



INDIA

Indian government bond yields ended lower on Thursday, tracking a similar move in U.S. yields after the Federal Reserve maintained interest rates as expected but sounded less hawkish than feared.

The benchmark 10-year yield ended at 7.1598%, following its previous close of 7.1855%.

U.S. yields eased, with the 10-year yield around the 4.60% mark, after the Fed maintained the narrative that it hopes to cut rates but ruled out further rate hikes, despite elevated inflation.

Chairman Jerome Powell said it "will take longer than previously expected" for policymakers to become comfortable that inflation will resume the decline towards 2%.

The odds of a rate cut in September have now gone up to 56% from 45% before the decision, while investors continue to price in the possibility of around 35 basis points (bps) of rate cuts in 2024, unchanged from before the Fed decision.

Sentiment was also supported as oil prices declined, with Brent crude futures dropping below \$85 per barrel amid a surprise pick up in U.S. crude stocks and the prospect of a Middle East ceasefire agreement.

The Indian rupee weakened 0.05% versus the U.S. dollar, and quoted at 83.47 per dollar despite an uptick in its Asian peers as dollar demand from foreign banks weighed on the rupee alongside importers' hedging demand.

Repo: The weighted average call rates in the interbank segment increased to 6.69% vs 6.68% as on the previous day while that the TREP segment decreased to 6.67% vs 6.70% as on the previous day.

**Market Observations**

**G-sec**

- Good buying demand was visible by PDs / Pension Funds & Private Banks in 2028 / 2029 SDLs at 7.50 centric levels.
- 2035 illiquid G-sec was heavily traded between pension funds and foreign banks at 7.22 levels.
- Good activity was visible in 2026 to 2028 strips at 7.45 centric levels.

**Corporate Bonds**

- Major activity was seen in the MMY segment and in the 2026-2028 segment.
- Mutual funds were active counterparties on buying as well as selling side.

**CP/CD**

- Activity was seen in the shorter to 3-month segment.

GOI Yield	2-May	29-Apr	25-Apr	2-Apr
1 Year	7.070	7.060	7.060	6.980
5 Year	7.162	7.197	7.206	7.088
10 Year	7.160	7.197	7.206	7.116

AAA Bmk	2-May	29-Apr	25-Apr	2-Apr
1 Year	7.75	7.70	7.70	7.78
5 Year	7.73	7.73	7.76	7.60
10 Year	7.55	7.55	7.56	7.48

CD	2-May	29-Apr	25-Apr	2-Apr
3 Month	7.25	7.25	7.20	7.35
6 Month	7.45	7.45	7.40	7.50
1 Year	7.65	7.65	7.60	7.60

CP	2-May	29-Apr	25-Apr	2-Apr
3 Month	7.35	7.35	7.30	7.45
6 Month	7.55	7.55	7.50	7.60
1 Year	7.75	7.75	7.70	7.70

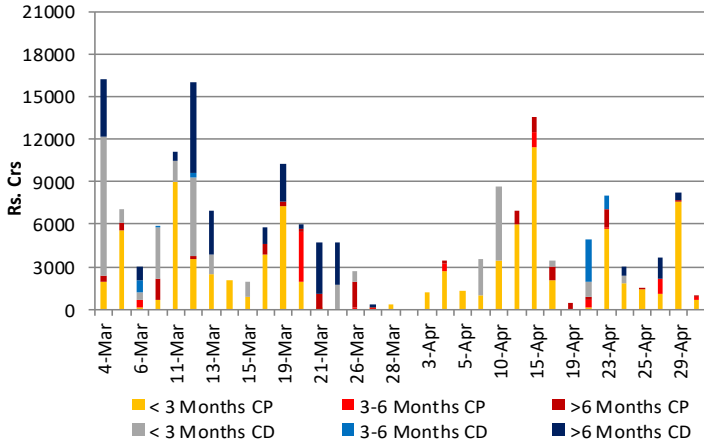
OIS Rate	2-May	29-Apr	25-Apr	2-Apr
1 Year	6.86	6.88	6.89	6.77
2 Year	6.61	6.64	6.66	6.49
3 Year	6.58	6.60	6.62	6.44
5 Year	6.55	6.58	6.60	6.40

	2-May	29-Apr	25-Apr	2-Apr
Sensex	74,611	74,671	74,339	73,904
Nifty	22,648	22,643	22,570	22,453
USD/INR	83.47	83.47	83.32	83.39
Gold (USD)	2,299	2,334	2,332	2,280
Oil (USD)	84.02	88.40	89.01	88.92

