

# Macro Konnect

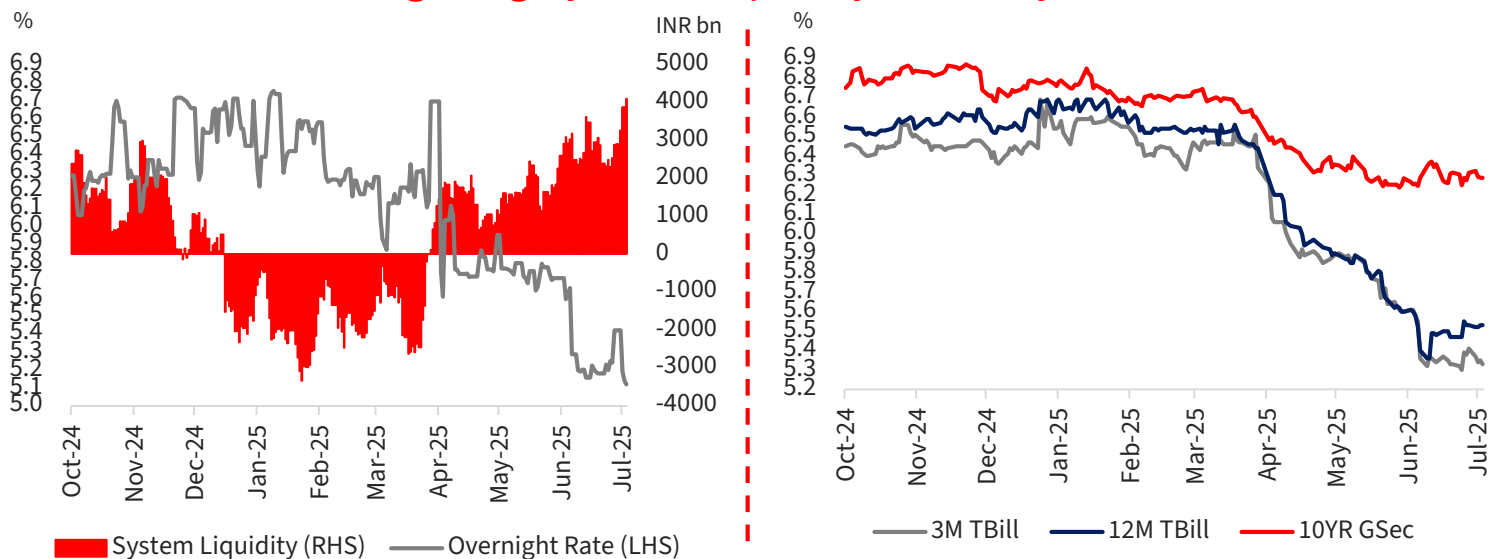
04-July-2025

## Liquidity Monitor

(In INR Billion)

	Amount	Amount	Amount
	19-Jun	26-Jun	03-Jul
Liquidity Adjustment Facility (LAF)			
Reverse Repo & Standing Deposit Facility (SDF)	3225.7	2798.8	4117.5
Repo	0.0	0.0	0.0
Marginal Standing Facility (MSF)	-13.2	-18.3	-11.1
Standing Liquidity Facility (SLF) Availied from RBI	-71.6	-70.1	-62.2
Liquidity Deficit/Surplus	3140.9	2710.4	4044.2
<b>Net System Liquidity*</b>	<b>3062.3</b>	<b>2526.8</b>	<b>4087.9</b>

## Navigating System Liquidity With Key Rates



## Indian Debt Market Indicators

Broad Indices	04-Jul-25	27-Jun-25
1 Year AAA Corporate Bond	6.30%	6.60%
3 Year AAA Corporate Bond	6.65%	6.75%
5 Year AAA Corporate Bond	6.80%	6.88%
1 Year G-Sec	5.60%	5.62%
3 Year G-Sec	5.82%	5.91%
5 Year G-Sec	6.05%	6.15%
10 Year G-Sec	6.29%	6.31%

Green indicates eased compared to the previous week

\*after Adjustments figure with CRR requirement and TLTRO

Source: Bloomberg, RBI Website, KMAMC Internal | All Data as on 3rd July, 2025, Indian Debt Market Indicators data are as of 4th-July-2025

Details as per latest data available publicly.

## From Fund Management's Desk:

- The U.S. 10-year Treasury yield increased this week, impacted by weak job market data and the President Trump's tax-and-spending bill, which narrowly passed the Senate on Tuesday. Data from the U.S. Labor Department revealed that nonfarm payrolls climbed by 147,000 in June, exceeding market expectations.
- Domestically, banking system liquidity remains in surplus, as reflected in the daily MIBOR, which was close to the SDF rate, i.e., 5.25%, indicating easy liquidity.
- The recent Variable Rate Reverse Repo (VRRR) announcement of ₹1 lakh crore can be read as a liquidity fine-tuning tool and not a signal of tightening. It is probably aimed at keeping overnight rates within the policy band 5.25%~5.50%, ensuring stability in short-term borrowing costs.
- The Indian sovereign bond yield curve remained steep, with yields falling by up to 10 bps on a week-on-week basis.
- India's 10-year G-Sec could trade between 6.25% and 6.35% in the week ahead.

Source: Bloomberg, RBI Website, KMAMC Internal Research | Data as on 4th July, 2025 | Details as per latest data available publicly.

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