



BONDWATCH

Daily

April 04, 2024

INDIA

Indian government bond yields ended little changed on Thursday as market participants refrained from placing large bets ahead of the Reserve Bank of India's (RBI) policy decision on Friday.

The benchmark 10-year bond yield ended at 7.0934%, following its previous close of 7.1030%.

The market will focus on the central bank's commentary on inflation and liquidity management as strong economic growth and moderating inflation will allow the RBI to keep interest rates on hold until July.

At the February policy meeting, RBI Governor Shaktikanta Das had stressed the central bank may consider rate cuts only once inflation eases towards the 4% target on a sustainable basis. India's retail inflation was at 5.09% in February.

Meanwhile, U.S. bond yields stayed elevated as recent strong economic data led to concerns over the timing and quantum of rate cuts by the Federal Reserve.

There is a 62.5% chance of a Fed cut in June against 70% a week ago.

Indian Government will sell 380 billion rupees (\$4.56 billion) of bonds on Friday, including 200 billion rupees of a new 10-year, which will replace the existing benchmark in the coming weeks.

The Indian rupee was flat versus the U.S. dollar, and quoted at 83.4375 per dollar, pressured by dollar demand from importers while likely intervention from the Reserve Bank of India helped curb the local unit's losses.

Repo: The weighted average call rates in the interbank segment remained the same at 6.44% vs 6.44% as on the previous day while that the TREP segment increased to 6.45% vs 6.42% as on the previous day.

GOI Yield	4-Apr	3-Apr	28-Mar	6-Mar
1 Year	7.010	7.030	7.040	7.080
5 Year	7.069	7.084	7.049	7.050
10 Year	7.093	7.103	7.056	7.055

AAA Bmk	4-Apr	3-Apr	28-Mar	6-Mar
1 Year	7.72	7.72	7.78	7.85
5 Year	0.00	7.64	7.58	7.60
10 Year	0.00	7.50	7.48	7.55

CD	4-Apr	3-Apr	28-Mar	6-Mar
3 Month	7.35	7.35	7.55	7.65
6 Month	7.50	7.50	7.65	7.70
1 Year	7.60	7.60	7.60	7.75

CP	4-Apr	3-Apr	28-Mar	6-Mar
3 Month	7.45	7.45	7.85	7.80
6 Month	7.60	7.60	7.90	7.85
1 Year	7.70	7.70	7.85	7.90

OIS Rate	4-Apr	3-Apr	28-Mar	6-Mar
1 Year	6.76	6.79	6.74	6.72
2 Year	6.48	6.50	6.44	6.41
3 Year	6.44	6.46	6.39	6.36
5 Year	6.39	6.42	6.33	6.32

	4-Apr	3-Apr	28-Mar	6-Mar
Sensex	74,228	73,877	73,651	74,086
Nifty	22,515	22,435	22,327	22,474
USD/INR	83.44	83.44	83.40	82.82
Gold (USD)	2,293	2,299	2,232	2,148
Oil (USD)	89.35	89.35	87.48	82.96

NDF	4-Apr	3-Apr	28-Mar	6-Mar
3 Month	83.68	83.63	83.59	82.92
1 Year	84.81	84.84	84.70	84.17
2 Year	86.99	86.91	86.76	86.33
3 Year	89.57	89.39	89.42	88.78

Market Observations

G-sec

- Size buying demand was visible in JFM 2025 SDLs at 7.12 centric levels.
- Furthermore, buying demand was also visible in 2027 SDLs by PDs and Mutual funds at 7.35 centric levels.
- Pension funds were actively looking to buy 15yr illiquid G-sec at 7.15 levels.

Corporate Bonds

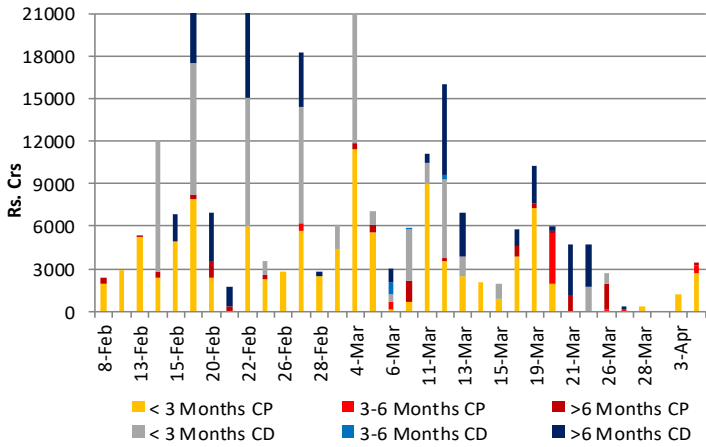
- Activity was seen across all segments and mutual funds were active on the buying as well as selling side.
- Banks were active in the MMY segment on the selling side.

