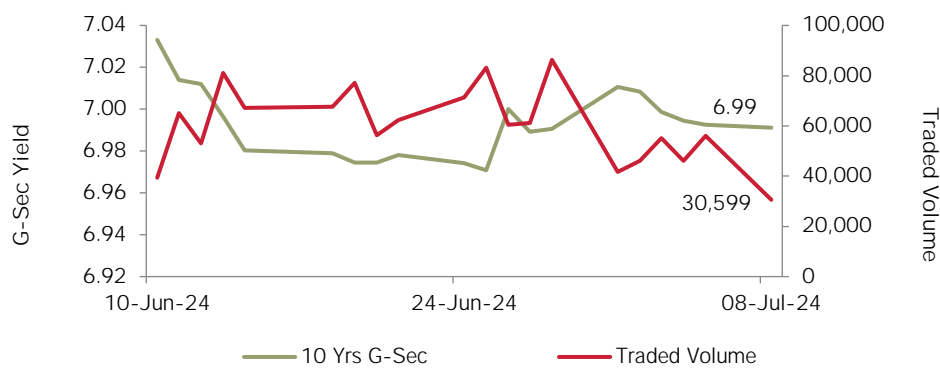


G-Sec Yield Vs. Debt Market Traded Volume



Liquidity Indicators (₹ Cr.)

| | 8-Jul-24 | Week Ago | Month Ago | Year Ago |
|------------------------|---------------------------|----------|-----------|----------|
| G-Sec | 27,418 | 30,379 | 86,792 | 51,387 |
| Net Liquidity Injected | -128609.72 ^[1] | -58,121 | 10,472 | -225,199 |
| T-Bill | 2,305 | 8,839 | 4,575 | 3,717 |
| Call | 11,306 | 10,821 | 12,678 | 11,825 |
| T-Repo | 381,966 | 407,012 | 398,377 | 314,940 |

Source: CCIL

Key Monitorables

| Current Rates | 8-Jul-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 | 83.49 | 83.49 | 82.74 |
| Brent Crude | 85.67 | 86.85 | 78.10 |

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

Money Market Rates (in %)

| Indicators | 8-Jul-24 | Week Ago | Month Ago | Year Ago |
|------------|----------|----------|-----------|----------|
| Call Rate | 6.54 | 6.54 | 6.52 | 6.59 |
| T-Repo | 6.43 | 6.45 | 6.40 | 6.37 |
| Repo | 6.50 | 6.47 | 6.40 | 6.40 |
| 3 Month CP | 7.15 | 7.09 | 7.13 | 6.99 |
| 3 Month CD | 7.25 | 7.07 | 7.15 | 6.89 |
| 6 Month CP | 7.43 | 7.40 | 7.48 | 7.28 |
| 6 Month CD | 7.43 | 7.34 | 7.51 | 7.19 |
| 1 Year CP | 7.58 | 7.66 | 7.70 | 7.50 |
| 1 Year CD | 7.67 | 7.62 | 7.65 | 7.39 |

Source: CCIL, Refinitiv

MIBOR-OIS (in %)

| Current Rates | 8-Jul-24 | Week Ago | Year Ago |
|---------------|----------|----------|----------|
| 1 Year | 6.76 | 6.81 | 6.80 |
| 2 Years | 6.50 | 6.57 | 6.52 |
| 3 Years | 6.44 | 6.50 | 6.43 |
| 5 Years | 6.40 | 6.45 | 6.40 |

Source: CCIL

MIFOR & Overnight MIBOR (in %)

| Indicators | 8-Jul-24 | Week Ago | Month Ago | Year Ago |
|-----------------|----------|----------|-----------|----------|
| MIBOR Overnight | 6.62 | 6.60 | 6.59 | 6.65 |
| 2 Years (MIFOR) | 6.67 | 6.78 | 6.75 | 6.97 |
| 3 Years (MIFOR) | 6.75 | 6.86 | 6.83 | 6.96 |
| 5 Years (MIFOR) | 6.81 | 6.89 | 6.84 | 6.97 |

Source: CCIL MIFOR - Mumbai Interbank Forward Offer Rate

Top 5 traded G - Sec(08 Jul 2024)

| Security | Volume (Rs. Cr.) | No. of Trades | Last Traded YTM Yield |
|---------------|------------------|---------------|-----------------------|
| 7.10% GS 2034 | 10,516.68 | 965 | 6.99 |
| 7.18% GS 2037 | 2,809.93 | 165 | 7.04 |
| 7.18% GS 2033 | 2,266.24 | 277 | 7.04 |
| 7.23% GS 2039 | 1,965.00 | 154 | 7.03 |
| 7.30% GS 2053 | 1,328.02 | 125 | 7.07 |

