
G-SEC 2053	6.8515	6.7824
SDL 2027	6.3982	6.3469
SDL 2033	6.7201	6.7098

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25G 7.48 BD 15SP28 FVRS1LAC	6.9128	101.4227
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25A 7.70 BD 30SP27 FVRS1LAC	6.8400	101.7812
MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED SR A12023 STRPP 2 8 NCD 27AP27 FVRS1LAC	7.3084	101.2322
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR I 2024-25 F 9.35 NCD 31DC32 FVRS1LAC	9.0494	103.1459
REC LIMITED SR 234-B 7.58 BD 31MY29 FVRS1LAC	6.8300	102.5532
REC LIMITED SR 236-B 7.56 BD 31AG27 FVRS1LAC	6.7840	101.5657
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25B 7.64 BD 06DC29 FVRS1LAC	6.9000	102.7453
HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED SR B 6.90 NCD 06MY30 FVRS1LAC	6.8974	100.0000
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25E 7.53 BD 24MR28 FVRS1LAC	6.9972	101.3065

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.5850	5.6700	5.4400	5.5525	5.5500	5.6800

BOND MARKET

The 10-year benchmark recorded a close of 6.3668%, ending at 6 bps higher than the close of the previous day's trading session. Yields traded in the range of 6.2774 to 6.3668 during the day.

DOMESTIC BROADCAST

The Indian rupee, equities, and bonds experienced a downturn following India's announcement of neutralizing Pakistan's attempts to engage military targets. This escalation of border tensions led to the rupee dropping to 85.59 per dollar, bond yields rising, and the NSE Nifty 50 and BSE Sensex slipping. Market volatility has increased since the attacks in Kashmir.

Money market operations on May 7, 2025: Overnight segment totaled ₹598270.16 crores at a 5.75% weighted average rate. The segment's significant operations included triparty repo at ₹370157 crore and 5.75%. RBI's net liquidity absorption stood at ₹142336.79 crore.

GLOBAL BROADCAST

The Bank of England voted 5-4 to cut Bank Rate by 25bps to 4.25% in May as expected. Two members preferred a larger cut to 4%, while two opted to hold at 4.5%. The decision reflects continued disinflation progress as external shocks eased and tight policy helped anchor inflation expectations. UK GDP growth has slowed since mid-2024, and the labour market is loosening. CPI inflation fell to 2.6% in March, though a temporary rise to 3.5% is expected in Q3 due to earlier energy price spikes. Inflation is forecast to ease again thereafter. Pay growth remains high but is expected to slow. Global uncertainty has risen due to new US tariffs, weakening global growth and lowering market interest rate expectations. The MPC remains committed to returning inflation to 2% sustainably.

Initial jobless claims in the United States fell by 13,000 to 228,000 on the week ending May 3rd, slightly below market expectations of 230,000, to mark a sharp contrast from the two-month high from the previous week. In the meantime, outstanding unemployment claims fell by 29,000 to 1,879,000, easing from the over three-year high halfway through April.

March saw a 1.1% increase in German exports compared to the previous month, according to data released by the federal statistics office on Thursday.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 208.08 bps, 4.41 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 10.31 bp
 5 Years vs 2 Years bond spread is 10.08 bp.
 10 Years vs 2 Years bond spread is 35 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended higher compared to the previous day. The yield is projected to fluctuate between 6.30% and 6.40%.