

G-Sec Yield Vs. Debt Market Traded Volume



Liquidity Indicators (₹ Cr.)

	19-Jun-24	Week Ago	Month Ago	Year Ago
G-Sec	65,129	41,261	42,852	41,032
Net Liquidity Injected	148821.01 ^[1]	7,766	112,569	-18,657
T-Bill	6,833	9,621	2,772	11,393
Call	11,579	11,681	10,900	9,938
T-Repo	383,927	376,106	321,144	357,987

Source: CCIL

Key Monitorables

Current Rates	19-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	83.46	83.41	81.94
Brent Crude	85.25	85.34	76.11

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

Money Market Rates (in %)

Indicators	19-Jun-24	Week Ago	Month Ago	Year Ago
Call Rate	6.65	6.52	6.73	6.64
T-Repo	6.50	6.43	6.71	6.60
Repo	6.59	6.43	6.64	6.60
3 Month CP	7.16	7.13	7.30	6.96
3 Month CD	7.10	7.12	7.32	6.97
6 Month CP	7.46	7.48	7.51	7.23
6 Month CD	7.46	7.38	7.49	7.15
1 Year CP	7.69	7.70	7.72	7.43
1 Year CD	7.63	7.64	7.54	7.42

Source: CCIL, Refinitiv

MIBOR-OIS (in %)

Current Rates	19-Jun-24	Week Ago	Year Ago
1 Year	6.77	6.78	6.66
2 Years	6.48	6.50	6.34
3 Years	6.41	6.43	6.24
5 Years	6.33	6.36	6.15

Source: CCIL

MIFOR & Overnight MIBOR (in %)

Indicators	19-Jun-24	Week Ago	Month Ago	Year Ago
MIBOR Overnight	6.74	6.60	6.78	6.72
2 Years (MIFOR)	6.74	6.77	6.87	6.87
3 Years (MIFOR)	6.76	6.84	6.94	6.75
5 Years (MIFOR)	6.84	6.86	6.96	6.84

Source: CCIL MIFOR - Mumbai Interbank Forward Offer Rate

Top 5 traded G - Sec (19 Jun 2024)

Security	Volume (Rs. Cr.)	No. of Trades	Last Traded YTM Yield
7.10% GS 2034	18,955.71	1944	6.97
7.18% GS 2033	9,860.65	893	7.03
7.18% GS 2037	4,991.67	416	7.03
7.23% GS 2039	4,150.40	371	7.01
7.32% GS 2030	3,039.18	210	7.03

Source: RBI

State Development Loans (SDL Rates)

State Name	Security Name	Maturity Bucket (in Years)	Volume (Rs. Cr.)	Last Traded YTM Yield
Maharashtra	7.5% MAHA SGS 2044	20	410	7.33
Tamil Nadu	7.65% TN SGS 2033	9	131	7.36
Gujarat	7.22% GUJ SGS 2028	4	40	7.23
Uttar Pradesh	7.51% UP SGS 2038	14	138	7.37
West Bengal	7.52% WB SGS 2039	15	80	7.37

Source: CCIL

- Bond yields fell marginally tracking the drop in U.S. Treasury yields following softer growth in U.S. retail sales data in May 2024.
- Yield on the 10-year benchmark paper (7.10% GS 2034) fell by 1 bps to close at 6.97% as compared to the previous close of 6.98%.
- Data from Reserve Bank of India showed that reserve money grew 8.1% on a yearly basis for the week ended Jun 14, 2024 compared to an increase of 5.6% in the same period of the previous year. The currency in circulation grew 5.9% on a yearly basis for the week ended Jun 14, 2024 compared to an increase of 5.0% in the same period of the previous year.
- Reserve Bank of India conducted the auction of 91 days, 182 days and 364 days Treasury Bills for an aggregate amount of Rs. 12,000 crore for which the full amount was accepted, and the cut-off rate stood at Rs. 98.3293 (YTM: 6.8150%), Rs. 96.6459 (YTM: 6.9601%) and Rs. 93.4921 (YTM: 6.9800%), respectively.
- According to the provisional payroll data released by the ministry of labour and employment, formal job creation under the Employees' State Insurance Corporation fell by 7.8% YoY to 1.64 million in Apr 2024 as against 1.78 million in Apr 2023.
- The Indian rupee in the spot trade fell against the U.S. dollar following negative trends in the domestic equity markets.
- Brent crude oil prices (spot) rose on concerns about escalating geopolitical tensions in Europe and the Middle East.

Yield Monitor

Corporate Bonds/G-Sec	19-Jun-24	Previous close	Week Ago	Month Ago	3 Months Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	7.66	7.66	7.66	7.61	7.83	7.88	7.43
3 Year AAA Corporate Bond	7.73	7.74	7.73	7.74	7.72	7.79	7.50
5 Year AAA Corporate Bond	7.65	7.62	7.65	7.63	7.70	7.71	7.37
10 Year AAA Corporate Bond	7.52	7.54	7.53	7.56	7.55	7.73	7.83
1 Year AA Corporate Bond	8.13	8.13	8.13	8.10	8.30	8.16	7.71
3 Year AA Corporate Bond	8.39	8.41	8.40	8.46	8.44	8.42	8.22
5 Year AA Corporate Bond	8.30	8.27	8.30	8.28	8.35	8.35	8.11
10 Year AA Corporate Bond	8.31	8.33	8.32	8.35	8.31	8.36	8.32
1 Year A Corporate Bond	12.96	12.96	12.96	12.94	13.02	13.00	12.58
3 Year A Corporate Bond	12.79	12.81	12.80	12.81	12.79	12.87	12.61
5 Year A Corporate Bond	12.75	12.72	12.75	12.73	12.71	12.85	12.54
1 Year G-Sec	7.10	7.10	7.13	7.19	7.24	7.26	6.92
3 Year G-Sec	7.10	7.11	7.13	7.21	7.21	7.18	7.09
5 Year G-Sec	7.12	7.13	7.15	7.21	7.21	7.22	7.12
10 Year G-Sec	7.10	7.10	7.13	7.22	7.22	7.30	7.18

