



# BONDWATCH

Daily

July 04, 2024

## INDIA

Indian government bond yields ended little changed on Thursday after fighting back from declines triggered by a slump in their U.S. peers, and as traders await the supply of fresh debt.

The benchmark 10-year yield ended at 6.9994%, following its previous close at 6.9987%.

Bond yields slipped earlier in the day, with the benchmark yield touching 6.98%, but the lack of further buying appetite led to a reversal till the end of the session.

U.S. yields eased on Wednesday, with the benchmark 10-year yield easing to 4.35%, amid weakness in economic data that bolstered bets of interest rate cuts in the world's largest economy.

Despite the Federal Reserve having lowered its forecast to 25 basis points of rate cuts in 2024, investors are confident of rate cuts in September and December. Markets also await U.S. non-farm payroll data due on Friday followed by inflation prints in India and the U.S. next week.

Market participants expects local inflation to have eased marginally to 4.60% year-on-year in June from 4.75% in May.

Oil prices edged lower on Thursday, retreating from the previous session's multi-month highs, with investors taking profits as demand caution remained in focus.

The Indian rupee strengthened 0.05% versus the U.S. dollar, and quoted at 83.49 per dollar, aided by gains in its Asian peers.

Repo: The weighted average call rates in the interbank segment increased to 6.50% vs 6.49% as on the previous day while that the TREP segment increased to 6.35% vs 6.34% as on the previous day.

GOI Yield	4-Jul	3-Jul	27-Jun	5-Jun
1 Year	6.935	6.930	6.940	7.010
5 Year	6.985	6.984	6.996	7.073
10 Year	6.999	6.999	6.999	7.027

AAA Bmk	4-Jul	3-Jul	27-Jun	5-Jun
1 Year	7.72	7.72	7.72	7.75
5 Year	7.64	7.65	7.65	7.70
10 Year	7.52	7.55	7.53	7.55

CD	4-Jul	3-Jul	27-Jun	5-Jun
3 Month	7.15	7.15	7.20	7.15
6 Month	7.35	7.35	7.50	7.45
1 Year	7.60	7.60	7.70	7.70

CP	4-Jul	3-Jul	27-Jun	5-Jun
3 Month	7.25	7.25	7.30	7.20
6 Month	7.45	7.45	7.60	7.55
1 Year	7.70	7.70	7.80	7.80

OIS Rate	4-Jul	3-Jul	27-Jun	5-Jun
1 Year	6.78	6.80	6.80	6.83
2 Year	6.53	6.55	6.56	6.55
3 Year	6.47	6.49	6.48	6.48
5 Year	6.43	6.44	6.42	6.43

	4-Jul	3-Jul	27-Jun	5-Jun
Sensex	80,050	79,987	79,243	74,382
Nifty	24,302	24,287	24,045	22,620
USD/INR	83.49	83.53	83.46	83.37
Gold (USD)	2,359	2,356	2,327	2,355
Oil (USD)	86.72	87.34	86.39	78.41

NDF	4-Jul	3-Jul	27-Jun	5-Jun
3 Month	83.74	83.77	83.68	83.61
1 Year	84.86	84.83	84.76	84.71
2 Year	86.85	86.94	86.90	86.82
3 Year	89.32	89.54	89.50	89.26

### Market Observations

#### G-sec

- Good buying demand was visible by Mutual funds up to 3-year SDLs at 7.20 centric levels.
- Up to 10-year SDLs saw size trading activity between banks and insurance companies.
- Longer End G-sec switches were heavily traded between foreign banks/insurance companies and pension funds.

#### Corporate Bonds

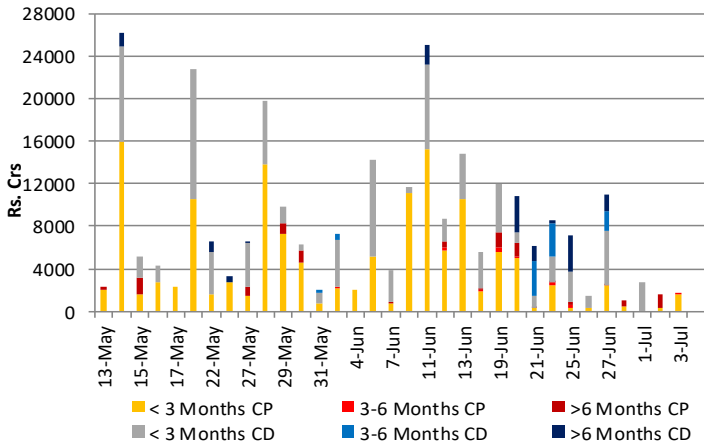
- Major activity was seen 2025-2029 segment.
- Banks and Mutual funds were seen on the buying as well as selling side in the active segment.

