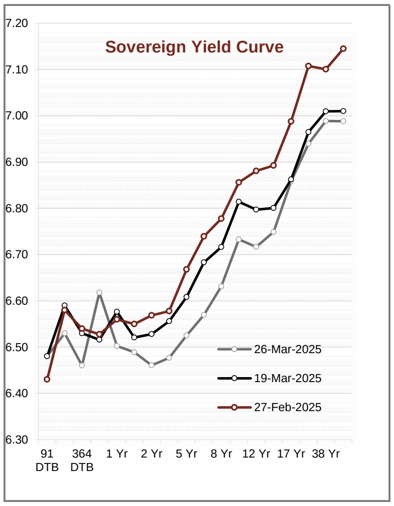
## Debt Markets – The 10-year benchmark fell by 10 bps




The 10-year benchmark recorded a close at 6.48%, falling by 10 bps from the close of the previous trading session.

Yields opened lower from the close of the previous session at 6.55% which coincided with day's high. Thereafter, the yields traded downwards to make a low of 6.48% before closing the session at the same level.

The yields opened lower from the close of the previous trading session and traded downwards following GST collections data which rose by 7.3% YoY in Mar'25 to INR 1.76 trillion, reflecting economic stability and strong tax compliance by domestic companies. Thereafter, yields continued to trade downwards after India's manufacturing PMI rises to 58.1 in Mar'25 as compared to 56.3 in Feb'25, the highest in 8 months on the back of robust domestic demand pushing factory output higher, with new orders surging. During the fag end of the session, the downward movement in yields accentuated, as Moody's expects India's economic growth to be highest amongst advanced and emerging G20 economies driven by tax measures, monetary easing, and strong domestic economy, positioning India as resilient amidst global uncertainties. Further, rating agency projects India's FY26 outlook to be resilient, however, global trade risks may pose a risk to the growth trajectory especially risks emanating from President Trump's proposed tariffs.

FIIs were net buyers in the debt segment with inflows amounting to INR 23.56 Cr as of April 02nd, 2025.

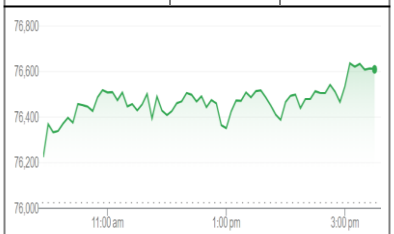
The 1-year and 5-year OIS stood at 6.1% and 5.93% respectively, as of March 26th, 2025.

## G-Sec / Bond Yields

| Security | Tenure | Yield (SA) |
|---|---|---|
| 91 DTB | 91 Days | 6.30% |
| 364 DTB | 364 Days | 6.30% |
| GOI 2034 | 10 Yr | 6.48% |
| GOI 2039 | 15 Yr | 6.61% |
| SDL | 10 Yr | 7.02% - 7.05% (Annualized) |
| AAA PSU | 10 Yr | 7.21% - 7.25% (Annualized) |
| AAA Pvt. | 10 Yr | 7.62% - 7.65% (Annualized) |

## Equity Markets – Indices ended the session higher amid mixed domestic and global cues

| Index | Sensex | Nifty |
|---|---|---|
| Close | 76,617.44 | 23,332.35 |
| 1 day change | 0.78% | 0.72% |
| | 592.93 | 166.65 |
| 1 month change | 4.83% | 5.48% |
| | 3531.50 | 1213.05 |




BSE Sensex - 02 April, 2025

Domestic benchmark indices ended the session higher amid mixed domestic and global cues.

Indices opened higher and traded upward, as investor sentiment strengthened following reports of a 9.9% YoY increase in India's GST collections to INR 1.96 Lakh Cr in Mar'25, signaling robust domestic demand and fiscal stability. Thereafter, indices traded in a range-bound manner as India's Manufacturing PMI significantly rose to 58.1 in Mar'25 from 56.3 in Feb'25, driven by strong growth in new orders, output, and employment, reflecting heightened demand and buying activity. However, sentiment remained cautious as global investors awaited the anticipated announcement of new trade tariffs by the U.S. administration. Toward the end of the session, the indices sustained upward momentum as a report highlighted that, despite potential US reciprocal tariffs, India is expected to remain competitive in key sectors due to its ability to leverage growing global demand, sustainability investments, and trade agreements to mitigate risks and strengthen export resilience. Eventually, the indices ended the session in green amid buying witnessed in Realty, Consumer Durables, and Consumer Discretionary.

