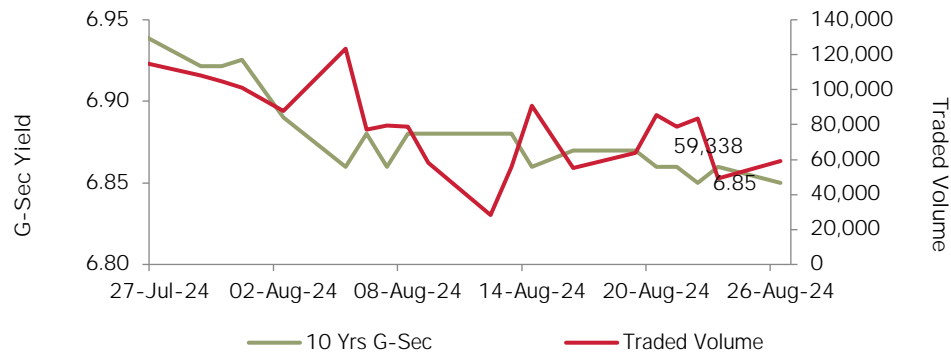


### G-Sec Yield Vs. Debt Market Traded Volume



### Liquidity Indicators (₹ Cr.)

|                        | 26-Aug-24                  | Week Ago | Month Ago | Year Ago |
|------------------------|----------------------------|----------|-----------|----------|
| G-Sec                  | 51,972                     | 57,709   | 110,268   | 32,483   |
| Net Liquidity Injected | -103,920.64 <sup>[1]</sup> | -117,258 | -145,223  | -11,497  |
| T-Bill                 | 2,731                      | 3,921    | 3,024     | 4,568    |
| Call                   | 7,492                      | 9,145    | 11,220    | 9,020    |
| T-Repo                 | 400,962                    | 387,404  | 405,514   | 365,749  |

Source: CCIL

### Key Monitorables

| Current Rates             | 26-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                   | 83.90     | 83.89       | 82.65    |
| Brent Crude               | 81.26     | 78.98       | 84.78    |

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

### Money Market Rates (in %)

| Indicators | 26-Aug-24 | Week Ago | Month Ago | Year Ago |
|------------|-----------|----------|-----------|----------|
| Call Rate  | 6.52      | 6.49     | 6.48      | 6.74     |
| T-Repo     | 6.32      | 6.33     | 6.39      | 6.75     |
| Repo       | 6.37      | 6.44     | 6.39      | 6.77     |
| 3 Month CP | 7.23      | 7.22     | 7.17      | 7.07     |
| 3 Month CD | 7.23      | 7.32     | 7.14      | 7.01     |
| 6 Month CP | 7.52      | 7.53     | 7.47      | 7.33     |
| 6 Month CD | 7.44      | 7.50     | 7.42      | 7.26     |
| 1 Year CP  | 7.68      | 7.67     | 7.63      | 7.50     |
| 1 Year CD  | 7.60      | 7.64     | 7.69      | 7.41     |

Source: CCIL, Refinitiv

### MIBOR-OIS (in %)

| Current Rates | 26-Aug-24 | Week Ago | Year Ago |
|---------------|-----------|----------|----------|
| 1 Year        | 6.48      | 6.53     | 7.01     |
| 2 Years       | 6.16      | 6.21     | 6.72     |
| 3 Years       | 6.08      | 6.15     | 6.67     |
| 5 Years       | 6.05      | 6.10     | 6.64     |

Source: CCIL

### MIFOR & Overnight MIBOR (in %)

| Indicators      | 26-Aug-24 | Week Ago | Month Ago | Year Ago |
|-----------------|-----------|----------|-----------|----------|
| MIBOR Overnight | 6.60      | 6.55     | 6.55      | 6.84     |
| 2 Years (MIFOR) | 6.35      | 6.39     | 6.57      | 7.06     |
| 3 Years (MIFOR) | 6.42      | 6.49     | 6.64      | 7.08     |
| 5 Years (MIFOR) | 6.47      | 6.54     | 6.67      | 7.09     |

