

G-Sec Yield Vs. Debt Market Traded Volume



Liquidity Indicators (₹ Cr.)

	6-Jun-24	Week Ago	Month Ago	Year Ago
G-Sec	71,140	48,290	65,868	32,450
Net Liquidity Injected	-33821.99 ^[1]	101,341	101,035	-210,588
T-Bill	11,549	8,734	6,004	3,884
Call	10,728	11,296	12,491	8,968
T-Repo	384,755	348,642	306,502	291,111

Source: CCIL

Key Monitorables

Current Rates	6-Jun-24	Last Update	Year Ago
Fixed Reverse Repo (in %)	3.35	3.35	3.35
Repo (in %)	6.50	6.50	6.50
CRR (in %)	4.50	4.50	4.50
SLR (in %)	18.00	18.00	18.00
Bank Rate (in %)	6.75	6.75	6.75
SDF Rate (in %)	6.25	6.00	6.25
MSF Rate (in %)	6.75	6.75	6.75
USD/INR	83.47	83.37	82.61
Brent Crude	79.99	78.62	76.12

Source: RBI, Refinitiv, SDF - Standing Deposit Facility, MSF - Marginal Standing Facility

Money Market Rates (in %)

Indicators	6-Jun-24	Week Ago	Month Ago	Year Ago
Call Rate	6.51	6.47	6.48	6.34
T-Repo	6.39	6.36	6.39	6.30
Repo	6.40	6.41	6.38	6.31
3 Month CP	7.12	7.18	7.26	6.94
3 Month CD	7.20	7.23	7.25	6.95
6 Month CP	7.50	7.50	7.56	7.20
6 Month CD	7.47	7.44	7.36	7.08
1 Year CP	7.70	7.70	7.73	7.50
1 Year CD	7.68	7.47	7.50	7.29

Source: CCIL, Refinitiv

MIBOR-OIS (in %)

Current Rates	6-Jun-24	Week Ago	Year Ago
1 Year	6.83	6.83	6.58
2 Years	6.55	6.55	6.23
3 Years	6.48	6.49	6.11
5 Years	6.43	6.45	6.04

Source: CCIL

MIFOR & Overnight MIBOR (in %)

Indicators	6-Jun-24	Week Ago	Month Ago	Year Ago
MIBOR Overnight	6.58	6.55	6.50	6.39
2 Years (MIFOR)	6.80	6.92	6.91	6.76
3 Years (MIFOR)	6.86	6.98	6.99	6.72
5 Years (MIFOR)	6.89	6.97	7.01	6.79

Source: CCIL MIFOR - Mumbai Interbank Forward Offer Rate

Top 5 traded G - Sec(06 Jun 2024)

Security	Volume (Rs. Cr.)	No. of Trades	Last Traded YTM Yield
7.10% GS 2034	21,678.80	2146	7.01
7.18% GS 2033	19,889.66	1637	7.06
7.32% GS 2030	3,310.92	232	7.05
7.23% GS 2039	2,450.00	215	7.04
7.33% GS 2026	1,995.00	44	7.01

Source: RBI

State Development Loans (SDL Rates)

State Name	Security Name	Maturity Bucket (in Years)	Volume (Rs. Cr.)	Last Traded YTM Yield
Maharashtra	7.45% MAHA SGS 2038	14	134	7.40
Tamil Nadu	8.37% TN SDL 2028 DEC	4	400	7.38
Gujarat	7.95% GUJ SDL 2028	4	2	7.40
Uttar Pradesh	7.73% UP SGS 2035	11	75	7.43
West Bengal	7.52% WB SGS 2039	15	385	7.44

