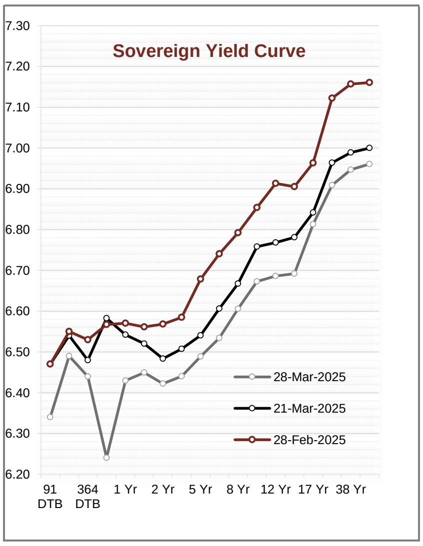
## Debt Markets – The 10-year benchmark rose by 2 bps




The 10-year benchmark recorded a close at 6.48%, rising by 2 bps from the close of the previous trading session.

Yields opened unchanged from the close of the previous trading session at 6.46% and traded downwards to make a low of 6.45%. Thereafter, the yields traded upwards to make a high of 6.49% before closing the session at 6.48%.

The yields opened unchanged from the close of the previous trading session and traded marginally downwards tracking gains from its Asian counterparts, as concerns about a global recession from aggressive U.S. tariffs drove safe-haven flows to the securities and spurred speculation that the Bank of Japan will need to wait longer before raising interest rates. Thereafter, yields reversed their trajectory and traded upwards after economists highlighted that India's GDP growth in FY26 is expected to face a 30-60 basis points downside as reciprocal US tariffs on 60 countries triggered concerns of a global economic slowdown. During the fag end of the session, the upward movement in yields was limited following an intraday fall in crude oil prices by ~4.03% amid, escalating trade tensions between the United States and China raising concerns about a recession that would lead to lower demand for crude oil.

FIIs were net sellers in the debt segment with outflows amounting to INR 73.58 Cr as of April 07th, 2025.

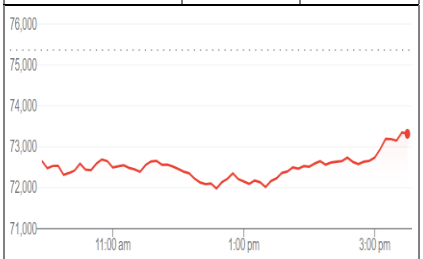
The 1-year and 5-year OIS stood at 6.04% and 5.90% respectively, as of March 28, 2025.

## 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 | 6.58% |
| SDL | 10 Yr | 6.91% - 6.96% (Annualized) |
| AAA PSU | 10 Yr | 7.21% - 7.25% (Annualized) |
| AAA Pvt. | 10 Yr | 7.45% - 7.50% (Annualized) |

## Equity Markets – Indices ended the session lower amid negative domestic and global cues

| Index | Sensex | Nifty |
|---|---|---|
| Close | 73,137.90 | 22,161.60 |
| 1 day change | -2.95% | -3.24% |
| | -2226.79 | -742.85 |
| 1 month change | -1.61% | -1.73% |
| | -1194.68 | -390.90 |




BSE Sensex - 07 April, 2025

Domestic benchmark indices ended the session lower amid negative domestic and global cues.

Indices opened the session lower and traded downwards tracking US counterparts amid growing global trade tensions and increasing recession fears in the US. Investor sentiment soured amid escalating trade tensions, with President Donald Trump's newly imposed tariffs prompting rapid retaliation from China. Thereafter, the indices reversed their trajectory and traded with an upward bias after media reports indicated that the RBI might cut the repo rate by 25 bps in its Apr'25 MPC meeting amid easing inflation in order to support the Indian economy and shift towards an accommodative policy stance. Thereafter, the up move in the indices was limited after a report highlighted that India's merchandise exports to the US were expected to decline by USD 5.76 Bn in CY25 amid increased duties.

Eventually, the indices ended the session in red amid selling in Metal and Realty.

Among individual stocks, shares of Trent fell by 14.70% after the promoter of Zudio and Westside apparel chains announced a weak Q4FY25 business update. Shares of Tata Steel fell by 7.26% amid heightened fears over the impact of reciprocal tariffs imposed by the U.S. on steel and aluminium imports, which have cast doubts over export prospects and overall demand recovery

Out of the twenty-one sectoral indices compiled by the BSE, all the sectors ended the day in red led by Metal as it fell by 6.22%. Realty fell by 5.69%.

## Global Markets

| Markets | Price | Change |
|---|---|---|
| Dow Jones | 37,965.60 | -0.91% |
| S&P 500 | 5,062.25 | -0.23% |
| FTSE 100 | 7,702.08 | -4.38% |
| Shanghai | 3,096.58 | -7.34% |
| USD / INR | 85.75 | 0.67% |
| Brent Oil | 64.21 | -2.09% |
| Gold | 87,010 | -1.27% |
| Silver | 88,555 | 1.29% |

## 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 90 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 3,500 Cr today.

The RBI will conduct an auction of T-Bills for a notified amount of INR 19,000 Cr tomorrow.

The RBI will conduct an auction of G-sec for a notified amount of INR 32,000 Cr on Friday.

The Net Liquidity including today's operations was at INR -1.48 Lakh Cr and were parked under SDF at 6.00%. The Wt. Avg.Call Money rate was 6.16%.

## Previous Auctions

| Security | Amount (In Crs) | Yield Range |
|---|---|---|
| T-Bill (02 April) | 19,000.00 | 6.29% - 6.30% |
| SDL (03 April) | 11,800.00 | 6.76% - 6.88% |
| G-Sec (04 April) | 36,000.00 | 6.25% - 6.49% |

## News Update

According to economists, a 50-bps rate cut by the RBI in the upcoming MPC meeting could be a proactive step to shield the Indian economy from rising global risks, including tariff pressures and slowing external demand. Moreover, with inflation under control, falling global yields, and a stable rupee, conditions remain favourable for monetary easing to boost investment and consumption. Additionally, while some economists prefer a cautious 25 bps cut, most agree that adopting an accommodative stance would enhance policy flexibility and reaffirm the RBI's support for growth in an uncertain global environment.

According to economists, India is projected to meet its FY25/26 GDP growth target of 6.3%–6.8% despite new U.S. tariffs, provided oil prices remain below USD 70 per barrel. However, many remain sceptical, lowering growth forecasts by 20–40 bps amid escalating trade tensions and weakening global demand. Moreover, with export-oriented sectors such as diamonds and textiles expected to face significant pressure, the government prioritizes diplomatic engagement over retaliatory action while evaluating targeted support measures.

Germany's trade surplus rose to EUR 17.7 Bn in Feb'25 from EUR 16.2 Bn in Jan'25, as export growth outpaced imports. Moreover, exports increased by 1.8% to a ten-month high of EUR 131.6 Bn, supported by stronger sales to EU countries, especially the non-Euro area, and to third countries such as the U.S. and China, despite declines in shipments to the U.K. and Russia. Additionally, imports climbed by 0.7% to a 20-month high of EUR 113.8 Bn, driven by higher purchases from the EU, while imports from third countries declined overall, except for a notable increase in imports from China.

## 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) |