Source: CCIL MIFOR - Mumbai Interbank Forward Offer Rate

### Top 5 traded G - Sec(26 Aug 2024)

| Security      | Volume (Rs. Cr.) | No. of Trades | Last Traded YTM Yield |
|---------------|------------------|---------------|-----------------------|
| 7.10% GS 2034 | 2,091.19         | 2171          | 6.85                  |
| 7.18% GS 2033 | 607.50           | 388           | 6.88                  |
| 7.34% GS 2064 | 248.42           | 179           | 7.02                  |
| 7.02% GS 2031 | 204.80           | 133           | 6.83                  |
| 7.23% GS 2039 | 171.75           | 134           | 6.91                  |

Source: RBI

### State Development Loans (SDL Rates)

| State Name    | Security Name     | Maturity Bucket (in Years) | Volume (Rs. Cr.) | Last Traded YTM Yield |
|---------------|-------------------|----------------------------|------------------|-----------------------|
| Maharashtra   | 7.18% MH SDL 2030 | 6                          | 1                | 7.15                  |
| Tamil Nadu    | 7.18% TN SDL 2027 | 3                          | 7                | 6.97                  |
| Gujarat       | 7.71% GJ SGS 2033 | 9                          | 1                | 7.18                  |
| Uttar Pradesh | 7.16% UP SDL 2031 | 7                          | 2                | 7.19                  |
| West Bengal   | 7.3% WB SDL 2029  | 5                          | 0                | 7.17                  |

Source: CCIL

- Bond yields eased tracking fall in the U.S. Treasury yields as Federal Reserve Chairman indicated that the central bank is likely to commence interest rate reductions starting in Sep 2024.
- Yield on the 10-year benchmark paper (7.10% GS 2034) fell by 1 bps to close at 6.85% as compared to the previous close of 6.86%.
- RBI conducted the auction of 4-day Variable Rate Reverse Repo for the notified amount of Rs. 50,000 crore for which amount of Rs. 29,080 crore was accepted, and the cut-off yield stood at 6.49%.
- According to media reports, Indian Railway Finance Corp is planning to raise up to Rs. 3,000 crore from 10-year bonds
- The Unified Pension Scheme (UPS) raised government contributions from 14% to 18.5%, which could lead to an increase in expenses of around Rs. 40,000-45,000 crore in FY25. Pensions will come from two funds, which may have a small effect on government finances in the long run.
- The Indian rupee was little changed against the U.S dollar, as greenback demand from importers and foreign banks neutralised initial gains tracking rise in most Asian currencies. The rupee was almost steady at 83.90 against the U.S. dollar compared to its previous close at 83.89.
- Brent crude oil market remained closed on account of public holiday.

### Yield Monitor

| Corporate Bonds/G-Sec      | 26-Aug-24 | Previous close | Week Ago | Month Ago | 3 Months Ago | 6 Months Ago | Year Ago |
|----------------------------|-----------|----------------|----------|-----------|--------------|--------------|----------|
| 1 Year AAA Corporate Bond  | 7.57      | 7.55           | 7.56     | 7.62      | 7.61         | 7.81         | 7.53     |
| 3 Year AAA Corporate Bond  | 7.50      | 7.46           | 7.50     | 7.62      | 7.75         | 7.73         | 7.64     |
| 5 Year AAA Corporate Bond  | 7.51      | 7.51           | 7.52     | 7.53      | 7.64         | 7.73         | 7.67     |
| 10 Year AAA Corporate Bond | 7.43      | 7.43           | 7.46     | 7.47      | 7.54         | 7.64         | 7.93     |
| 1 Year AA Corporate Bond   | 8.04      | 8.04           | 8.05     | 8.03      | 8.13         | 8.16         | 7.81     |
| 3 Year AA Corporate Bond   | 8.17      | 8.13           | 8.17     | 8.29      | 8.47         | 8.45         | 8.26     |
| 5 Year AA Corporate Bond   | 8.16      | 8.16           | 8.17     | 8.18      | 8.29         | 8.38         | 8.40     |
| 10 Year AA Corporate Bond  | 8.24      | 8.24           | 8.27     | 8.26      | 8.33         | 8.39         | 8.42     |
| 1 Year A Corporate Bond    | 12.93     | 12.93          | 12.94    | 12.86     | 12.91        | 13.06        | 12.68    |
| 3 Year A Corporate Bond    | 12.72     | 12.68          | 12.68    | 12.69     | 12.82        | 12.80        | 12.71    |
| 5 Year A Corporate Bond    | 12.61     | 12.61          | 12.62    | 12.63     | 12.74        | 12.74        | 12.77    |
| 1 Year G-Sec               | 6.84      | 6.84           | 6.87     | 6.94      | 7.13         | 7.14         | 7.22     |
| 3 Year G-Sec               | 6.86      | 6.87           | 6.85     | 6.96      | 7.13         | 7.18         | 7.30     |
| 5 Year G-Sec               | 6.89      | 6.90           | 6.90     | 6.96      | 7.16         | 7.18         | 7.33     |
| 10 Year G-Sec              | 6.97      | 6.98           | 6.98     | 7.06      | 7.12         | 7.19         | 7.34     |

