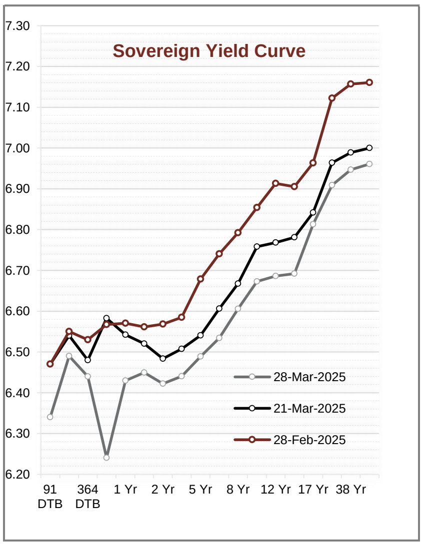
Debt Markets – The 10-year benchmark fell by 1 bp



The 10-year benchmark recorded a close at 6.47%, falling by 1 bp from the close of the previous trading session.

Yields opened higher from the close of the previous trading session at 6.50% which coincided with day's high. Thereafter, the yields traded downwards to make a low of 6.47% before closing the session at the same level.

The yields opened higher from the close of the previous trading session and traded marginally upwards tracking losses from its US counterparts, amid growing global trade tensions and increasing recession fears due to escalating trade tensions, with President Donald Trump's newly imposed tariffs prompting rapid retaliation from China. Thereafter, yields reversed their trajectory and traded downwards after economists highlighted that 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. During the fag end of the session, the downward movement in yields 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 tariffs.

FIIs were net sellers in the debt segment with outflows amounting to INR 2916.79 Cr as of April 08th, 2025.

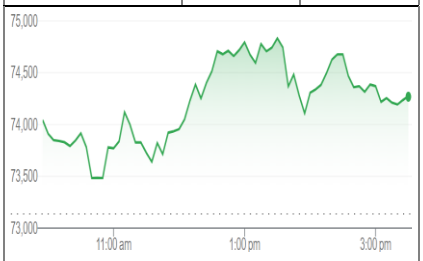
The 1-year and 5-year OIS stood at 6.04% and 5.90% respectively, as of March 28, 2025.

G-Sec / Bond Yields

Security	Tenure	Yield (SA)
91 DTB	91 Days	6.30%
364 DTB	364 Days	6.30%
GOI 2034	10 Yr	6.47%
GOI 2039	15 Yr	6.58%
SDL	10 Yr	6.90% - 6.97% (Annualized)
AAA PSU	10 Yr	7.21% - 7.25% (Annualized)
AAA Pvt.	10 Yr	7.49% - 7.52% (Annualized)

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

Index	Sensex	Nifty
Close	74,227.08	22,535.85
1 day change	1.49%	1.69%
	1089.18	374.25
1 month change	-0.14%	-0.07%
	-105.50	-16.65



BSE Sensex - 08 April, 2025

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

Indices opened the session higher and traded upwards after media reports highlighted that India was expected to achieve its projected economic growth ranging between 6.3%-6.6% in FY26 despite concerns over the global trade war amid implementation of US administration's reciprocal tariffs on Indian imports. Thereafter, the indices reversed their trajectory and traded with a downward bias after investors turned cautious about the size of rate cuts to be implemented by the RBI in its upcoming monetary policy meeting amid easing inflation. Thereafter, the down move in the indices was limited after a report highlighted that the RBI was expected to make more rate cuts during the year in order to support the Indian economy. Eventually, the indices ended the session in green amid buying in Oil & Gas and Realty.

Among individual stocks, shares of Titan rose by 3.38% after the company's positive business update for the Q4FY25, reporting a 25% increase in revenue across all its verticals. Shares of Jio Financial Services rose by 5.61% after the company introduced a digital loan against securities which will allow customers to avail loans up to INR 1.00 Cr in 10 minutes at competitive interest rates

Out of the twenty-one sectoral indices compiled by the BSE, all the sectors ended the day in green led by Oil & Gas as it rose by 2.58%. Realty rose by 2.44%.

Global Markets

Markets	Price	Change
Dow Jones	37,645.59	-0.84%
S&P 500	4,982.77	-1.57%
FTSE 100	7,910.53	2.71%
Shanghai	3,133.66	-0.38%
USD / INR	86.00	0.30%
Brent Oil	62.82	-2.16%
Gold	87,751	0.85%
Silver	88,882	0.37%

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 conducted an auction of SDL for a notified amount of INR 3,500 Cr and accepted an amount of INR 3,500 Cr yesterday.

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

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 -1.39 Lakh Cr and were parked under SDF at 6.00%. The Wt. Avg.Call Money rate was 6.15%.

Previous Auctions

Security	Amount (In Crs)	Yield Range
T-Bill (02 April)	19,000.00	6.29% - 6.30%
SDL (08 April)	3,500.00	6.81% - 6.87%
G-Sec (04 April)	36,000.00	6.25% - 6.49%

News Update

According to media reports, the RBI is expected to cut interest rates by 25 bps to 6% amid slowing domestic growth and the added strain from newly imposed US tariffs on Indian exports. Moreover, with inflation consistently below the RBI's target and global commodity prices softening, there is increased room for a more accommodative policy stance, possibly indicating a deeper easing cycle. Additionally, the RBI's liquidity support measures aim to enhance policy transmission and help stabilize bond yields and the rupee amid growing global uncertainties.

According to a Global Trade Research Initiative report, reciprocal tariffs imposed by the US are expected to reduce Indian exports by 6.4%, with key sectors like seafood, electronics, and gems & jewelry facing the steepest declines due to weakened price competitiveness and limited domestic value addition. Furthermore, while this could pose short-term risks to India's export-driven growth and trade balance with the US, the macroeconomic impact may be partially offset by continued demand for exempted high-value exports. The report also identifies potential export opportunities in textiles, apparel, and ceramics, where competing countries are expected to face higher tariff barriers.

Japan's current account surplus rose to a record JPY 4,060.7 Bn in Feb'25 from JPY 2,737.1 Bn in Feb'24, mainly due to a sharp improvement in the goods trade balance and higher investment income from abroad. Moreover, a 10.4% rise in exports and a 1.9% decline in imports flipped the goods account from a deficit to a surplus, signaling stronger external demand and lower import costs. Additionally, the primary income surplus rose significantly, reflecting robust returns on overseas assets, although this was partly offset by a widening services deficit and a slight increase in the secondary income shortfall.

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)