

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	85.917	0.02
BRENT OIL	76.14	0.29
GOLD	2679.35	0.40
India 10 YR	6.8043	-0.13
US 10 YR	4.666	-0.47
NIFTY 50	23526.50	-0.69
SENSEX	77620.21	-0.68

G-SEC / BONDS YIELDS

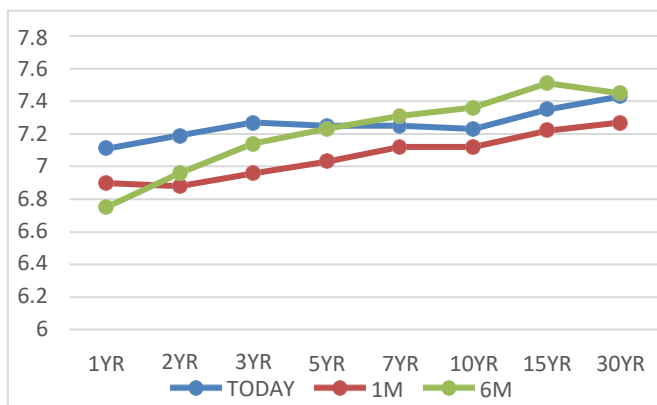
SECURITY	LTY (%) TODAY	LTY (%) PREV
364 DTB	6.50	6.69
G-SEC 2028	6.7115	6.693
G-SEC 2033	6.8174	6.8232
G-SEC 2037	6.8905	6.8811
G-SEC 2053	7.0217	7.0178
SDL 2027	7.0035	6.990
SDL 2033	7.1250	7.1468

ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
POWER FINANCE CORPORATION LIMITED SR BS221B 7.59 BD 17JN28 FVRS10LAC	7.45	100.3671
HDFC BANK LIMITED SR US005 7.80 NCD 02JU25 FVRS1LAC	7.9752	99.7799
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR I 2024-25 B 9.35 NCD 29DC28 FVRS1LAC	9.2839	100.6331
MAHANAGAR TELEPHONE NIGAM LIMITED SR VIII TR C 7.80 BD 07NV33 FVRS1LAC	8.1257	98.93

OVERNIGHT INDEXED SWAP

OIS (1 YEAR)		OIS (2 YEAR)		OIS (5 YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.48	6.5025	6.200	6.2175	6.1800	6.1975

INDIA YIELD CURVE

BOND MARKET

The 10-year benchmark recorded a close of 6.8043%, ending 0.88 bps higher than the close of the previous day's trading session. Yields traded in the range of 6.8069 to 6.8265 during the day.

DOMESTIC BROADCAST

The Indian economy is forecasted to grow at 6.8% in FY 2025-26, supported by strong high-frequency indicators like robust services PMI, GST collections, and agricultural growth, with government and private consumption expected to rise significantly. However, global risks such as potential tariff wars under the incoming U.S. administration and domestic factors like the Union Budget and RBI policy decisions could influence growth momentum.

Money market operations on January 8, 2025: Overnight segment totaled ₹541901.88 crores at a 6.76% weighted average rate. The segment's significant operations included triparty repo at ₹1495 crore and 6.81%. RBI's net liquidity absorption stood at ₹181607.26 crore.

GLOBAL BROADCAST

Britain's finance minister, Rachel Reeves, faces rising borrowing costs and a weakening pound, driven largely by global shifts in U.S. bond markets and investor concerns over high borrowing plans, fiscal credibility, and economic stagnation, exacerbated by Brexit's impact on market stability. Analysts warn that sustained inflationary pressures may limit the Bank of England's ability to cut interest rates, adding to economic challenges. Despite reassurances from the Treasury and strong underlying demand for UK debt, market scepticism about the government's fiscal strategy remains evident.

The Federal Reserve faces a dilemma as rising long-term Treasury yields signal investor concerns over inflation, fiscal deficits, and President-elect Trump's policy promises, including tax cuts and tariffs. Despite recent rate cuts, surging term premiums and a widening yield curve suggest the Fed may need to adopt a more hawkish stance to maintain its inflation target, risking tension with the new administration.

SPREAD ANALYSIS

The India 10Years vs the United States 10Years Government Bond spread value is 213.83 bps, 1.22 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 1.82 bp
 5 Years vs 2 Years bond spread is 3.32 bp.
 10 Years vs 2Years bond spread is 11.58 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended higher compared to the previous day. The yield is projected to fluctuate between 6.77% and 6.84%.