



BONDWATCH

Daily

July 03, 2024

INDIA

Indian government bond yields ended lower on Wednesday amid a pullback in U.S. Treasury yields, while traders still assessed the pace of foreign inflows into debt after domestic securities were included in a global index.

The benchmark 10-year yield ended at 6.9987%, following its previous close of 7.0112%.

Investors continue to gauge the pace of foreign inflows into Indian government bonds over the next few days after an underwhelming response so far, since the inclusion of local debt in the JPMorgan index on June 28.

Foreign investors have bought bonds under the Fully Accessible Route, which are now a part of the index, worth only 37.7 billion rupees (\$451.42 million) on a net basis in first three days of the index inclusion.

The 10-year U.S. yield eased to 4.44% on Tuesday after job openings, a measure of labor demand, rose 221,000 to 8.140 million on the last day of May, the lowest level since February 2021.

Federal Reserve Chair Jerome Powell said the central bank still needed more data before cutting interest rates to ensure that recent weaker inflation readings give a true picture of underlying price pressures.

Investors continue to anticipate 46 basis points of rate cuts from the Federal Reserve in 2024, with first action in September.

Oil prices steadied on Wednesday after trading higher as industry data showed a bigger-than-expected draw in U.S. crude stockpiles, with gains capped by economic headwinds from China and the euro zone.

The Indian rupee weakened 0.03% versus the U.S. dollar, and quoted at 83.51 as dollar demand from state-run banks and weakness in Asian currencies offset likely inflows.

Repo: The weighted average call rates in the interbank segment remained the same at 6.49% vs 6.49% as on the previous day while that the TREP segment decreased to 6.34% vs 6.35% as on the previous day.

GOI Yield	3-Jul	2-Jul	26-Jun	5-Jun
1 Year	6.930	6.940	6.940	7.010
5 Year	6.984	7.003	7.007	7.073
10 Year	6.999	7.011	7.000	7.027

AAA Bmk	3-Jul	2-Jul	26-Jun	5-Jun
1 Year	7.72	7.72	7.72	7.75
5 Year	7.65	7.65	7.65	7.70
10 Year	7.55	7.55	7.53	7.55

CD	3-Jul	2-Jul	26-Jun	5-Jun
3 Month	7.15	7.18	7.20	7.15
6 Month	7.35	7.45	7.58	7.45
1 Year	7.60	7.65	7.70	7.70

CP	3-Jul	2-Jul	26-Jun	5-Jun
3 Month	7.25	7.30	7.30	7.20
6 Month	7.45	7.55	7.65	7.55
1 Year	7.70	7.75	7.80	7.80

OIS Rate	3-Jul	2-Jul	26-Jun	5-Jun
1 Year	6.80	6.81	6.80	6.83
2 Year	6.55	6.57	6.55	6.55
3 Year	6.49	6.50	6.47	6.48
5 Year	6.44	6.45	6.41	6.43

	3-Jul	2-Jul	26-Jun	5-Jun
Sensex	79,987	79,441	78,674	74,382
Nifty	24,287	24,124	23,869	22,620
USD/INR	83.53	83.51	83.57	83.37
Gold (USD)	2,345	2,329	2,298	2,355
Oil (USD)	86.28	86.24	85.25	78.41

NDF	3-Jul	2-Jul	26-Jun	5-Jun
3 Month	83.75	83.69	83.75	83.61
1 Year	84.86	84.81	84.89	84.71
2 Year	87.06	86.83	86.83	86.82
3 Year	89.76	89.52	89.69	89.26

Market Observations

G-sec

- T-bill cut-off was in line with market expectations.

Corporate Bonds

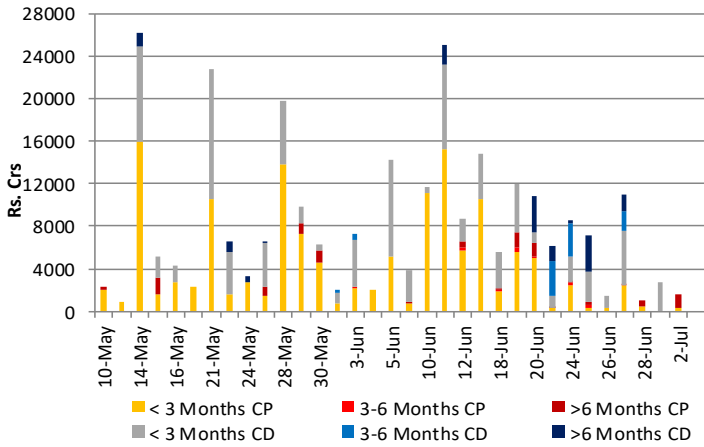
- Major activity was seen 2025-2027 segment.
- Mutual funds were seen on the buying as well as selling side in the active segment.