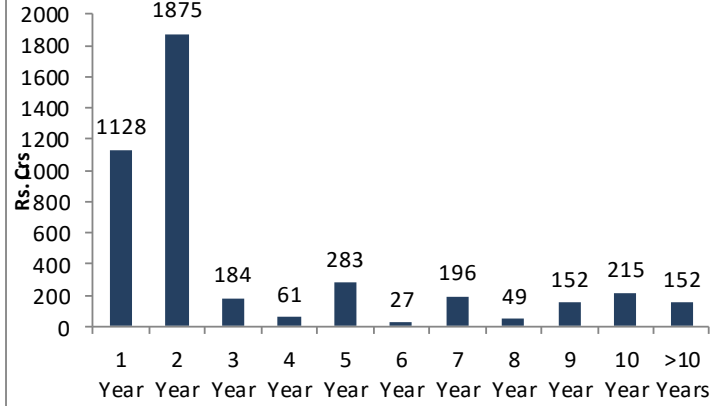
NDF	2-May	29-Apr	25-Apr	2-Apr
3 Month	83.72	83.69	83.47	83.50
1 Year	84.84	84.82	84.68	84.70
2 Year	86.97	86.82	86.72	86.75
3 Year	89.42	89.17	89.07	89.41



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	2-May	29-Apr	25-Apr	2-Apr
India	7.16	7.20	7.20	7.11
US	4.60	4.61	4.71	4.37
South Korea	3.64	3.71	3.70	3.43
Russia	14.49	14.41	14.26	14.01
Brazil	11.80	11.64	11.69	11.16
Germany	2.53	2.53	2.62	2.41
China	2.31	2.21	2.27	2.30

Top Traded Securities	Volume	23-Apr	22-Apr	16-Apr	22-Mar
7.26 2033	25	7.19	7.22	7.20	7.11
7.06 2028	410	7.18	7.19	7.18	7.11
7.62 2039	-	7.21	7.22	7.24	7.12
7.30 2053	545	7.26	7.28	7.28	7.16
6.64 2035	40	7.23	7.20	7.21	7.14
7.40 2035	20	7.22	7.16	7.21	7.14