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

^[1]Data as on 18 Jun, 2024

Spread Monitor (in bps)

Corporate Bonds/G-Sec	19-Jun-24	Previous close	Week Ago	Month Ago	3 Months Ago	6 Months Ago	Year Ago
1 Y-AAA & G-Sec	56	56	53	42	59	62	51
3 Y-AAA & G-Sec	63	63	60	53	51	61	41
5 Y-AAA & G-Sec	53	49	50	42	49	49	25
10 Y-AAA & G-Sec	42	44	40	34	33	43	65
1 Y-AA & G-Sec	103	103	100	91	106	90	79
3 Y-AA & G-Sec	129	130	127	125	123	124	113
5 Y-AA & G-Sec	118	114	115	107	114	113	99
10 Y-AA & G-Sec	121	123	119	113	109	106	114
1 Y-A & G-Sec	586	586	583	575	578	574	566
3 Y-A & G-Sec	569	570	567	560	558	569	552
5 Y-A & G-Sec	563	559	560	552	550	563	542

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
7.30% GS 2053	9,000	9,000	7.14%
7.34% GS 2064	11,000	11,000	7.12%
7.23% GS 2039	12,000	12,000	7.03%
7.10% GS 2034	20,000	20,000	7.02%
7.02% GS 2031	11,000	11,000	7.02%

Source: RBI

Maturity Bucket Wise Govt. Borrowing

Maturity Period	Scheduled H1 FY25	Completed H1 FY25
1 to 9 Yrs	23.20%	43.10%
10 to 14 Yrs	25.60%	41.67%
Long Dated (above 14 Yrs)	51.20%	42.45%

Source: RBI

Institutional Flows (Debt)

Description	Rs. Cr.		
	Net	MTD	YTD
FII*	2,208	8,792	62,461
MF**	-1,608	-2,622	-145,772

*As on 19th June 2024; **As on 14th June 2024; Source: SEBI, NSDL

Term of the Day

Currency Swaps

Definition: Currency swaps are financial instruments which are used by banks, multinational corporations and institutional investors. It is a contract between two institutions to exchange cash flow (principal and/or interest payment) in two different currencies. A Currency Swap is generally used to raise funds in a market where the corporate has a comparative advantage and to achieve a portfolio in a different currency of his choice, at a cost lower than if he accessed the market of the second currency directly.

Explanation: Currency swaps allow an institution to leverage advantages it might enjoy in specific countries. In a currency swap agreement, the counterparties exchange notional principals in two different currencies, rather than an actual exchange of monies. During the life of the swap each party pays interest (in the currency of the principal received) to the other. At the time of maturity, each party makes a final exchange (at the same spot rate) of the initial principal amounts, thereby reversing the initial exchange.

Such a swap helps in lowering funding cost, entering restricted capital markets (where a corporate may not enjoy adequate credit rating), reducing currency risk and supply-demand imbalances in markets. In India, currency swaps are used widely by corporates to hedge their foreign exchange risks

Event for the Week (Monday to Friday)

	Date
Forex Reserves	21-Jun-24
Loans and Advances to Central Government	21-Jun-24
Loans and Advances to State Government	21-Jun-24

Source: Refinitiv

Govt Borrowing Program FY24

Description	Scheduled	Completed	% Completed
Week: June 17-21, 2024	23,000	0	0.00%
Month: Jun 2024	117,000	63,000	53.85%
H1: Apr 24-Sep 24	750,000	318,000	42.40%

Source: RBI

State Govt Borrowing Program FY24

Description	Scheduled	Completed	% Completed
Week: June 17-21, 2024	16,150	9,500	58.82%
Month: Jun 2024	69,250	34,750	50.18%
Q1FY25: Apr 24-Jun 24	254,040	128,750	50.68%

Source: RBI

Public Issue Data of Corporate Debt

Name of Company	Issue closed on	Base issue size Rs Crore	Final issue size Rs Crore
Indiabulls Housing Finance Limited	27-May-24	100	153
Muthoot Mercantile Limited	17-May-24	50	54
Motilal Oswal Financial Services Limited	03-May-24	500	1,000
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

Source: SEBI

Mutual Fund Category Performance - Debt

Category-Debt	1 Month	6 Month	1 Year
Overnight Fund	6.39	6.57	6.70
Liquid Fund	7.01	7.33	7.17
Ultra Short Duration Fund	6.75	7.11	6.82
Low Duration Fund	6.98	7.29	6.95
Money Market Fund	6.91	7.40	7.12
Short Duration Fund	7.40	6.92	6.38
Medium Duration Fund	8.91	7.60	6.62
Medium to Long Duration Fund	11.59	8.42	6.58
Long Duration Fund	19.24	12.69	8.59
Corporate Bond Fund	7.77	7.55	6.78
Gilt Fund	14.06	9.72	7.56
Gilt Fund with 10 year constant duration	12.26	8.98	6.96
Dynamic Bond	12.74	9.06	7.22
Banking and PSU Fund	7.41	7.48	6.68
Floater Fund	8.78	8.02	7.67
Credit Risk Fund	9.10	7.68	7.79

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

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