CP/CD

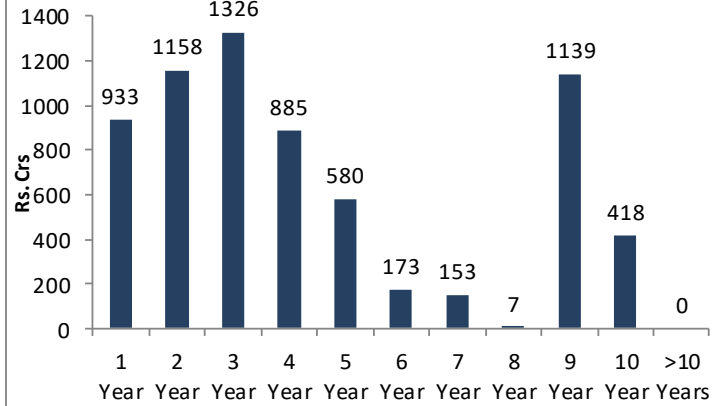
- Activity was seen throughout 1-month to 1-year segment.



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	3-Jul	2-Jul	26-Jun	5-Jun
India	7.00	7.01	7.00	7.03
US	4.43	4.44	4.32	4.29
South Korea	3.28	3.28	3.29	3.47
Russia	15.11	15.11	15.11	14.84
Brazil	12.52	12.52	12.11	11.85
Germany	2.60	2.61	2.45	2.50
China	2.24	2.24	2.23	2.31

Top Traded Securities	Volume	26-Jun	25-Jun	19-Jun	27-May
7.26 2033	405	7.06	7.04	7.04	7.06
7.06 2028	325	7.01	6.99	6.98	7.03
7.62 2039	-	7.05	7.04	7.06	7.06
7.30 2053	740	7.05	7.04	7.05	7.12
6.64 2035	-	7.06	7.05	7.04	7.06
7.40 2035	-	7.08	7.04	7.01	7.05

