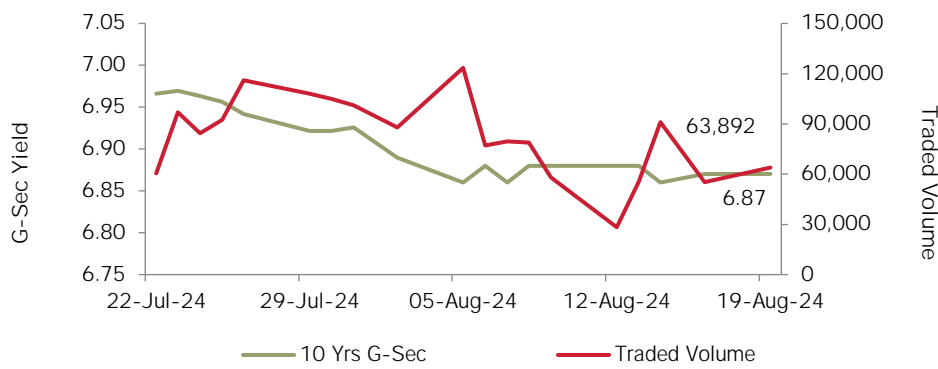


G-Sec Yield Vs. Debt Market Traded Volume



Liquidity Indicators (₹ Cr.)

| | 19-Aug-24 | Week Ago | Month Ago | Year Ago |
|------------------------|----------------------------|----------|-----------|----------|
| G-Sec | 57,709 | 23,253 | 51,180 | 49,204 |
| Net Liquidity Injected | -155,230.64 ^[1] | -112,620 | -99,879 | -38,376 |
| T-Bill | 3,921 | 2,457 | 6,633 | 2,131 |
| Call | 9,145 | 11,164 | 8,451 | 10,247 |
| T-Repo | 387,404 | 332,418 | 377,963 | 349,197 |

Source: CCIL

Key Monitorables

| Current Rates | 19-Aug-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 | 83.87 | 83.94 | 83.10 |
| Brent Crude | 77.73 | 79.58 | 84.75 |

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

Money Market Rates (in %)

| Indicators | 19-Aug-24 | Week Ago | Month Ago | Year Ago |
|------------|-----------|----------|-----------|----------|
| Call Rate | 6.49 | 6.47 | 6.53 | 6.69 |
| T-Repo | 6.33 | 6.28 | 6.47 | 6.63 |
| Repo | 6.44 | 6.39 | 6.48 | 6.58 |
| 3 Month CP | 7.22 | 7.21 | 7.17 | 7.07 |
| 3 Month CD | 7.32 | 7.28 | 7.19 | 7.05 |
| 6 Month CP | 7.53 | 7.49 | 7.47 | 7.36 |
| 6 Month CD | 7.50 | 7.45 | 7.42 | 7.26 |
| 1 Year CP | 7.67 | 7.64 | 7.63 | 7.51 |
| 1 Year CD | 7.64 | 7.62 | 7.60 | 7.55 |

Source: CCIL, Refinitiv

MIBOR-OIS (in %)

| Current Rates | 19-Aug-24 | Week Ago | Year Ago |
|---------------|-----------|----------|----------|
| 1 Year | 6.53 | 6.55 | 7.00 |
| 2 Years | 6.21 | 6.25 | 6.75 |
| 3 Years | 6.15 | 6.15 | 6.71 |
| 5 Years | 6.10 | 6.11 | 6.67 |

Source: CCIL

MIFOR & Overnight MIBOR (in %)

| Indicators | 19-Aug-24 | Week Ago | Month Ago | Year Ago |
|-----------------|-----------|----------|-----------|----------|
| MIBOR Overnight | 6.55 | 6.55 | 6.60 | 6.74 |
| 2 Years (MIFOR) | 6.39 | 6.32 | 6.60 | 7.05 |
| 3 Years (MIFOR) | 6.49 | 6.47 | 6.67 | 7.07 |
| 5 Years (MIFOR) | 6.54 | 6.54 | 6.72 | 7.10 |