CP/CD

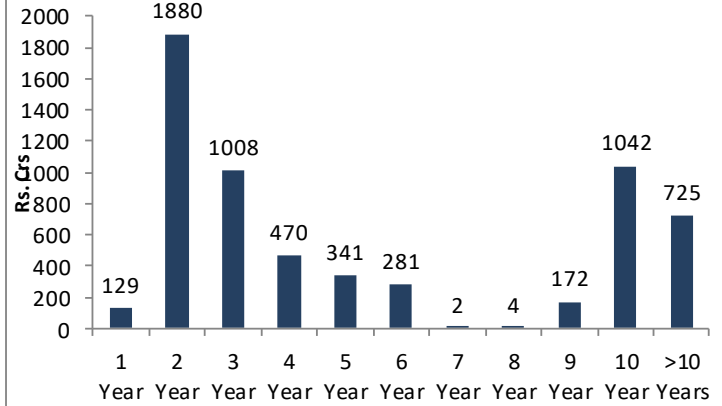
- Major activity was seen across all segments.



CP/CD Primary Volume



Bonds Volume (prev.)



10 Year Benchmarks	4-Apr	3-Apr	28-Mar	6-Mar
India	7.09	7.10	7.05	7.05
US	4.37	4.36	4.19	4.10
South Korea	3.46	3.45	3.38	3.38
Russia	14.18	14.05	13.82	13.19
Brazil	11.20	11.20	10.98	10.65
Germany	2.38	2.40	2.29	2.33
China	2.29	2.29	2.31	2.28

Top Traded Securities	Volume	28-Mar	27-Mar	21-Mar	28-Feb
7.26 2033	370	7.08	7.11	7.09	7.09
7.06 2028	1,310	7.06	7.10	7.07	7.06
7.62 2039	-	7.09	7.11	7.09	7.10
7.30 2053	275	7.12	7.16	7.14	7.15
6.64 2035	135	7.10	7.13	7.14	7.12
7.40 2035	350	7.08	7.15	7.14	7.12