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

<sup>[1]</sup>Data as on 23 Aug, 2024

| Spread Monitor (In bps) |           |                |          |           |              |              |          |
|-------------------------|-----------|----------------|----------|-----------|--------------|--------------|----------|
| Corporate Bonds/G-Sec   | 26-Aug-24 | Previous close | Week Ago | Month Ago | 3 Months Ago | 6 Months Ago | Year Ago |
| 1 Y-AAA & G-Sec         | 73        | 71             | 69       | 68        | 48           | 67           | 31       |
| 3 Y-AAA & G-Sec         | 64        | 59             | 65       | 66        | 62           | 55           | 34       |
| 5 Y-AAA & G-Sec         | 62        | 61             | 62       | 57        | 48           | 55           | 34       |
| 10 Y-AAA & G-Sec        | 46        | 45             | 48       | 41        | 42           | 45           | 59       |
| 1 Y-AA & G-Sec          | 120       | 120            | 118      | 109       | 100          | 102          | 59       |
| 3 Y-AA & G-Sec          | 131       | 126            | 132      | 133       | 134          | 127          | 96       |
| 5 Y-AA & G-Sec          | 127       | 126            | 127      | 122       | 113          | 120          | 107      |
| 10 Y-AA & G-Sec         | 127       | 126            | 129      | 120       | 121          | 120          | 108      |
| 1 Y-A & G-Sec           | 609       | 609            | 607      | 592       | 578          | 592          | 546      |
| 3 Y-A & G-Sec           | 586       | 581            | 583      | 573       | 569          | 562          | 541      |
| 5 Y-A & G-Sec           | 572       | 571            | 572      | 567       | 558          | 556          | 544      |

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 |
|-----------------------|--------------------------------|--------------------------------|-----------------------|
| 7.46% GS 2073         | 11,000                         | 11,000                         | 7.07%                 |
| 7.34% GS 2064         | 22,000                         | 22,000                         | 7.05%                 |
| 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%                 |
| 7.04% GS 2029         | 12,000                         | 12,000                         | 6.78%                 |

Source: RBI

| Maturity Bucket Wise Govt. Borrowing |                   |                   |
|--------------------------------------|-------------------|-------------------|
| Maturity Period                      | Scheduled H1 FY24 | Completed H1 FY24 |
| 1 to 9 Yrs                           | 23.20%            | 86.78%            |
| 10 to 14 Yrs                         | 25.60%            | 72.92%            |
| Long Dated (above 14 Yrs)            | 51.20%            | 77.34%            |

Source: RBI

| Institutional Flows (Debt) |         |         |          |
|----------------------------|---------|---------|----------|
| Description                | Rs. Cr. |         |          |
|                            | Net     | MTD     | YTD      |
| FII*                       | 1,517   | 12,883  | 103,871  |
| MF**                       | -131    | -38,713 | -193,448 |

\*As on 26th August 2024; \*\*As on 22nd August 2024; Source: SEBI, NSDL

### Term of the Day

#### Market Neutral Fund

Definition: Market Neutral Funds aim to generate profit irrespective of movements in the market. These funds seek to produce alpha returns while reducing beta risk to near-zero.