Among individual stocks, shares of Adani Ports and Special Economic Zone rose by 1.60% after the company reported its highest-ever cargo volume of 41.5 MMT in Mar'25, reflecting a 9% YoY increase. Shares of Bharti Airtel rose 1.57% as the company recently expanded its partnership with Nokia to strengthen its 5G network infrastructure.

All twenty-one sectoral indices compiled by the BSE ended the day in green, led by Realty, which rose by 3.62%, and Consumer Durables, which rose by 2.62%.

## Global Markets

| Markets | Price | Change |
|---|---|---|
| Dow Jones | 42,225.32 | 0.56% |
| S&P 500 | 5,670.97 | 0.67% |
| FTSE 100 | 8,608.48 | -0.30% |
| Shanghai | 3,350.13 | 0.05% |
| USD / INR | 85.60 | 0.03% |
| Brent Oil | 74.95 | 0.62% |
| Gold | 90,770 | -0.11% |
| Silver | 99,815 | 0.33% |

## Spread Analysis

The spread of AAA PSU bonds over the 10-year benchmark security was around 60 bps - 70 bps and the spread of AAA Private bonds over the 10-year benchmark security was around 100 bps - 110 bps. The spreads between benchmark security and AAA PSU and AAA Private Bonds largely remained unchanged. Special SDLs are trading at a spread of 1-3 bps above the regular SDLs.

## Auction / System Liquidity

The RBI will conduct an auction of SDL for a notified amount of INR 11,800 Cr today.

The RBI conducted an auction of T-Bills for a notified amount of INR 19,000 Cr and accepted an amount of INR 19,000 Cr yesterday.

The RBI will conduct an auction of G-sec for a notified amount of INR 36,000 Cr tomorrow.

The Net Liquidity including today's operations was at INR -3.85 Lakh Cr and were parked under SDF at 6.00%. The Wt. Avg.Call Money rate was 6.19%.

## Previous Auctions

| Security | Amount (In Crs) | Yield Range |
|---|---|---|
| T-Bill (02 April) | 19,000.00 | 6.29% - 6.30% |
| SDL (25 March) | 72,255.11 | 6.78% - 7.10% |
| G-Sec (28 February) | 32,000.00 | 6.74% - 7.14% |

## News Update

India's manufacturing PMI was revised upward to 58.1 in Mar'25, exceeding Feb'25's 56.3, marking the strongest level since Jul'24. Moreover, both new orders and output grew at the fastest pace in eight months, while buying levels hit a seven-month high and employment continued to rise solidly. Additionally, outstanding business increased marginally and lead times shortened for the 13th straight month, though to the second-least extent in that period.

According to media report, the impact of US President Donald Trump's proposed reciprocal tariffs on India is expected to be minimal, as only 1.1% of India's GDP was exposed through exports in six vulnerable sectors including electronics, gems and jewellery, and pharma. Moreover, the report estimated a potential export loss of USD 3.6 billion, or just 0.1% of GDP, assuming a 9% tariff differential and elasticity of -0.5. Additionally, bilateral trade in CY24 stood at USD 124 billion, with India enjoying a USD 37 billion surplus largely driven by electronics, pharma and textiles.

Euro Area's manufacturing PMI registered 48.6 in Mar'25, increasing from Feb'25's 47.6, indicating a continued contraction though the slowest since Jan'23. Furthermore, output rose for the first time in two years at the fastest pace since May'22 despite another decline in new business volumes. Moreover, job cuts eased from February's four-and-a-half-year high, while backlogged work shrank at the slowest pace since Jul'22. Additionally, input cost inflation hit a seven-month high, but output price inflation remained marginal as business confidence dipped to a three-month low.

## Economic Indicators

| Indicator | Feb'25 | Jan'25 |
|---|---|---|
| WPI | 2.38% | 2.31% |
| CPI | 3.61% | 4.26% |
| Food Inflation | 3.75% | 5.97% |
| IIP | 5.0% (Jan'25) | 3.2% (Dec'24) |