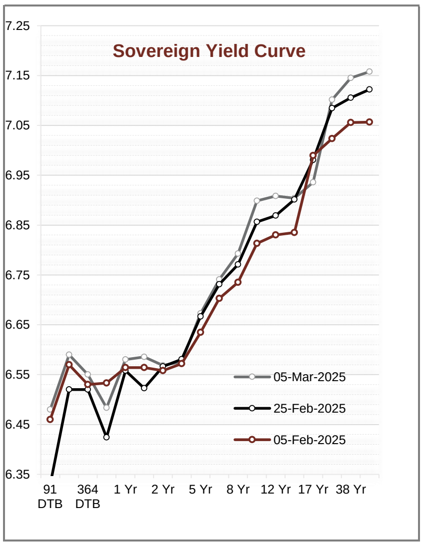
Debt Markets – The 10-year benchmark fell by 1 bp.



The 10-year benchmark recorded a close at 6.68%, falling by 1 bp from the close of the previous trading session.

Yields opened higher 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 6.67% before closing the session at 6.68%.

The yields opened unchanged from the close of the previous trading session and traded downwards after a report from Moody's highlighted that India's real GDP growth was expected to exceed 6.5% in FY26 supported by higher government capex and consumption boost from tax cuts and interest rate reductions. However, the yields reversed their trajectory and traded with an upward bias as investors turned cautious amid growing uncertainty surrounding the Trump administration's tariff policy and a potential peace deal between Russia and Ukraine. Thereafter, the up move in the yields was limited after India's retail inflation fell to a seven month low of 3.61% YoY in Feb'25 compared to 4.31% YoY in Jan'25 driven by falling food prices. Additionally the RBI expected inflation to moderate further in FY26.

FIIs were net buyers in the debt segment with inflows amounting to INR 2,439.21 Cr as of March 12th, 2025.

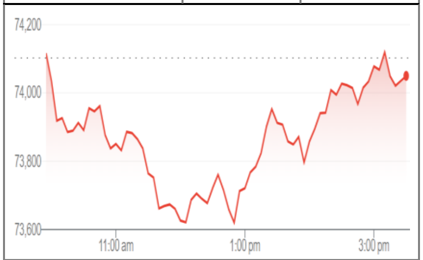
The 1-year and 5-year OIS stood at 6.22% and 5.99% respectively, as of March 05th, 2025.

G-Sec / Bond Yields

Security	Tenure	Yield (SA)
91 DTB	91 Days	6.49%
364 DTB	364 Days	6.57%
GOI 2034	10 Yr	6.68%
GOI 2039	15 Yr	6.86%
SDL	10 Yr	7.20% - 7.32% (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 lower amid mixed domestic and global cues

Index	Sensex	Nifty
Close	74,029.76	22,470.50
1 day change	-0.10%	-0.12%
	-72.56	-27.40
1 month change	-2.81%	-2.49%
	-2141.32	-574.75



BSE Sensex - 12 March, 2025

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

Indices opened the session higher and traded downwards after the RBI reported a moderation in net sales growth of select FDI companies to 9.3% in FY24 from 20.3% in the previous year, attributed to the normalization of post-pandemic demand. Thereafter, the indices reversed their trajectory and traded with an upward bias after a report from Moody's highlighted that India's real GDP growth was expected to exceed 6.5% in FY26 supported by higher government capex and consumption boost from tax cuts and interest rate reductions. Thereafter, the up move in the indices was limited as investors turned cautious ahead of release of key economic data which would provide clues about the size of rate cuts by the RBI in the upcoming MPC meeting. Eventually, the indices ended the session in red amid selling in Focused IT and Information Technology.

Among individual stocks, shares of Adani Green rose by 3.72% after a company subsidiary commissioned a 250 MW solar power project at Kadapa, Andhra Pradesh. Shares of Rail Vikas Nigam rose by 0.86% after the company announced that it has emerged as the lowest bidder for a significant road project from the National Highway Authority of India (NHAI) worth INR 554.64 Cr.

Out of the twenty-one sectoral indices compiled by the BSE, eleven sectors ended the day in red led by Focused IT as it fell by 3.05%. Auto rose by 0.47%.

Global Markets

Markets	Price	Change
Dow Jones	41,350.93	-0.20%
S&P 500	5,599.30	0.49%
FTSE 100	8,540.97	0.53%
Shanghai	3,363.18	-0.26%
USD / INR	87.24	-0.05%
Brent Oil	70.95	2.00%
Gold	86,640	0.58%
Silver	99,350	1.19%

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 on Tuesday.

The RBI conducted an auction of T-Bills for a notified amount of INR 33,000 Cr and accepted an amount of INR 33,000 Cr yesterday.

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 -0.61 Lakh Cr and were parked under SDF at 6.00%. The Wt. Avg.Call Money rate was 6.27%.

Previous Auctions

Security	Amount (In Crs)	Yield Range
T-Bill (12 March)	33,000.00	6.49% - 6.56%
SDL (11 March)	49,522.00	6.87% - 7.28%
G-Sec (28 February)	32,000.00	6.74% - 7.14%

News Update

India's CPI inflation eased to a seven-month low of 3.61% in Feb'25, down from 4.31% in Jan'25, primarily due to a decline in food prices. Moreover, food inflation, which constitutes nearly half of the CPI basket, dropped to 3.75%, marking its lowest level since May'23, while vegetable inflation contracted sharply to 1.07% YoY from 11.35% in Jan'25. Additionally, cereal prices rose by 6.10% compared to 6.24% in the previous month, whereas pulses saw a contraction of 0.35% after growing 2.59% in Jan'25. Furthermore, rural inflation declined to 3.79% from 4.59%, and urban inflation eased to 3.32% from 3.87%, reflecting a broad-based cooling in price pressures.

India's IIP grew by 5.0% in Jan'25, up from 3.5% in Dec'24, driven by a 5.5% expansion in the manufacturing sector, which had recorded 3.6% growth in the year-ago period. Moreover, mining output grew by 4.4%, lower than the 6% recorded in Jan'24, while power generation saw a modest rise of 2.4%. Additionally, capital goods output expanded by 7.8%, infrastructure-related goods grew by 7.0%, and consumer durables rose by 7.2%, though non-durables contracted by 0.2%.

The US consumer price index rose by 0.2% month-over-month in February 2025, marking the slowest increase since Oct'24. Moreover, a 0.3% rise in shelter costs, which constitute over one-third of the CPI weighting, contributed to nearly half of the overall increase, though it was lower than in Jan'25. Additionally, airline fares declined by 4.0%, gasoline prices fell by 1.0%, while food prices increased by 0.2%, driven by a 10.4% surge in egg prices and a 0.4% rise in food away from home.

Economic Indicators

Indicator	Feb'25	Jan'24
WPI	2.31% (Jan'25)	2.37% (Dec'24)
CPI	3.61%	4.26%
Food Inflation	3.75%	5.97%
IIP	5.0% (Jan'25)	3.2% (Dec'24)