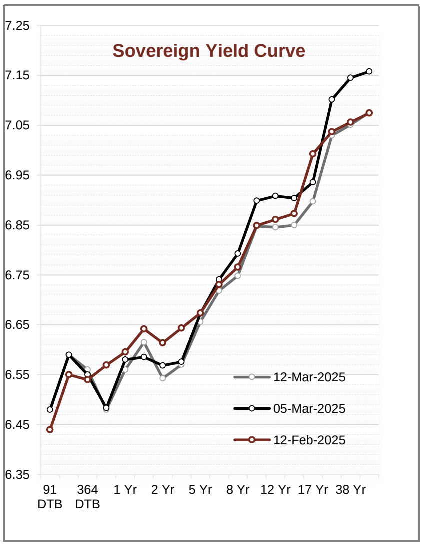
Debt Markets – The 10-year benchmark fell by 1 bp.



The 10-year benchmark recorded a close at 6.66%, falling by 1 bp from the close of the previous trading session.

Yields opened lower from the close of the previous session at 6.66% which coincided with the day's high. Thereafter, the yields traded downwards to make a low of 6.65% before closing the session at 6.66%.

The yields opened lower from the close of the previous trading session and traded flat as a Morgan Stanley report projected India's inflation to ease to 3.9% in Mar'25 and 4% in FY26, driven by softening food prices, thereby reinforcing expectations of additional RBI rate cuts to support economic growth. During midday, yields traded downward as Fitch Ratings has maintained India's GDP growth forecast at 6.5% for FY26 and raised its FY27 estimate to 6.3% from 6.2%, noting that India's self-sufficiency provides resilience against global trade risks from US policies. The report highlighted strong public and private spending, high capital investments, and resilient exports as key growth drivers. Toward the session's end, yields reversed their trajectory and traded upwards as investors grew cautious about potential U.S. tariff actions, with officials reaffirming plans for reciprocal tariffs in Apr'25, while also monitoring U.S.-led Russia-Ukraine peace negotiations.

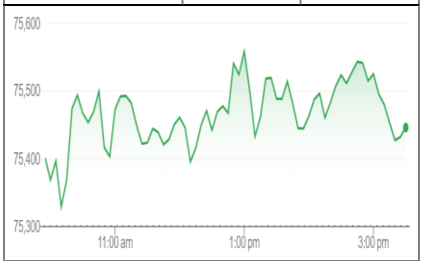
FIIs were net sellers in the debt segment with outflows amounting to INR 125.59 Cr as of March 19, 2025. The 1-year and 5-year OIS stood at 6.14% and 5.97% respectively, as of March 12, 2025.

G-Sec / Bond Yields

Security	Tenure	Yield (SA)
91 DTB	91 Days	6.49%
364 DTB	364 Days	6.56%
GOI 2034	10 Yr	6.66%
GOI 2039	15 Yr	6.82%
SDL	10 Yr	7.17% - 7.31% (Annualized)
AAA PSU	10 Yr	7.25% - 7.28% (Annualized)
AAA Pvt.	10 Yr	7.66% - 7.70% (Annualized)

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

Index	Sensex	Nifty
Close	75,449.05	22,907.60
1 day change	0.20%	0.32%
	147.79	73.30
1 month change	-0.65%	-0.11%
	-490.13	-25.30



BSE Sensex - 19 March, 2025

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

Indices opened the session higher and initially traded upwards, tracking its Asian counterparts as Japan's trade balance shifted to a surplus of JPY 584.5 billion in Feb'25 from a deficit of JPY 415.43 billion in Feb'24 this was primarily driven by a surge in exports, which increased by 11.4% YoY to JPY 9,191.14 billion, the fastest growth since May'24. During the midsession, the indices continued to trade upwards, after India's net direct tax collections reached INR 21.26 lakh Cr from Apr'24, to Mar'25, reflecting a 13.13% year-on-year increase, supported by total advance tax payments of INR 10.44 lakh Cr, which rose by 14.62%. Furthermore, gross direct tax collections before refunds stood at INR 25.86 lakh Cr as of March 15, marking a 16.22% increase. During the fag end of the session the up move was limited after Fitch ratings kept its economic forecast unchanged at 6.5% for FY26 lower than RBI's estimates amid, challenges faced by a global trade war instigated by the US.

Eventually, the indices ended the session in green amid buying in Realty and Industrials.

Among individual stocks, shares of Bajaj Finance rose by 2.3%, after S&P global ratings upgraded the rating outlook to positive from stable. Shares of Jio Finamce, rose by 1.3% amid reports of a potential joint venture with Allianz SE., as Allianz plans to sell its Bajaj Allianz stake.

Out of the twenty-one sectoral indices compiled by the BSE, seventeen sectors ended the day in green led by Realty which rose by 2.75%. Focused IT fell by 1.08%.

Global Markets

Markets	Price	Change
Dow Jones	41,964.63	0.92%
S&P 500	5,675.29	1.08%
FTSE 100	8,706.66	0.02%
Shanghai	3,423.70	-0.08%
USD / INR	86.53	-0.13%
Brent Oil	70.78	0.31%
Gold	88,580	-0.19%
Silver	99,945	-1.34%

Spread Analysis

The spread of AAA PSU bonds over the 10-year benchmark security was around 50 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 52,120 Cr and accepted an amount of INR 52,620 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 -0.05 Lakh Cr and were parked under SDF at 6.00%. The Wt. Avg.Call Money rate was 6.37%.

Previous Auctions

Security	Amount (In Crs)	Yield Range
T-Bill (19 March)	33,000.00	6.50% - 6.54%
SDL (18 March)	52,620.00	6.92% - 7.18%
G-Sec (28 February)	32,000.00	6.74% - 7.14%

News Update

India's net direct tax collections stood at INR 21.26 Lakh Cr from Apr'24, to 15 Mar'25, marking a 13.13% YoY increase, driven by total advance tax collections of INR 10.44 Lakh Cr, which rose by 14.62%. Moreover, corporate tax collections reached INR 9.69 Lakh Cr, while personal income tax collections amounted to INR 11.01 Lakh Cr, ensuring that the government comfortably meets its revised target of INR 22.37 Lakh Cr for the fiscal year. Additionally, gross direct tax collections before refunds stood at INR 25.86 Lakh Cr, reflecting a 16.22% rise from the previous year.

The US Federal Reserve kept the federal funds rate unchanged at 4.25%-4.5% during its Mar'25 meeting, maintaining its pause in the rate-cut cycle that began in January and aligning with market expectations. Moreover, policymakers acknowledged rising economic uncertainty but maintained their projection of reducing interest rates by 50 bps this year, while GDP growth forecasts were lowered to 1.7% from 2.1% previously. Additionally, inflation projections for PCE rose to 2.7% in CY25 from 2.5% and to 2.2% in CY26 from 2.1%, though the CY27 forecast remained at 2%.

The Bank of Japan maintained its key short-term interest rate at around 0.5% during its Mar'25 meeting, keeping it at the highest level since CY08 and aligning with market expectations, following its third rate hike in Jan'25. Moreover, the central bank adopted a cautious stance, emphasizing the need to assess global economic risks, particularly the impact of higher U.S. tariffs and external headwinds on Japan's fragile recovery. Additionally, while the Japanese economy showed moderate recovery, weaknesses persisted, with private consumption supported by wage hikes but exports and industrial output remaining largely flat.

Economic Indicators

Indicator	Feb'25	Jan'24
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)