Source: RBI

State Development Loans (SDL Rates)

| State Name | Security Name | Maturity Bucket (in Years) | Volume (Rs. Cr.) | Last Traded YTM Yield |
|---------------|---------------------|----------------------------|------------------|-----------------------|
| Maharashtra | 7.43% MAHA SGS 2036 | 12 | 8 | 7.34 |
| Tamil Nadu | 8.87% TN SDL 2024 | 0 | 4 | 7.02 |
| Gujarat | 7.52% GUJ SDL 2027 | 3 | 25 | 7.15 |
| Uttar Pradesh | 7.28% UP SDL 2032 | 8 | 1 | 7.31 |
| West Bengal | 7.52% WB SGS 2039 | 15 | 3 | 7.37 |

Source: CCIL

- Bond yields mostly remained steady after moving in a narrow range during the session, while market participants awaited for U.S. and domestic consumer inflation data of Jun 2024 for directional cues.
- Yield on the 10-year benchmark paper (7.10% GS 2034) was unchanged to close at 6.99% as compared to the previous session's close.
- Reserve Bank of India announced the sale (re-issue) of two dated securities namely 7.02% GS 2031 and 7.34% GS 2064 for a notified amount of Rs. 22,000 crore. The auction will be conducted on Jul 12, 2024.
- According to reports, India's tea prices are on the rise due to extreme weather events affecting production. Heatwaves and floods have caused a significant decrease in output, which is helping the struggling industry. Key tea-producing areas like Assam have been greatly affected, leading to a nearly 20% surge in prices. India's tea production in May 2024 decreased more than 30% from a year earlier to 90.92 million kg, its lowest for that month in more than a decade. This decline was attributed to excessive heat and limited rainfall.
- The Indian rupee in the spot trade fell slightly against the U.S. dollar due to negative trends in the domestic equity markets.
- Brent crude oil prices (spot) fell as geopolitical tensions eased a bit. The effects of Hurricane Beryl causing the closure of certain oil export facilities near Houston helped to somewhat mitigate the decrease in oil prices.

Yield Monitor

| Corporate Bonds/G-Sec | 08-Jul-24 | Previous close | Week Ago | Month Ago | 3 Months Ago | 6 Months Ago | Year Ago |
|----------------------------|-----------|----------------|----------|-----------|--------------|--------------|----------|
| 1 Year AAA Corporate Bond | 7.64 | 7.64 | 7.66 | 7.67 | 7.57 | 7.79 | 7.48 |
| 3 Year AAA Corporate Bond | 7.72 | 7.72 | 7.74 | 7.75 | 7.68 | 7.85 | 7.62 |
| 5 Year AAA Corporate Bond | 7.63 | 7.64 | 7.65 | 7.68 | 7.74 | 7.79 | 7.60 |
| 10 Year AAA Corporate Bond | 7.44 | 7.44 | 7.48 | 7.53 | 7.51 | 8.00 | 7.81 |
| 1 Year AA Corporate Bond | 8.13 | 8.13 | 8.13 | 8.14 | 8.09 | 8.00 | 7.76 |
| 3 Year AA Corporate Bond | 8.39 | 8.39 | 8.41 | 8.42 | 8.40 | 8.47 | 8.34 |
| 5 Year AA Corporate Bond | 8.28 | 8.29 | 8.30 | 8.33 | 8.39 | 8.38 | 8.34 |
| 10 Year AA Corporate Bond | 8.23 | 8.23 | 8.27 | 8.32 | 8.34 | 8.63 | 8.30 |
| 1 Year A Corporate Bond | 12.96 | 12.96 | 12.96 | 12.97 | 12.94 | 13.01 | 12.63 |
| 3 Year A Corporate Bond | 12.79 | 12.79 | 12.81 | 12.82 | 12.75 | 12.91 | 12.73 |
| 5 Year A Corporate Bond | 12.73 | 12.74 | 12.75 | 12.78 | 12.75 | 12.80 | 12.72 |
| 1 Year G-Sec | 7.03 | 7.04 | 7.07 | 7.17 | 7.14 | 7.28 | 6.95 |
| 3 Year G-Sec | 7.07 | 7.08 | 7.09 | 7.14 | 7.25 | 7.20 | 7.23 |
| 5 Year G-Sec | 7.11 | 7.12 | 7.14 | 7.15 | 7.25 | 7.20 | 7.26 |
| 10 Year G-Sec | 7.11 | 7.12 | 7.14 | 7.14 | 7.28 | 7.33 | 7.29 |

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

^[1]Data as on 05 Jul, 2024

Spread Monitor (In bps)