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
29-Apr-24	9776	8394	1382

EQUITY	Gross Purchase	Gross Sales	Net Investment
	8153	10971	-2818

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
17929	19365	-1436

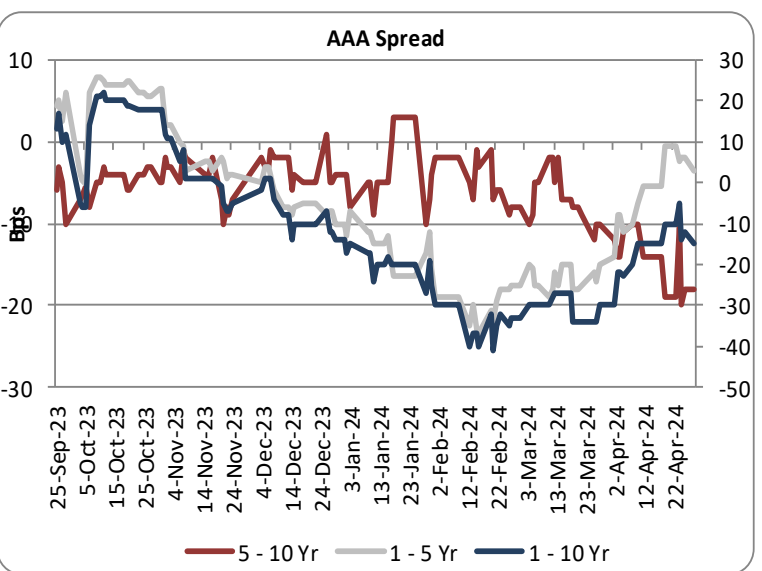
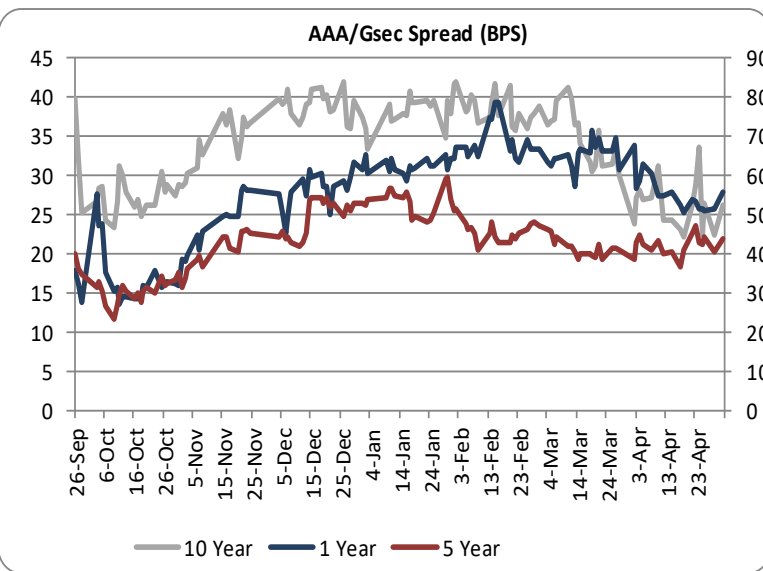
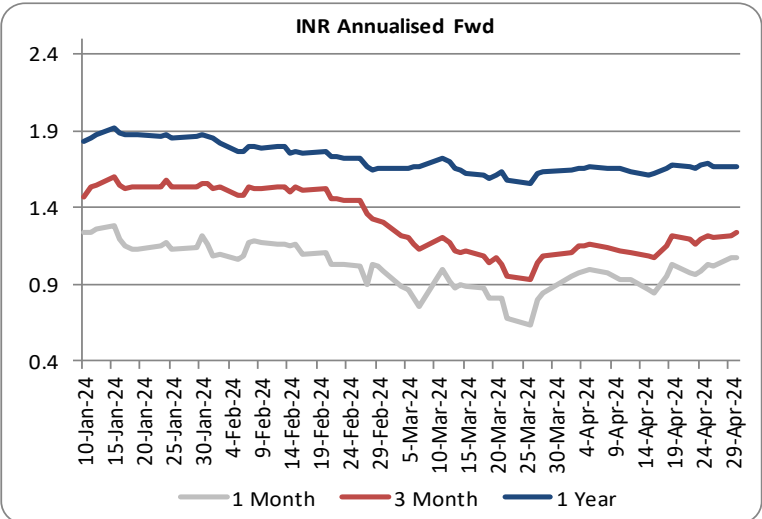
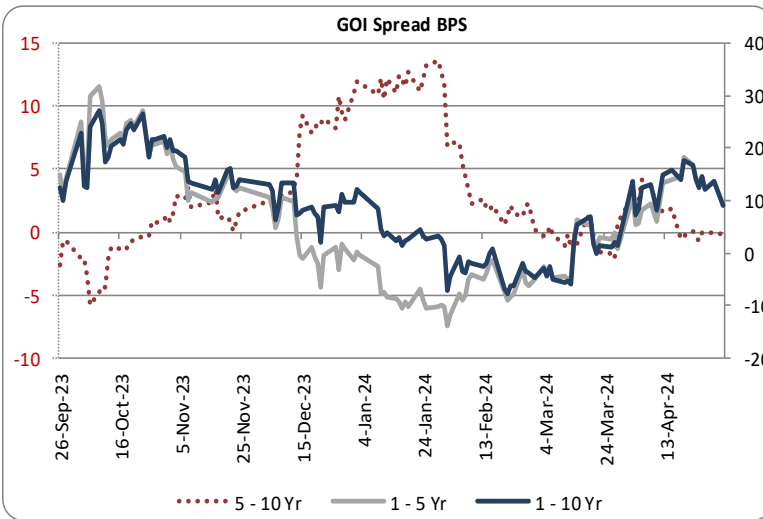
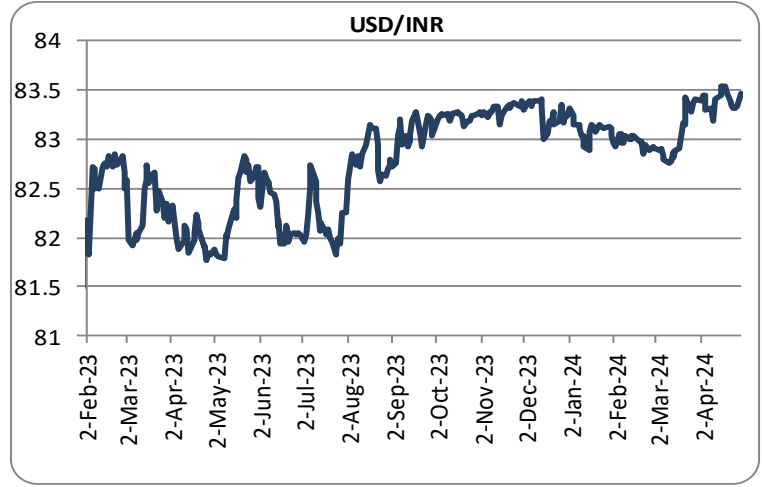
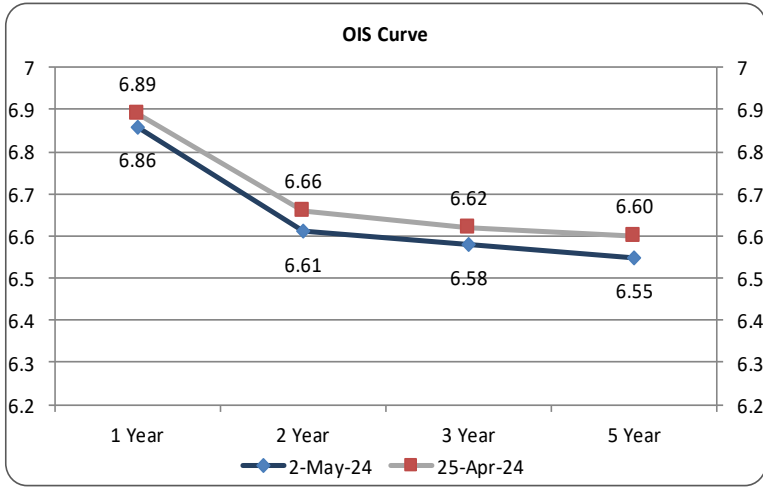
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
2-May-24	942	1210	-268

