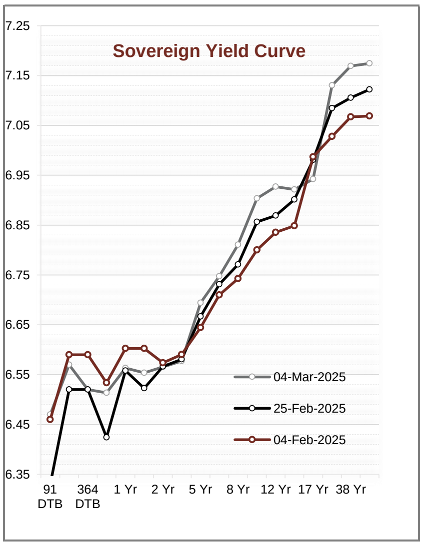
Debt Markets – The 10-year benchmark fell by 1 bp.



The 10-year benchmark recorded a close at 6.69%, falling by 1 bp from the close of the previous trading session.

Yields opened unchanged from the close of the previous session at 6.70% which coincided with the day's high. Thereafter, the yields traded downwards to make a low of 6.68% before closing the session at 6.69%.

The yields opened unchanged from the close of the previous trading session and traded downwards after media reports highlighted that India's consumer inflation for Feb'25 was projected to fall below the RBI's 4.0% target for the first time in six months amid an influx of fresh winter produce, easing price pressures on key staples like pulses and cereals. However, the yields reversed their trajectory and traded with an upward bias as investors turned cautious awaiting key economic data which would provide clues about the size of rate cuts by the RBI in the upcoming MPC meeting. Additionally, growing uncertainty surrounding the Trump administration's tariff policy further weighed on investor sentiment. Thereafter, the up move in the yields was limited after a Morgan Stanley report highlighted that India remained robust in terms of economic growth amid global trade tensions driven by increased services exports, low dependence on goods exports, and supportive government policies.

FIIs were net buyers in the debt segment with inflows amounting to INR 705.48 Cr as of March 11th, 2025.

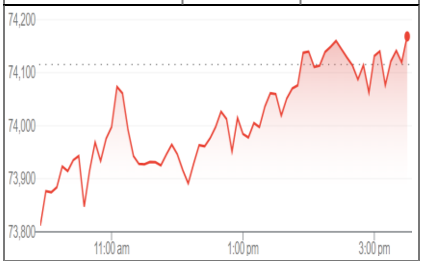
The 1-year and 5-year OIS stood at 6.24% and 5.99% respectively, as of March 04th, 2025.

G-Sec / Bond Yields

Security	Tenure	Yield (SA)
91 DTB	91 Days	6.49%
364 DTB	364 Days	6.57%
GOI 2034	10 Yr	6.69%
GOI 2039	15 Yr	6.86%
SDL	10 Yr	7.20% - 7.34% (Annualized)
AAA PSU	10 Yr	7.25% - 7.29% (Annualized)
AAA Pvt.	10 Yr	7.76% - 7.79% (Annualized)

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

Index	Sensex	Nifty
Close	74,102.32	22,497.90
1 day change	-0.02%	0.17%
	-12.85	37.60
1 month change	-2.87%	-2.49%
	-2191.28	-573.90



BSE Sensex - 11 March, 2025

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

Indices opened lower but traded upward as investor sentiment improved, driven by a Crisil report indicating that easing food prices in Feb'25 enhanced consumer purchasing power, supported discretionary spending, and reinforced expectations of RBI policy easing, strengthening the outlook for broader economic growth. Thereafter, indices reversed their trajectory and traded moderately downward as a media report indicated that India's industrial production is projected to remain below 4%, with muted manufacturing growth highlighting persistent structural challenges. Toward the end of the session, indices traded upwards as a Morgan Stanley report underscored India's resilience amid global trade tensions, highlighting strong services exports, low reliance on goods exports, and supportive government policies as key drivers positioning the country as Asia's best-performing economy. Eventually, the indices ended the session in green amid buying witnessed in Realty, Telecommunication, and Oil & Gas.