Source: CCIL

- Bond yields decreased following the fall in U.S. Treasury yields. Market participants shifted their focus to the RBI's monetary policy outcome scheduled on Jun 7, 2024, for further cues.
- Yield on the 10-year benchmark paper (7.10% GS 2034) fell by 2 bps to close at 7.01% as compared to the previous close of 7.03%.
- The rate of interest on Government of India Floating Rate Bond 2031 (FRB 2031) applicable for the half year Jun 7, 2024 to Dec 6, 2024 shall be 7.98% per annum.
- According to preliminary data compiled by the rural development ministry, demand for work under India's rural job guarantee scheme dropped for a seventh consecutive month in May 2024, signaling improved economic conditions at the start of the fiscal year. About 37.46 million individuals sought work in May 2024 under the scheme, down by 12.1% from a year earlier.
- The Indian rupee in the spot trade fell against the U.S. dollar due to greenback demand from local importers and foreign banks.
- Brent crude oil prices (spot) rose amid rising risk appetite following interest rate cuts by the Bank of Canada and the European Central Bank, as well as growing expectations that the U.S. Fed will drop rates in Sep 2024.

Yield Monitor

Corporate Bonds/G-Sec	06-Jun-24	Previous close	Week Ago	Month Ago	3 Months Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	7.68	7.73	7.65	7.65	7.84	7.72	7.40
3 Year AAA Corporate Bond	7.76	7.77	7.74	7.77	7.72	7.86	7.41
5 Year AAA Corporate Bond	7.68	7.70	7.64	7.71	7.70	7.76	7.33
10 Year AAA Corporate Bond	7.53	7.55	7.51	7.56	7.65	7.74	7.72
1 Year AA Corporate Bond	8.15	8.25	8.17	8.14	8.19	8.00	7.61
3 Year AA Corporate Bond	8.43	8.49	8.46	8.49	8.45	8.49	8.06
5 Year AA Corporate Bond	8.33	8.35	8.29	8.36	8.35	8.40	8.00
10 Year AA Corporate Bond	8.32	8.34	8.30	8.35	8.41	8.37	8.21
1 Year A Corporate Bond	12.98	13.03	12.95	12.98	13.08	12.89	12.55
3 Year A Corporate Bond	12.83	12.84	12.81	12.84	12.79	12.94	12.51
5 Year A Corporate Bond	12.78	12.80	12.74	12.81	12.71	12.90	12.50
1 Year G-Sec	7.12	7.18	7.14	7.18	7.16	7.35	6.91
3 Year G-Sec	7.16	7.20	7.17	7.23	7.18	7.36	6.99
5 Year G-Sec	7.16	7.22	7.18	7.23	7.17	7.35	7.03
10 Year G-Sec	7.14	7.15	7.13	7.23	7.18	7.38	7.10

Source: ICRA Analytics Research, Refinitiv, G-Sec Yields are annualised

[1] Data as on 05 Jun, 2024

Spread Monitor (In bps)

Corporate Bonds/G-Sec	06-Jun-24	Previous close	Week Ago	Month Ago	3 Months Ago	6 Months Ago	Year Ago
1 Y-AAA & G-Sec	56	55	51	47	68	37	49
3 Y-AAA & G-Sec	60	57	57	54	54	50	41
5 Y-AAA & G-Sec	52	48	46	48	53	41	30
10 Y-AAA & G-Sec	39	40	38	33	47	36	62
1 Y-AA & G-Sec	103	107	103	96	103	65	70
3 Y-AA & G-Sec	127	129	129	126	127	113	107
5 Y-AA & G-Sec	117	113	111	113	118	105	97
10 Y-AA & G-Sec	118	119	117	112	123	99	111
1 Y-A & G-Sec	586	585	581	580	592	554	564
3 Y-A & G-Sec	567	564	564	561	561	558	552
5 Y-A & G-Sec	562	558	556	558	554	555	547

Source: ICRA Analytics Research, Refinitiv, G-Sec Yields are annualised

Government Securities	Notified Amount (In Rs. Crore)	Accepted Amount (In Rs. Crore)	Average Cut off Yield
7.34% GS 2064	34,000	34,000	7.22%
7.30% GS 2053	9,000	9,000	7.21%
7.46% GS 2073	11,000	11,000	7.15%
7.33% GS 2026	6,000	6,000	7.15%
7.32% GS 2030	11,000	11,000	7.13%
7.23% GS 2039	22,000	22,000	7.12%
7.10% GS 2034	20,000	20,000	7.05%

