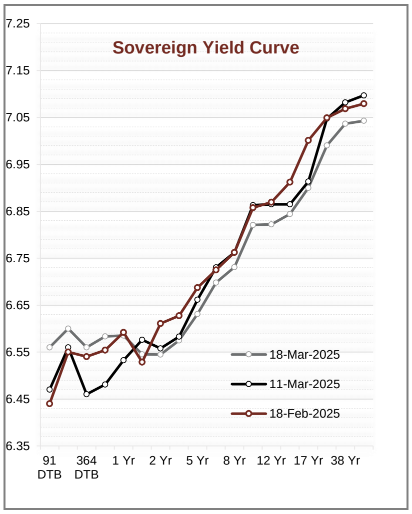
Debt Markets – The 10-year benchmark rose by 1 bp.



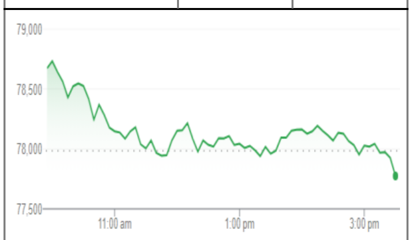
The 10-year benchmark recorded a close at 6.64%, rising by 1 bp from the close of the previous trading session.
Yields opened unchanged from the close of the previous trading session at 6.63% and traded downwards to make a low of 6.62%. Thereafter, the yields traded upwards to make a high of 6.64% before closing the session at the same level.
The yields opened unchanged from the close of the previous trading session and traded downwards after a media report highlighted that India is projected to contribute 6% to global trade growth over the next five years, ranking third after China at 12% and the US at 10%, driven by strong macroeconomic expansion and increasing trade participation. Thereafter, yields reversed their trajectory and traded upwards following an intraday rise in crude oil prices by ~0.6% on expectations that global supply may tighten after the U.S. announced tariffs on countries that buy Venezuelan crude.
During the fag end of the session, the upward movement in yields was limited after the United Nations Conference on Trade and Development stated that India's trade momentum remains robust despite global challenges.
FIIs were net sellers in the debt segment with outflows amounting to INR 134.32 Cr as of March 25th, 2025.
The 1-year and 5-year OIS stood at 6.11% and 5.95% respectively, as of March 18th, 2025.

G-Sec / Bond Yields

Security	Tenure	Yield (SA)
91 DTB	91 Days	6.51%
364 DTB	364 Days	6.54%
GOI 2034	10 Yr	6.64%
GOI 2039	15 Yr	6.76%
SDL	10 Yr	7.08% - 7.17% (Annualized)
AAA PSU	10 Yr	7.21% - 7.25% (Annualized)
AAA Pvt.	10 Yr	7.61% - 7.63% (Annualized)

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

Index	Sensex	Nifty
Close	78,017.19	23,668.65
1 day change	0.04%	0.04%
	32.81	10.30
1 month change	4.58%	4.97%
	3415.07	1121.10



BSE Sensex - 25 March, 2025

Domestic benchmark indices ended the session flat amid mixed domestic and global cues.
Indices opened the session higher and traded downwards, tracking losses from Asian counterparts, After China's economy struggled to gain traction amid mounting concerns over the effectiveness of its stimulus measures in offsetting U.S. tariffs, it continues to face sluggish growth. Further, new U.S. tariffs are expected to further weigh on key sectors, including industrials, power, transport, property, and consumer goods. Thereafter, the down move in the indices was limited after reports expected that India is open to reducing tariffs on 55% of U.S. imports to protect USD 66 billion in exports, arising concerns as this move could impact 87% of the country's total exports to the U.S. Moreover, towards the fag end of the session, the downward movement in the indices continued, after S&P lowered India's FY26 GDP forecast by 20 basis points to 6.5%, However, the report projected a stable outlook, assuming a normal monsoon season and soft commodity prices, particularly crude oil.
Among individual stocks, Cipla fell 0.84% after US President Donald Trump hints at tariffs on pharma imports. Shares of Sbi Life fell 0.91% after the company received a INR 352.50 Cr tax order from the Income Tax department for the financial year 2022-23.
Out of the twenty-one sectoral indices compiled by the BSE, eighteen sectors ended the day in red led by Realty as it fell by 1.51%. Focused IT rose by 1.39%.

Global Markets

Markets	Price	Change
Dow Jones	42,587.50	0.01%
S&P 500	5,776.65	0.16%
FTSE 100	8,663.80	0.30%
Shanghai	3,369.98	0.00%
USD / INR	85.74	-0.01%
Brent Oil	72.39	0.03%
Gold	87,576	0.34%
Silver	99,223	1.68%

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 74,655 Cr and accepted an amount of INR 72,255.107 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 -0.81 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 (19 March)	33,000.00	6.50% - 6.54%
SDL (18 March)	72,255.11	6.78% - 7.10%
G-Sec (28 February)	32,000.00	6.74% - 7.14%

News Update

S&P Global Ratings lowered India's FY26 GDP growth forecast to 6.5%, citing external risks such as rising US tariffs and global trade tensions, while strong domestic demand, tax benefits, and lower borrowing costs are expected to support growth. Additionally, the report noted that with easing inflation and a stable crude price outlook, the RBI is likely to cut interest rates by 75-100 bps, which could further boost consumption and investment.
According to the IMF, India's financial system demonstrates resilience and diversity, supported by rapid economic growth, NBFC expansion, and effective crisis management. Furthermore, banks and NBFCs remain broadly resilient to macro financial shocks, though some PSBs and smaller NBFCs need to strengthen their capital base, and cybersecurity measures require further reinforcement through cross-sectoral stress testing. Moreover, the report highlights India's enhanced regulatory framework, including bank-like liquidity norms for large NBFCs, a growing insurance sector, and improved securities market oversight, all of which contribute to overall financial stability.
According to a media report, India is projected to reduce tariffs on over half of U.S. imports, valued at USD 23 Bn, to mitigate the impact of proposed U.S. reciprocal tariffs on 87% of its USD 66 Bn exports. Additionally, while certain duties may be eliminated, India is exercising caution by exempting sensitive agricultural products while considering reductions on select items such as almonds and quinoa.

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)