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
1-Jul-24	8653	5405	3249

EQUITY	Gross Purchase	Gross Sales	Net Investment
	3076	1034	2042

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
11729	6438	5291

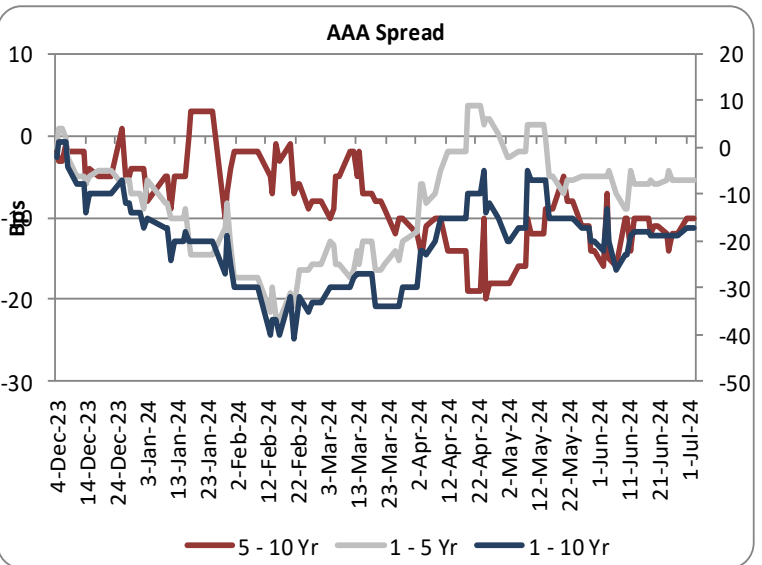
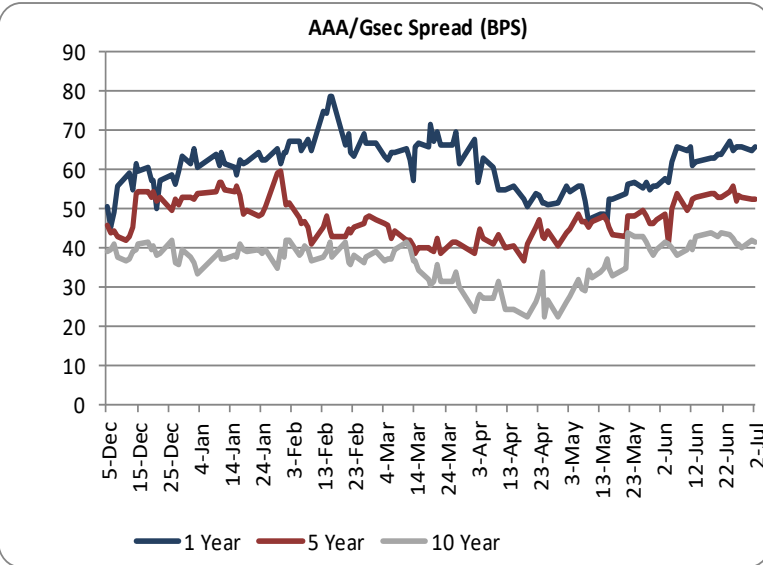
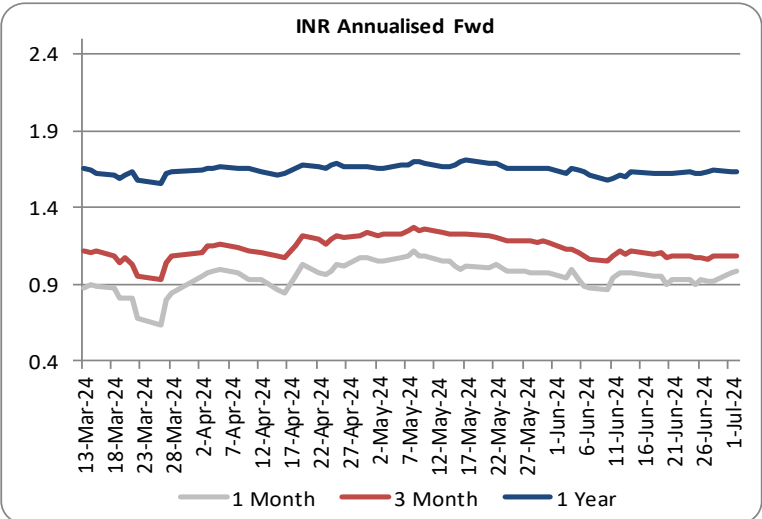
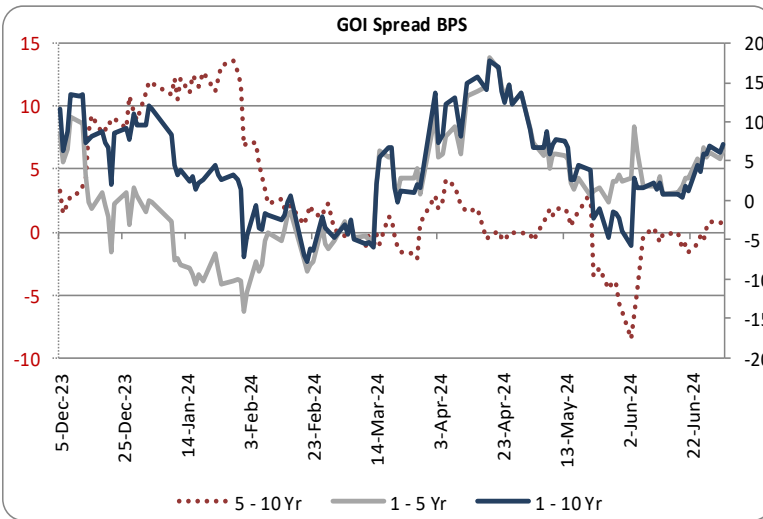
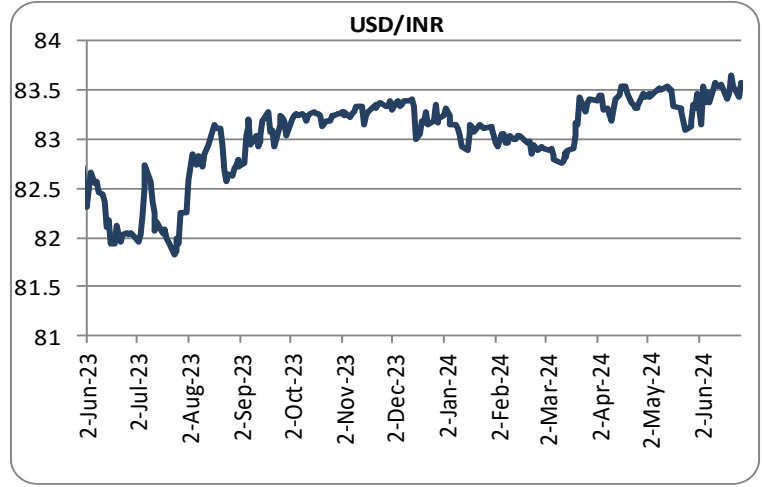
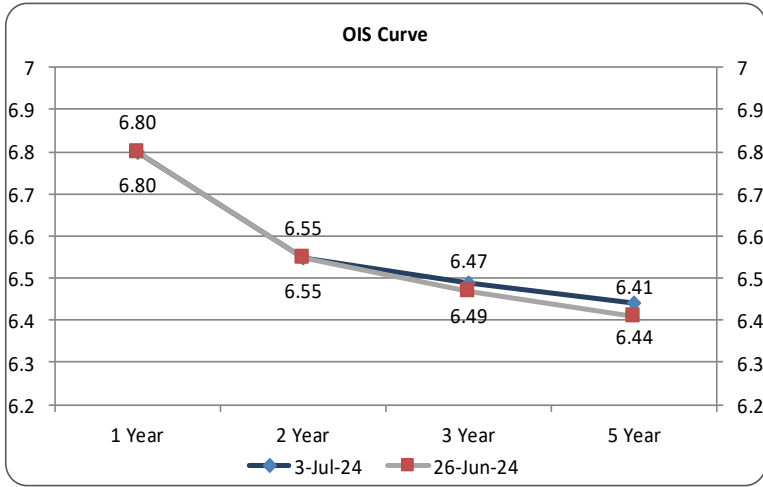
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
3-Jul-24	2661	2358	302