Source: RBI

Maturity Bucket Wise Govt. Borrowing

Maturity Period	Scheduled H1 FY25	Completed H1 FY25
1 to 9 Yrs	23.20%	36.78%
10 to 14 Yrs	25.60%	31.25%
Long Dated (above 14 Yrs)	51.20%	34.11%

Source: RBI

Institutional Flows (Debt)

Description	Rs. Cr.		
	Net	MTD	YTD
FII*	601	3,067	56,736
MF**	-166	-454	-143,604

*As on 6th June 2024; **As on 4th June 2024; Source: SEBI, NSDL

Term of the Day

Haircut

Definition: Haircut refers to a margin which accounts for the risk of loss when the money is lent against some collateral. It is a difference between the loan amount and the market value of an asset that is being used as collateral.

Explanation: Haircut constitutes that portion of the value of an asset which cannot be used as collateral and thus acts as a cushion. The haircut is meant to protect the lender against a possible decrease in the value of the collateral asset. It is like a discount applied on the value of the collateral asset in an attempt to cover the risk of loss that the investment in the said asset poses. Haircut has an important role on many types of trades such as repo, reverse repo etc.

In a repo transaction, a commercial bank borrows fund from the Central Bank after giving Government Securities as collateral. The bank receives Rs. 180 crore against Government Securities worth Rs. 200 crore from the Central Bank. Here, the difference of Rs. 20 crore is referred to as the haircut.

Event for the Week (Monday to Friday)

Event for the Week (Monday to Friday)	Date
Forex Reserves	7-Jun-24
Loans and Advances to Central Government	7-Jun-24
Loans and Advances to State Government	7-Jun-24

Source: Refinitiv

Govt Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
Week: June 03-07, 2024	29,000	0	0.00%
Month: Jun 2024	117,000	0	0.00%
H1: Apr 24-Sep 24	750,000	255,000	34.00%

Source: RBI

State Govt Borrowing Program FYTD

Description	Scheduled	Completed	% Completed
Week: June 03-07, 2024	18,600	19,500	104.84%
Month: Jun 2024	69,250	19,500	28.16%
Q1FY25: Apr 24-Jun 24	254,040	113,500	44.68%

Source: RBI

Public Issue Data of Corporate Debt

Name of Company	Issue closed on	Base issue size Rs Crore	Final issue size Rs Crore
Muthoot Fincorp Limited	25-Apr-24	100	258
ICL Fincorp Limited	23-Apr-24	75	75
Edelweiss Financial Services Limited	23-Apr-24	100	175
Kosamattam Finance Limited	23-Apr-24	125	179
Indiabulls Housing Finance Limited	19-Mar-24	200	130
Navi Finserv Limited	07-Mar-24	600	525
Chemmanur Credits and Investments Limite	04-Mar-24	100	48

Source: SEBI

Mutual Fund Category Performance - Debt

Category-Debt	1 Month	6 Month	1 Year
Overnight Fund	6.42	6.59	6.70
Liquid Fund	6.96	7.31	7.15
Ultra Short Duration Fund	6.42	7.04	6.78
Low Duration Fund	6.46	7.22	6.87
Money Market Fund	6.53	7.33	7.09
Short Duration Fund	6.80	7.12	6.13
Medium Duration Fund	7.81	7.87	6.19
Medium to Long Duration Fund	10.03	8.84	5.87
Long Duration Fund	15.20	13.34	6.97
Corporate Bond Fund	7.31	7.62	6.47
Gilt Fund	11.52	9.94	6.76
Gilt Fund with 10 year constant duration	11.22	9.60	6.17
Dynamic Bond	10.61	9.28	6.51
Banking and PSU Fund	7.20	7.56	6.37
Floater Fund	7.24	7.80	7.48
Credit Risk Fund	7.44	7.70	7.48

Less than 1 year returns are simple annualised and greater than 1 year returns are CAGR, Source: MFI Explorer

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