Among individual stocks, shares of IndusInd Bank fell 27.06% after the bank reported discrepancies in account balances within its derivative portfolio following an internal review, and estimated a potential adverse impact of approximately 2.35% of its net worth as of Dec'24. Shares of NTPC rose 0.32% after the company has announced that along with its subsidiary, NTPC Green Energy, has signed multiple agreements worth INR 96,000 Cr with the Government of Chhattisgarh to develop nuclear, pumped hydro, and renewable energy projects in the state.

Out of the twenty-one sectoral indices compiled by the BSE, thirteen ended the day in green led by Realty which rose by 3.92%. Whereas, Information Technology fell by 0.87%.

Global Markets

Markets	Price	Change
Dow Jones	41,433.48	-1.14%
S&P 500	5,572.07	-0.76%
FTSE 100	9,495.99	-1.21%
Shanghai	3,374.82	-0.15%
USD / INR	87.28	0.03%
Brent Oil	69.56	0.40%
Gold	86,144	0.87%
Silver	98,185	1.78%

Spread Analysis

The spread of AAA PSU bonds over the 10-year benchmark security was around 40 bps - 50 bps and the spread of AAA Private bonds over the 10-year benchmark security was around 100 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 49,522 Cr and accepted an amount of INR 49,522 Cr yesterday.

The RBI will conduct an auction of T-Bills for a notified amount of INR 33,000 Cr today.

The RBI conducted an auction of G-sec for a notified amount of INR 32,000 Cr and accepted an amount of INR 32,000 Cr on February 28.

The Net Liquidity including today's operations was at INR -0.94 Lakh Cr and were parked under SDF at 6.00%. The Wt. Avg.Call Money rate was 6.30%.

Previous Auctions

Security	Amount (In Crs)	Yield Range
T-Bill (05 March)	33,000.00	6.49% - 6.57%
SDL (11 March)	49,522.00	6.87% - 7.28%
G-Sec (28 February)	32,000.00	6.74% - 7.14%

News Update

According to Morgan Stanley, India is the best-positioned country in Asia for economic growth despite ongoing global trade tensions, owing to its strong services exports, low reliance on goods exports, and supportive government policies. Furthermore, India's low goods exports as a percentage of GDP made it less vulnerable to trade disruptions, while its resilient services sector provided stability amid global uncertainties. Moreover, the reversal of strict fiscal and monetary policies, including RBI's steps to lower interest rates and inject liquidity, contributed to economic recovery by boosting lending and investment.

According to CRISIL, food prices declined by 5% MoM in Feb'25 due to lower vegetable prices, with onion, potato, and tomato prices falling by 7%, 17%, and 25%, respectively, amid fresh arrivals. Furthermore, broiler prices dropped by an estimated 5% MoM due to lower demand caused by the bird flu scare in Southern India, contributing to the overall reduction in food costs. Moreover, on an annual basis, food prices saw a mixed trend.

Japan's GDP grew by 0.6% QoQ in Q4CY24, higher than the upwardly revised 0.4% expansion in Q3CY24, marking the third consecutive quarter of growth. Furthermore, private consumption was revised downward, remaining flat instead of the initially estimated 0.1% growth, while business investment outperformed expectations by rising 0.6%, surpassing the preliminary reading of 0.5% and rebounding from a 0.1% decline in Q3CY24. Moreover, government spending expanded for the fourth successive quarter, increasing by 0.4% compared to the initial estimate of 0.3% and the 0.1% gain recorded in Q3CY24.

Economic Indicators

Indicator	Jan'25	Dec'24
WPI	2.31%	2.37%
CPI	4.31%	5.22%
Food Inflation	6.02%	8.39%
IIP	3.2% (Dec'24)	5.2% (Nov'24)