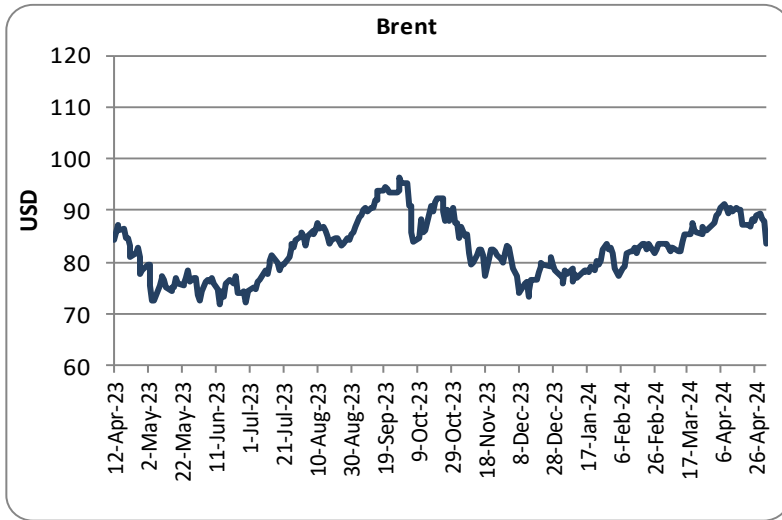
EQUITY	Gross Purchase	Gross Sales	Net Investment
	21768	19917	1851

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
22710	21127	1583

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-23	8.4	8.1
CAD (\$ Bn)	Dec-23	-10.5	-11.4
Trade Deficit (\$ Bn)	Dec-23	-71.6	-61.0
WPI (%)	Mar-24	0.5	0.2
CPI (%)	Mar-24	4.9	5.1
IIP (%)	Feb-24	5.7	4.1
PMI Manufacturing	Apr-24	58.8	59.1
PMI Service	Mar-24	61.2	60.6

Economic Calender	Country	Date	Poll	Prior
Unemployment Rate	Euro Zone	3-May-24	6.5	6.5
Unemployment Rate	USA	03-May-24	3.80	3.80
RBA Cash Rate	Australia	07-May-24	4.35	4.35
Industrial Production	Germany	08-May-24	-	(4.76)
BOE Bank Rate	UK	09-May-24	5.25	5.25
GDP YY Q1	UK	10-May-24	-	(0.20)
Industrial Output	India	10-May-24	-	5.70
CPI	China	11-May-24	-	0.10





Sources: Reserve Bank of India, Bloomberg, Reuters, CCIL and FIMMDA.

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