Source: CCIL MIFOR - Mumbai Interbank Forward Offer Rate

Top 5 traded G - Sec(19 Aug 2024)

| Security | Volume (Rs. Cr.) | No. of Trades | Last Traded YTM Yield |
|---------------|------------------|---------------|-----------------------|
| 7.10% GS 2034 | 21,383.69 | 1929 | 6.87 |
| 7.23% GS 2039 | 7,505.34 | 546 | 6.93 |
| 7.18% GS 2033 | 3,798.20 | 295 | 6.90 |
| 7.26% GS 2033 | 3,005.00 | 117 | 6.90 |
| 7.34% GS 2064 | 2,755.60 | 161 | 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 | 7.7% MAHA SGS 2034 | 10 | 5 | 7.22 |
| Tamil Nadu | 7.35% TN SGS 2034 | 10 | 5 | 7.22 |
| Gujarat | 8.23% GUJ SDL 2025 | 1 | 0 | 6.94 |
| Uttar Pradesh | 7.49% UP SGS 2036 | 12 | 0 | 7.27 |
| West Bengal | 7.35% WB SGS 2040 | 16 | 2 | 7.26 |

Source: CCIL

- Bond yields mostly remained unchanged amid a lack of directional cues as market participants awaited for minutes from the latest policy meetings of the U.S. Federal Reserve and the RBI, which are both due later in the week.
- Yield on the 10-year benchmark paper (7.10% GS 2034) was unchanged to close at 6.87% as compared to the previous session's close.
- RBI conducted the auction of 4-day Variable Rate Reverse Repo for the notified amount of Rs. 75,000 crore for which amount of Rs. 21,685 crore was accepted and the cut-off yield stood at 6.49%.
- The finance minister conducted a review of the performance of Public Sector Banks (PSBs), concentrating on essential financial metrics including deposit mobilization, digital payment systems, cybersecurity measures, and the rollout of new credit products and initiatives. During the review, the finance minister underscored the necessity for Public Sector Banks (PSBs) to initiate targeted campaigns aimed at increasing deposit collections and improving customer service, especially in rural and semi-urban regions.
- The Indian rupee in the spot trade rose against the U.S. dollar following rise in other Asian peers.
- Brent crude oil prices (spot) fell slightly amid worries about the outlook for oil demand from China and U.S.-led efforts to secure a cease-fire in the 10-month-old Middle East conflict.

Yield Monitor

| Corporate Bonds/G-Sec | 19-Aug-24 | Previous close | Week Ago | Month Ago | 3 Months Ago | 6 Months Ago | Year Ago |
|----------------------------|-----------|----------------|----------|-----------|--------------|--------------|----------|
| 1 Year AAA Corporate Bond | 7.56 | 7.54 | 7.54 | 7.62 | 7.61 | 7.83 | 7.47 |
| 3 Year AAA Corporate Bond | 7.50 | 7.51 | 7.51 | 7.66 | 7.74 | 7.77 | 7.70 |
| 5 Year AAA Corporate Bond | 7.52 | 7.52 | 7.53 | 7.60 | 7.63 | 7.71 | 7.71 |
| 10 Year AAA Corporate Bond | 7.46 | 7.46 | 7.46 | 7.47 | 7.56 | 7.66 | 7.94 |
| 1 Year AA Corporate Bond | 8.05 | 8.03 | 8.03 | 8.06 | 8.10 | 8.12 | 7.75 |
| 3 Year AA Corporate Bond | 8.17 | 8.17 | 8.17 | 8.33 | 8.46 | 8.40 | 8.36 |
| 5 Year AA Corporate Bond | 8.17 | 8.17 | 8.18 | 8.25 | 8.28 | 8.30 | 8.44 |
| 10 Year AA Corporate Bond | 8.27 | 8.27 | 8.27 | 8.26 | 8.35 | 8.41 | 8.43 |
| 1 Year A Corporate Bond | 12.94 | 12.92 | 12.92 | 12.89 | 12.94 | 13.08 | 12.62 |
| 3 Year A Corporate Bond | 12.68 | 12.68 | 12.68 | 12.73 | 12.81 | 12.84 | 12.81 |
| 5 Year A Corporate Bond | 12.62 | 12.62 | 12.63 | 12.70 | 12.73 | 12.72 | 12.81 |
| 1 Year G-Sec | 6.87 | 6.88 | 6.86 | 7.00 | 7.19 | 7.22 | 7.28 |
| 3 Year G-Sec | 6.85 | 6.85 | 6.88 | 7.01 | 7.21 | 7.20 | 7.33 |
| 5 Year G-Sec | 6.90 | 6.90 | 6.91 | 7.04 | 7.21 | 7.20 | 7.33 |
| 10 Year G-Sec | 6.98 | 6.98 | 7.00 | 7.09 | 7.22 | 7.22 | 7.34 |

