

GLOBAL MARKET SNAPSHOT

MARKETS	Price	%Change
USD/INR	85.809	0.09
BRENT OIL	77.33	0.21
GOLD	2663.64	-0.13
India 10Y	6.8131	-0.36
US 10 YR	4.687	0.38
NIFTY 50	23688.95	-0.08
SENSEX	78148.49	-0.06

G-SEC / BONDS YIELDS

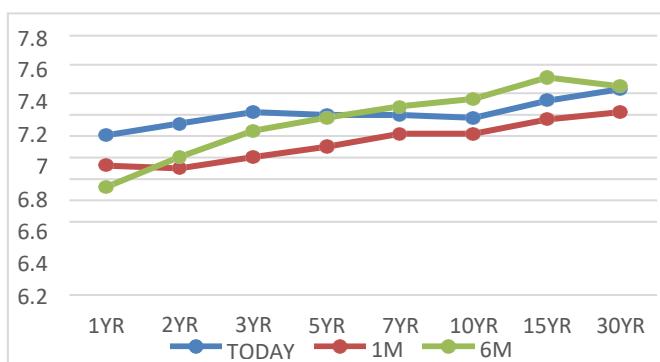
SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.69	6.7500
G-SEC 2028	6.693	6.6735
G-SEC 2033	6.8232	6.7960
G-SEC 2037	6.8811	6.8811
G-SEC 2053	7.0178	7.0059
SDL 2027	6.990	7.0710
SDL 2033	7.1468	7.1408

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
INDIAN OIL CORPORATION LIMITED SR XXVII 7.25 NCD 06JN30 FVRS1LAC	7.2458	100.00
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25B 7.64 BD 06DC29 FVRS1LAC	7.4513	100.7111
NATIONAL BANK FOR FINANCING INFRASTRUCTURE AND DEVELOPMENT SR NABFID2025-1 7.43 BD 04JL34 FVRS1LAC	7.2200	101.34

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.47750	6.4950	6.2000	6.21750	6.1900	6.2000

INDIA YIELD CURVE

BOND MARKET

The 10-year benchmark recorded a close of 6.8131%, ending 2.47 bps lower than the close of the previous day's trading session. Yields traded in the range of 6.7956 to 6.7803 during the day.

DOMESTIC BROADCAST

India's per capita nominal GDP is expected to rise significantly in FY25 despite slower real GDP growth, with NSO projecting GDP growth at 6.4% and nominal growth at 9.7%. Strong agricultural recovery (3.8% growth), robust services sector (7.2% growth), and increased government consumption and exports are key drivers. Private consumption is expected to accelerate in the second half, supported by healthy agricultural performance and easing food inflation, which could also bolster private investment, though investment growth may moderate.

On January 07, 2024, the overnight money market volume was ₹569376.31 crore at a 6.71% average rate. Net liquidity absorption was ₹1449349.54 crore.

GLOBAL BROADCAST

Australia's November inflation rose more than expected, with underlying inflation still above the RBA's target, driven by food and housing costs; this, along with a strong labor market, supports a hawkish outlook, delaying potential rate cuts to late 2025 or beyond.

The Economic Confidence survey highlights stagnant eurozone GDP in Q4, a loosening labor market, and persistent inflationary pressures, with rising price expectations in key sectors, potentially heightening ECB concerns over domestic inflation.

The Federal Reserve has decided to pause further interest rate cuts, reflecting a cautious approach due to steady economic growth, a low unemployment rate, and inflation that remains slightly above the 2% target. Policymakers emphasized the need to maintain restrictive credit conditions until there is clear evidence of sustained progress toward the inflation target or a significant weakening in economic demand. Recent economic data, including stable employment figures and moderate wage growth, supports this cautious stance. Fed officials also highlighted uncertainty in the economic outlook, underlining the importance of data-driven decisions before considering any additional rate reductions.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 149.61 bps, 67.83 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 1.46 bp.

5 Years vs 2 Years bond spread is 6.68 bp.

10 Years vs 2 Years bond spread is 13.27 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower compared to the previous day, the market experienced higher liquidity and positive movement. The yield is projected to fluctuate between 6.75% and 6.85%.