Explanation: Market Neutral Funds target superior returns by focussing on astute stock selection. These funds generally combine long and short strategies. Long positions are held in those stocks which are expected to perform better than the market, while short positions are made in those stocks whose prices are expected to drop. Hence, the performance of these funds is not directly linked to the market performance, as they maintain a low, but positive correlation with market return.

The fund manager believes the price of stock "X" will increase due to depreciation in the rupee while the price of stock "Y" will decline on account of imposition of import duty. Hence, the fund manager in order to produce superior returns will hold long position in stock "X" while going short on stock "Y" at the same time

| Event for the Week (Monday to Friday) | Date      |
|---------------------------------------|-----------|
| Reserve Money                         | 28-Aug-24 |
| Currency in Circulation               | 28-Aug-24 |
| Banker's Deposits with RBI            | 28-Aug-24 |
| GDP (Q1FY25)                          | 30-Aug-24 |
| Forex Reserves                        | 30-Aug-24 |

Source: Refinitiv

| Govt Borrowing Program FYTD |           |           |             |
|-----------------------------|-----------|-----------|-------------|
| Description                 | Scheduled | Completed | % Completed |
| Week: August 26-30, 2024    | 30,000    | 0         | 0.00%       |
| Month: Aug 2024             | 140,000   | 94,000    | 67.14%      |
| H1: Apr 24-Sep 24           | 750,000   | 588,000   | 78.40%      |

Source: RBI

| State Govt Borrowing Program FYTD |           |           |             |
|-----------------------------------|-----------|-----------|-------------|
| Description                       | Scheduled | Completed | % Completed |
| Week: August 26-30, 2024          | 29,400    | --        | N.A         |
| Month: Aug 2024                   | 111,480   | 82,440    | 73.95%      |
| Q2FY25: Jul 24-Sep 24             | 263,562   | 121,323   | 46.03%      |

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                           | 6.23    | 6.47    | 6.68   |
| Liquid Fund                              | 6.76    | 7.20    | 7.23   |
| Ultra Short Duration Fund                | 6.44    | 7.05    | 6.92   |
| Low Duration Fund                        | 6.77    | 7.38    | 7.10   |
| Money Market Fund                        | 6.71    | 7.36    | 7.23   |
| Short Duration Fund                      | 7.67    | 7.30    | 7.02   |
| Medium Duration Fund                     | 8.76    | 7.86    | 7.62   |
| Medium to Long Duration Fund             | 10.84   | 8.30    | 8.05   |
| Long Duration Fund                       | 13.05   | 9.91    | 10.48  |
| Corporate Bond Fund                      | 8.56    | 7.97    | 7.55   |
| Gilt Fund                                | 12.36   | 8.95    | 9.02   |
| Gilt Fund with 10 year constant duration | 13.01   | 9.19    | 8.96   |
| Dynamic Bond                             | 10.98   | 8.51    | 8.48   |
| Banking and PSU Fund                     | 7.99    | 7.70    | 7.43   |
| Floater Fund                             | 8.99    | 8.73    | 7.95   |
| Credit Risk Fund                         | 7.84    | 7.88    | 8.21   |

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

Disclaimer:

All information contained in this document has been obtained by ICRA Analytics Limited from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA Analytics Limited in particular, make no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained herein must be construed solely as statements of opinion, and ICRA Analytics Limited shall not be liable for any losses incurred by users from any use of this document or its contents in any manner. Opinions expressed in this document are not the opinions of ICRA Analytics Limited's holding company, ICRA Limited (ICRA), and should not be construed as any indication of credit rating or grading of ICRA for any instruments that have been issued or are to be issued by any entity.

Past performance may or may not be sustained in the future.

Aditya Birla Sun Life AMC Limited /Aditya Birla Sun Life Mutual Fund is not guaranteeing/offering/communicating any indicative yield/returns on investments.

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