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

^[1]Data as on 16 Aug, 2024

Spread Monitor (In bps)

| Corporate Bonds/G-Sec | 19-Aug-24 | Previous close | Week Ago | Month Ago | 3 Months Ago | 6 Months Ago | Year Ago |
|-----------------------|-----------|----------------|----------|-----------|--------------|--------------|----------|
| 1 Y-AAA & G-Sec | 69 | 66 | 68 | 62 | 42 | 61 | 19 |
| 3 Y-AAA & G-Sec | 65 | 66 | 63 | 65 | 53 | 57 | 37 |
| 5 Y-AAA & G-Sec | 62 | 62 | 62 | 56 | 42 | 51 | 38 |
| 10 Y-AAA & G-Sec | 48 | 48 | 46 | 38 | 34 | 44 | 60 |
| 1 Y-AA & G-Sec | 118 | 115 | 117 | 106 | 91 | 90 | 47 |
| 3 Y-AA & G-Sec | 132 | 132 | 129 | 132 | 125 | 120 | 103 |
| 5 Y-AA & G-Sec | 127 | 127 | 127 | 121 | 107 | 110 | 111 |
| 10 Y-AA & G-Sec | 129 | 129 | 127 | 117 | 113 | 119 | 109 |
| 1 Y-A & G-Sec | 607 | 604 | 606 | 589 | 575 | 586 | 534 |
| 3 Y-A & G-Sec | 583 | 583 | 580 | 572 | 560 | 564 | 548 |
| 5 Y-A & G-Sec | 572 | 572 | 572 | 566 | 552 | 552 | 548 |

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 | 11,000 | 11,000 | 7.08% |
| 7.46% GS 2073 | 11,000 | 11,000 | 7.07% |
| 7.23% GS 2039 | 12,000 | 12,000 | 6.96% |
| 7.10% GS 2034 | 20,000 | 20,000 | 6.89% |
| 7.02% GS 2031 | 11,000 | 11,000 | 6.86% |
| 7.02% GS 2027 | 6,000 | 6,000 | 6.81% |

Source: RBI

Maturity Bucket Wise Govt. Borrowing

| Maturity Period | Scheduled H1 FY25 | Completed H1 FY25 |
|---------------------------|-------------------|-------------------|
| 1 to 9 Yrs | 23.20% | 99.43% |
| 10 to 14 Yrs | 25.60% | 52.97% |
| Long Dated (above 14 Yrs) | 51.20% | 77.08% |

Source: RBI

Institutional Flows (Debt)

| Description | Rs. Cr. | | |
|-------------|---------|---------|----------|
| | Net | MTD | YTD |
| FII* | 460 | 9,572 | 100,560 |
| MF** | 1,606 | -26,586 | -181,322 |

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

Term of the Day

Factoring

Definition: Factoring can be defined as a fund based financial service under which the factor purchases the account receivables arising out of credit sale of goods or services and then makes immediate payment to the concerned creditor or supplier. The word factor is derived from a Latin word "facere" which means to make or do things or to get things done. The factoring services can be provided by a financial or collection agency. The services include collection, administrative, financing, collection of debt, protection against credit risk and advisory.