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
2-Apr-24	7704	7205	499

EQUITY		
Gross Purchase	Gross Sales	Net Investment
35	40	-4

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
7739	7244	495

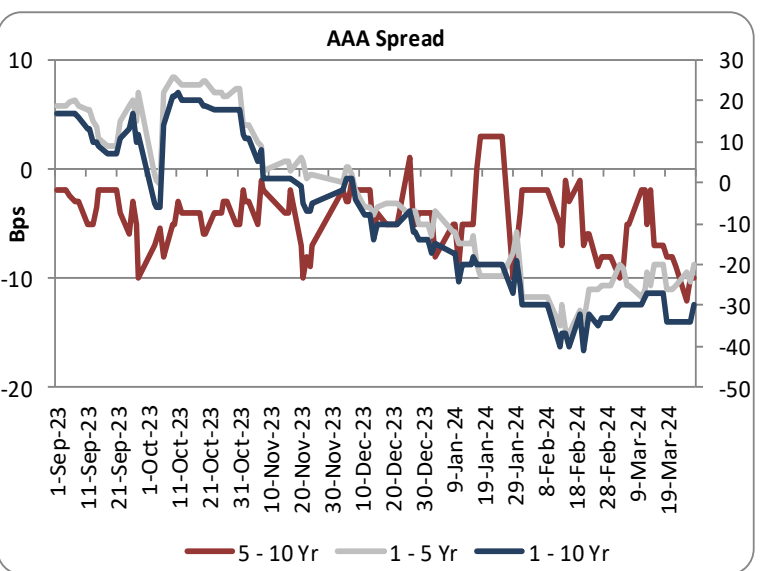
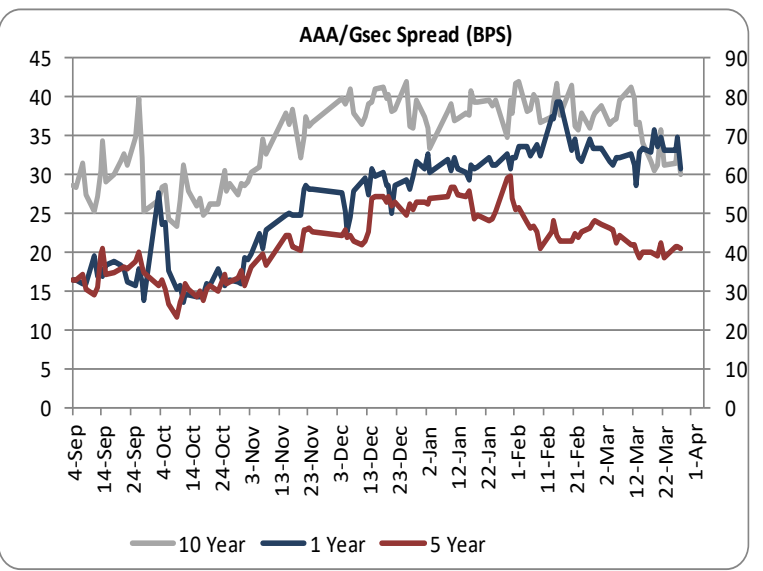
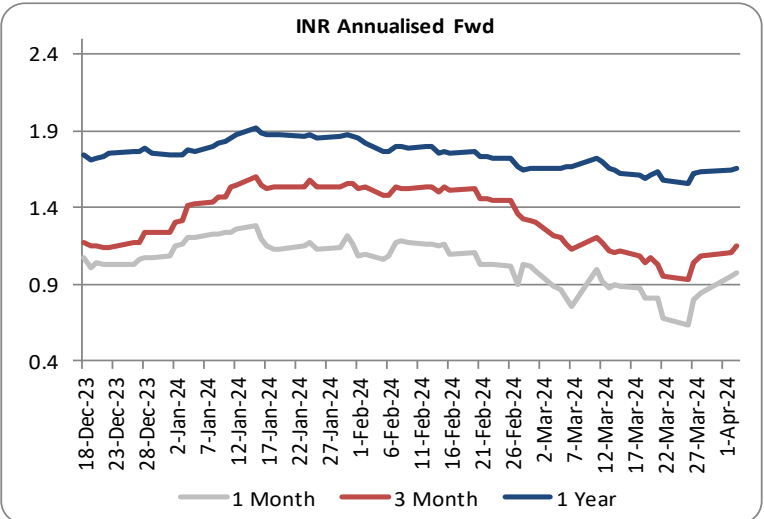
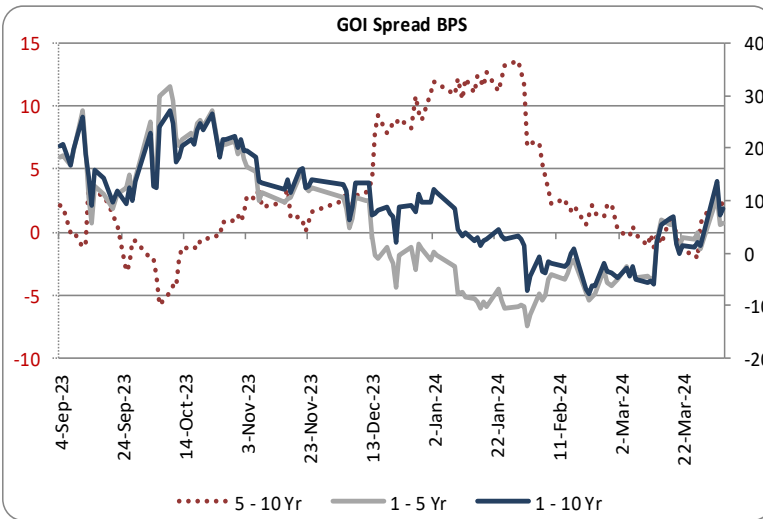
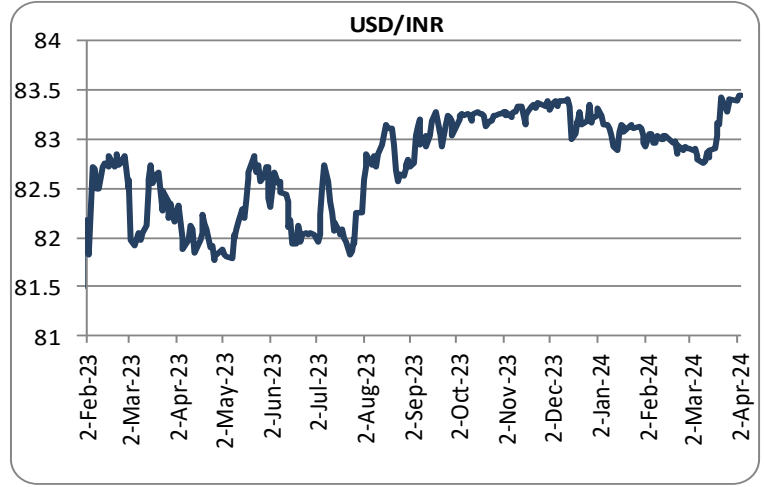
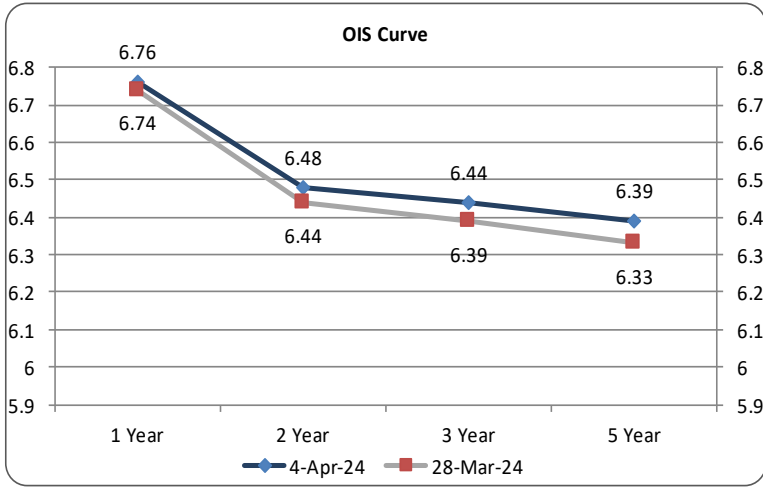
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
4-Apr-24	2147	5801	-3654

