GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	85.604	-0.21
BRENT OIL	66.67	+0.26
GOLD	3335.55	-0.09
India 10Y	6.2837	+0.74
US 10 YR	4.492	-0.58
NIFTY 50	25103.20	+0.40
SENSEX	82445.21	+0.31

G-SEC / BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	5.4000	5.4500
G-SEC 2028	5.7024	5.6564
G-SEC 2033	6.3221	6.2551
G-SEC 2037	6.5438	6.4576
G-SEC 2053	6.9508	6.8944
SDL 2027	-	5.8616
SDL 2033	6.7073	6.6401

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NTPC LIMITED SR 81 7.48 NCD 21MR26 FVRS1LAC	6.0500	100.9923
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 23H 7.58 LOA 31JL26 FVRS1LAC	6.3225	101.2843
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR VII 7.42 BD 12MR29 FVRS1LAC	6.5300	102.9207
BAJAJ HOUSING FINANCE LIMITED 7.02 NCD 26MY28 FVRS1LAC	7.0097	100.0035
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25C 7.44 BD 24FB28 FVRS1LAC	6.4289	102.3929
SUNDARAM FINANCE LIMITED SR V2 6.48 NCD 15MY26 FVRS10LAC	6.6450	99.8309
POWER FINANCE CORPORATION LIMITED SR 248B 7.45 NCD 15JL28 FVRS1LAC	6.4211	102.7965
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25E 7.53 BD 24MR28 FVRS1LAC	6.4283	102.6216
NTPC LIMITED SR 83 6.84 NCD 09MY35 FVRS1LAC	6.8000	100.2358

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.5000	5.4825	5.4500	5.4650	5.7000	5.7000

BOND MARKET

The 10-year benchmark recorded a close of 6.2837%, ending at 4.64 bps higher than the close of the previous day's trading session. The yield was in the range of 6.2403 to 6.2878.

DOMESTIC BROADCAST

Indian government bond yields dipped as markets priced in Indian government bond yields experienced an increase in early trading on Monday as investors assessed the Reserve Bank of India's unexpected shift to a neutral policy stance. This followed a larger-than-anticipated rate cut. Traders anticipate caution to prevail, with potential for recovery in the coming days. The RBI's decision and liquidity measures are influencing market expectations for future rate adjustments

Indian bond yields continued to rise on Monday, led by longer maturities, after the Reserve Bank of India shifted to a neutral stance and delivered an outsized 50-basis-point rate cut last week. The five-year yield stood at 5.84%, while the 10-year benchmark hit a three-week high at 6.28%.

On JUNE 6, the RBI reported ₹ 609320.10, at 5.33% market activity in the overnight and term segments. Under RBI operations, MSF saw ₹1959 crore at 5.75%, and SDF saw ₹265401 crore at 5.25%. The net liquidity absorbed totaled ₹321419 crore.

GLOBAL BROADCAST

Barclays expects the ECB to cut rates twice more in 2025, in September and December, bringing the deposit rate to 1.5%, despite Lagarde's hawkish tone. Easing is supported by falling inflation—headline at 1.9%, core at 2.3%—and weak eurozone growth, with Q1 GDP gains inflated by Irish data. Industrial output declined, fiscal stimulus is delayed, and Barclays sees the ECB's growth forecasts as overly optimistic. With inflation projected to stay below target through 2026, further rate cuts appear justified.

Japanese Prime Minister Shigeru Ishiba has instructed leaders of the ruling Liberal Democratic Party (LDP) to include an ambitious economic target in their election platform: achieving a nominal GDP of 1,000 trillion yen (approximately $6.94 trillion) by 2040. Alongside this, Ishiba is also prioritizing a more than 50% rise in average income, aiming to make it a central pledge in the LDP's campaign for the upcoming upper house elections in July.

SPREAD ANALYSIS

The India 10 Years vs the United States 10 Years Government Bond spread value is 179.17 bps, 5.86 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 18.93 bps.
5 Years vs 2 Years bond spread is 30.57 bps.
10 Years vs 2Years bond spread is 63.45 bps.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower than the previous. We expect the yield to fluctuate between 6.15% to 6.25%.