Explanation: In this factoring process, the credit sales of a firm would be collected by a financial intermediary (factor) in return of a commission which is known as factoring commission. The customer places the order with the client for the sale of its goods or services on credit. The client in return delivers the required invoice to the customer which is then subsequently assigned to the factor. The factor then makes a prepayment up to 90% and sends periodical statement to the customer for follow up. The customer now makes the necessary payment to the factor. Upon realization of full payment, the factor pays the balance payment to the client on behalf of the customer. However, it needs to be noted that the factor will not finance the entire fund to client. The portion which is not financed by the factor is known as factor reserve.

Event for the Week (Monday to Friday)

| Event for the Week (Monday to Friday) | Date |
|---------------------------------------|-----------|
| Reserve Money | 21-Aug-24 |
| Money Supply | 21-Aug-24 |
| Currency in Circulation | 21-Aug-24 |
| Bank Credit to Commercial Sector | 21-Aug-24 |
| Banker's Deposits with RBI | 21-Aug-24 |

Source: Refinitiv

Govt Borrowing Program FYTD

| Description | Scheduled | Completed | % Completed |
|--------------------------|-----------|-----------|-------------|
| Week: August 19-23, 2024 | 23,000 | 0 | 0.00% |
| Month: Aug 2024 | 140,000 | 82,697 | 59.07% |
| H1: Apr 24-Sep 24 | 750,000 | 570,697 | 76.09% |

Source: RBI

State Govt Borrowing Program FYTD

| Description | Scheduled | Completed | % Completed |
|--------------------------|-----------|-----------|-------------|
| Week: August 19-23, 2024 | 23,400 | 0 | 0.00% |
| Month: Aug 2024 | 111,480 | 68,650 | 61.58% |
| Q2FY25: Jul 24-Sep 24 | 263,562 | 107,533 | 40.80% |

Source: RBI

Public Issue Data of Corporate Debt

| Name of Company | Issue closed on | Base issue size Rs Crore | Final issue size Rs Crore |
|--|-----------------|--------------------------|---------------------------|
| Nido Home Finance Limited | 27-Jun-24 | 50 | 76 |
| IIFL Samasta Finance Limited | 14-Jun-24 | 200 | 181 |
| 360 One Prime Limited | 06-Jun-24 | 100 | 304 |
| 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 |

Source: SEBI

Mutual Fund Category Performance - Debt

| Category-Debt | 1 Month | 6 Month | 1 Year |
|--|---------|---------|--------|
| Overnight Fund | 6.26 | 6.48 | 6.69 |
| Liquid Fund | 6.74 | 7.22 | 7.23 |
| Ultra Short Duration Fund | 6.39 | 7.11 | 6.92 |
| Low Duration Fund | 6.96 | 7.45 | 7.12 |
| Money Market Fund | 6.62 | 7.40 | 7.23 |
| Short Duration Fund | 8.49 | 7.39 | 7.04 |
| Medium Duration Fund | 9.83 | 7.94 | 7.65 |
| Medium to Long Duration Fund | 11.80 | 8.34 | 8.05 |
| Long Duration Fund | 13.37 | 9.61 | 10.65 |
| Corporate Bond Fund | 9.18 | 8.03 | 7.56 |
| Gilt Fund | 13.00 | 8.93 | 8.99 |
| Gilt Fund with 10 year constant duration | 14.45 | 9.37 | 8.94 |
| Dynamic Bond | 12.13 | 8.59 | 8.51 |
| Banking and PSU Fund | 8.43 | 7.75 | 7.45 |
| Floater Fund | 9.75 | 8.67 | 7.94 |
| Credit Risk Fund | 9.30 | 8.03 | 8.31 |

Less than 1 year returns are simple annualised and greater than 1 year returns are CAGR, Source: MFI 360 Explorer

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