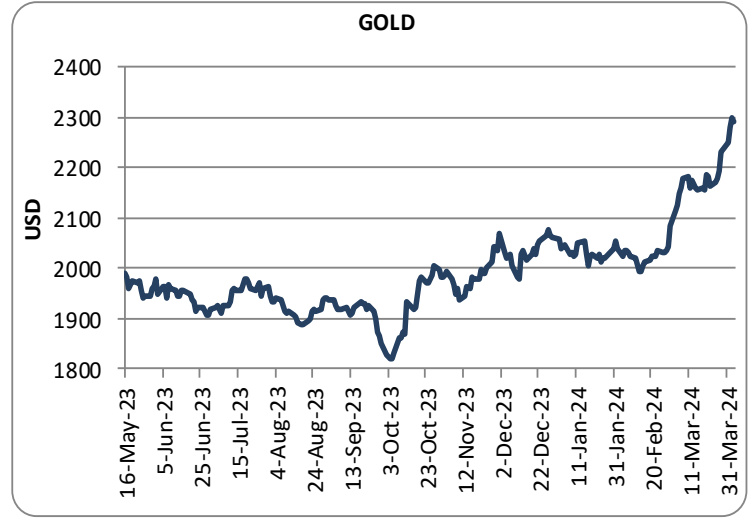
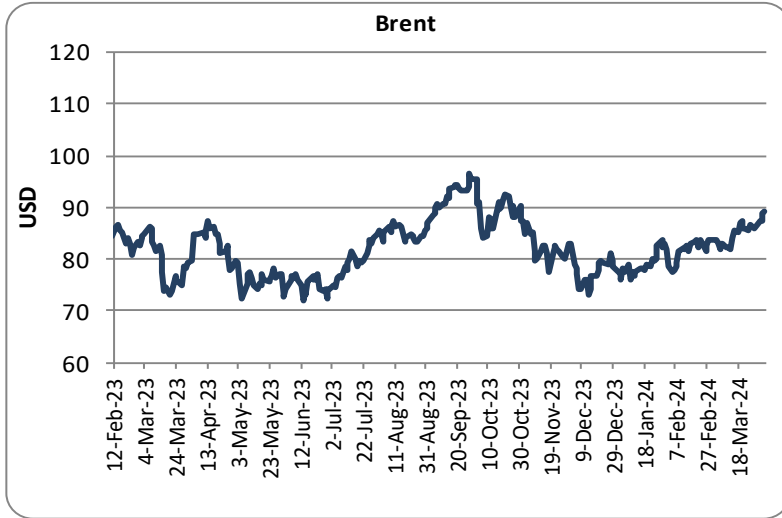
EQUITY		
Gross Purchase	Gross Sales	Net Investment
14852	16107	-1255

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
16999	21908	-4909

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 (%)	Feb-24	0.2	0.3
CPI (%)	Feb-24	5.1	5.1
IIP (%)	Jan-24	3.8	4.2
PMI Manufacturing	Mar-24	59.1	56.9
PMI Service	Mar-24	61.2	60.6

Economic Calender	Country	Date	Poll	Prior
CPI	Euro Zone	3-Apr-24	0	2.6
Unemployment rate	Euro Zone	03-Apr-24	6.40	6.40
Industrial Output	Brazil	03-Apr-24	5.60	3.60
Unemployment rate	Russia	03-Apr-24	2.90	2.90
Retail Sales	Euro Zone	05-Apr-24	(1.30)	(1.00)
CPI	USA	10-Apr-24	-	3.20
CPI	China	11-Apr-24	-	0.70
Refinancing Rate	Euro Zone	11-Apr-24	-	4.50





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

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