| Corporate Bonds/G-Sec | 08-Jul-24 | Previous close | Week Ago | Month Ago | 3 Months Ago | 6 Months Ago | Year Ago |
|-----------------------|-----------|----------------|----------|-----------|--------------|--------------|----------|
| 1 Y-AAA & G-Sec | 61 | 60 | 59 | 50 | 43 | 51 | 53 |
| 3 Y-AAA & G-Sec | 65 | 64 | 65 | 61 | 43 | 64 | 39 |
| 5 Y-AAA & G-Sec | 52 | 52 | 51 | 53 | 49 | 59 | 34 |
| 10 Y-AAA & G-Sec | 33 | 32 | 34 | 39 | 23 | 67 | 52 |
| 1 Y-AA & G-Sec | 110 | 109 | 106 | 97 | 95 | 72 | 81 |
| 3 Y-AA & G-Sec | 132 | 131 | 132 | 128 | 115 | 127 | 111 |
| 5 Y-AA & G-Sec | 117 | 117 | 116 | 118 | 114 | 118 | 108 |
| 10 Y-AA & G-Sec | 112 | 111 | 113 | 118 | 106 | 130 | 101 |
| 1 Y-A & G-Sec | 593 | 592 | 589 | 580 | 580 | 573 | 568 |
| 3 Y-A & G-Sec | 572 | 571 | 572 | 568 | 550 | 571 | 550 |
| 5 Y-A & G-Sec | 562 | 562 | 561 | 563 | 550 | 560 | 546 |

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 | 10,000 | 10,000 | 7.08% |
| 7.23% GS 2039 | 12,000 | 12,000 | 7.04% |
| 7.02% GS 2027 | 6,000 | 6,000 | 6.96% |

Source: RBI

Maturity Bucket Wise Govt. Borrowing

| Maturity Period | Scheduled H1 FY25 | Completed H1 FY25 |
|---------------------------|-------------------|-------------------|
| 1 to 9 Yrs | 23.20% | 64.94% |
| 10 to 14 Yrs | 25.60% | 44.79% |
| Long Dated (above 14 Yrs) | 51.20% | 53.91% |

Source: RBI

Institutional Flows (Debt)

| Description | Rs. Cr. | | |
|-------------|---------|-------|----------|
| | Net | MTD | YTD |
| FII* | 497 | 6,801 | 75,425 |
| MF** | 157 | 8,937 | -139,186 |

*As on 8th July 2024;**As on 4th July 2024; Source: SEBI, NSDL

Term of the Day

Capital Adequacy and Capital Adequacy Ratio

Definition: Capital Adequacy is a measure of the amount of bank's capital. A bank's capital needs to be sufficient to absorb unexpected losses. This measure of adequacy is generally expressed as a percentage of risk weighted assets of a bank and is known as the Capital Adequacy ratio.

Explanation: The Basel Committee has prescribed Capital Adequacy Norms to ensure that banks are well-protected against unanticipated losses. Capital Adequacy is considered to be a key element of a bank's safety and soundness which ensures confidence in the financial system. The Reserve Bank of India (RBI) has set a minimum capital requirement of 9% of risk-weighted assets, which is higher than the internationally prescribed percentage of 8%. Therefore, higher the credit risk in a bank's asset base, more capital is required by the bank.

Govt Borrowing Program FYTD

| Description | Scheduled | Completed | % Completed |
|------------------------|-----------|-----------|-------------|
| Week: July 08-12, 2024 | 22,000 | 0 | 0.00% |
| Month: Jul 2024 | 116,000 | 28,000 | 24.14% |
| H1: Apr 24-Sep 24 | 750,000 | 406,000 | 54.13% |

Source: RBI

State Govt Borrowing Program FYTD

| Description | Scheduled | Completed | % Completed |
|-----------------------|-----------|-----------|-------------|
| Week: July 8-12, 2024 | 10,200 | 0 | 0.00% |
| Month: Jul 2024 | 79,490 | 14,093 | 17.73% |
| H1: Apr 24-Sep 24 | 517,602 | 159,914 | 30.90% |

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 | 6.43 | 6.55 | 6.70 |
| Liquid Fund | 6.99 | 7.26 | 7.19 |
| Ultra Short Duration Fund | 7.19 | 7.11 | 6.86 |
| Low Duration Fund | 7.69 | 7.34 | 7.02 |
| Money Market Fund | 7.64 | 7.41 | 7.17 |
| Short Duration Fund | 7.48 | 7.02 | 6.62 |
| Medium Duration Fund | 8.59 | 7.83 | 6.98 |
| Medium to Long Duration Fund | 8.96 | 8.82 | 7.05 |
| Long Duration Fund | 13.68 | 13.54 | 9.54 |
| Corporate Bond Fund | 8.42 | 7.73 | 7.06 |
| Gilt Fund | 10.09 | 10.08 | 7.96 |
| Gilt Fund with 10 year constant duration | 9.05 | 9.35 | 7.63 |
| Dynamic Bond | 9.76 | 9.39 | 7.55 |
| Banking and PSU Fund | 8.40 | 7.70 | 6.98 |
| Floater Fund | 9.18 | 8.14 | 7.74 |
| Credit Risk Fund | 8.53 | 7.72 | 7.87 |

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

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Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.

Event for the Week (Monday to Friday)

| Event for the Week (Monday to Friday) | Date |
|---------------------------------------|-----------|
| Reserve Money | 10-Jul-24 |
| Money Supply | 10-Jul-24 |
| Currency in Circulation | 10-Jul-24 |
| Bank Credit to Commercial Sector | 10-Jul-24 |
| CPI Inflation (Jun 2024) | 12-Jul-24 |

Source: Refinitiv