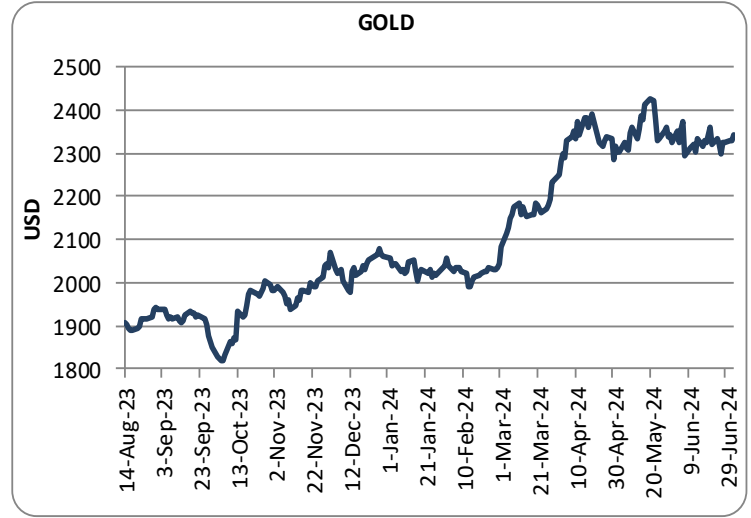
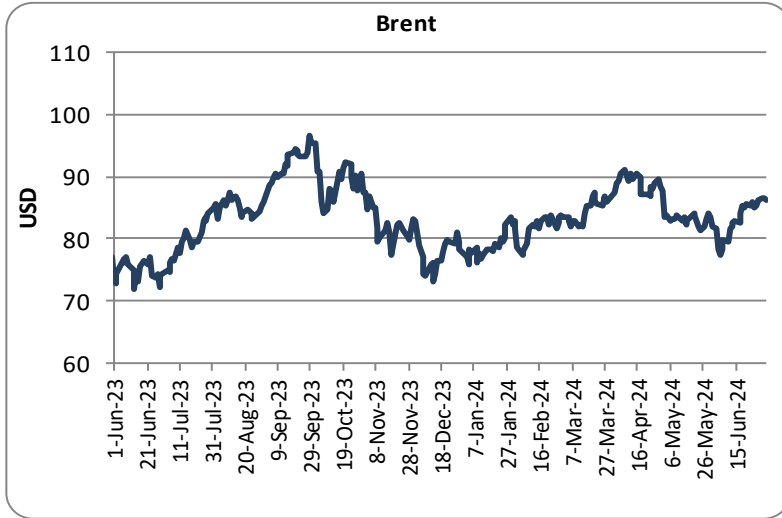
EQUITY	Gross Purchase	Gross Sales	Net Investment
	14544	17051	-2507

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
17205	19410	-2205

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Mar-24	7.8	8.4
CAD (\$ Bn)	Mar-24	5.7	-8.7
Trade Deficit (\$ Bn)	Mar-24	-50.9	-71.6
WPI (%)	May-24	2.6	1.3
CPI (%)	May-24	4.8	4.8
IIP (%)	Apr-24	5.0	5.4
PMI Manufacturing	Jun-24	58.3	57.5
PMI Service	Jun-24	60.5	60.2

Economic Calender	Country	Date	Poll	Prior
CPI	Japan	2-Jul-24	0	2.7
CPI	Euro Zone	02-Jul-24	-	2.60
Unemployment Rate	Euro Zone	02-Jul-24	-	6.40
Industrial Output	Brazil	03-Jul-24	(1.50)	8.40
Unemployment Rate	USA	05-Jul-24	4.00	4.00
Industrial Output	UK	11-Jul-24	-	(0.40)
CPI	USA	11-Jul-24	-	3.30
Core CPI	USA	11-Jul-24	-	3.40





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

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