#### CP/CD

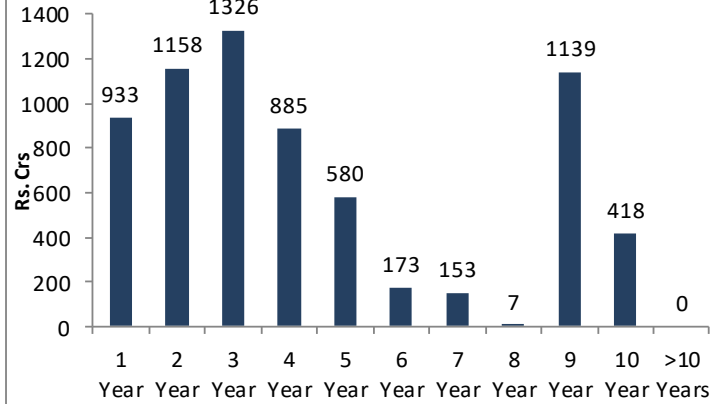
- Activity was seen throughout the 1-month to 1-year segment.



CP/CD Primary Volume



Bonds Volume (prev.)



10 Year Benchmarks	4-Jul	3-Jul	27-Jun	5-Jun
India	7.00	7.00	7.00	7.03
US	4.35	4.35	4.29	4.29
South Korea	3.25	3.28	3.31	3.47
Russia	15.11	15.11	15.11	14.84
Brazil	12.24	12.24	12.25	11.85
Germany	2.58	2.56	2.45	2.50
China	2.22	2.24	2.21	2.31

Top Traded Securities	Volume	4-Jul	3-Jul	27-Jun	4-Jun
7.26 2033	420	#N/A	#N/A	#N/A	#N/A
7.06 2028	300	#N/A	#N/A	#N/A	#N/A
7.62 2039	95	7.05	0.00	7.06	7.12
7.30 2053	995	#N/A	#N/A	#N/A	#N/A
6.64 2035	250	#N/A	#N/A	#N/A	7.09
7.40 2035	15	#N/A	#N/A	#N/A	7.13

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
2-Jul-24	7584	6297	1287

	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	3496	1284	2212

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
11080	7582	3499

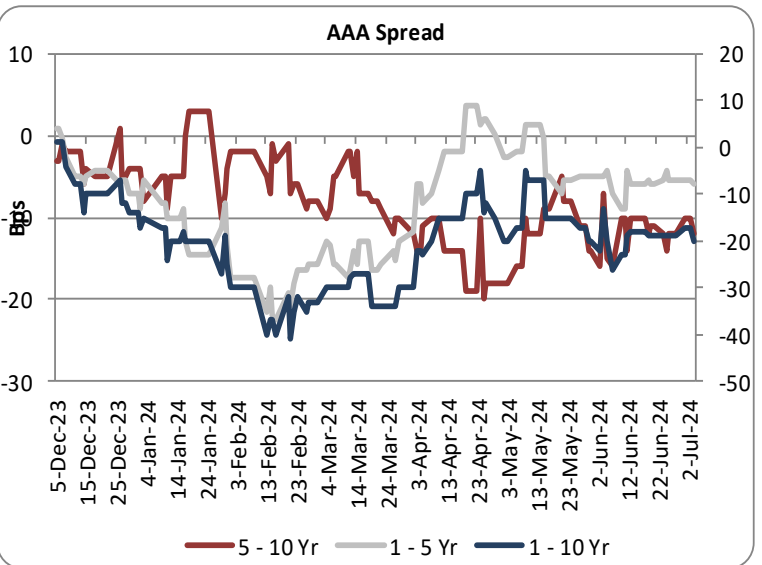
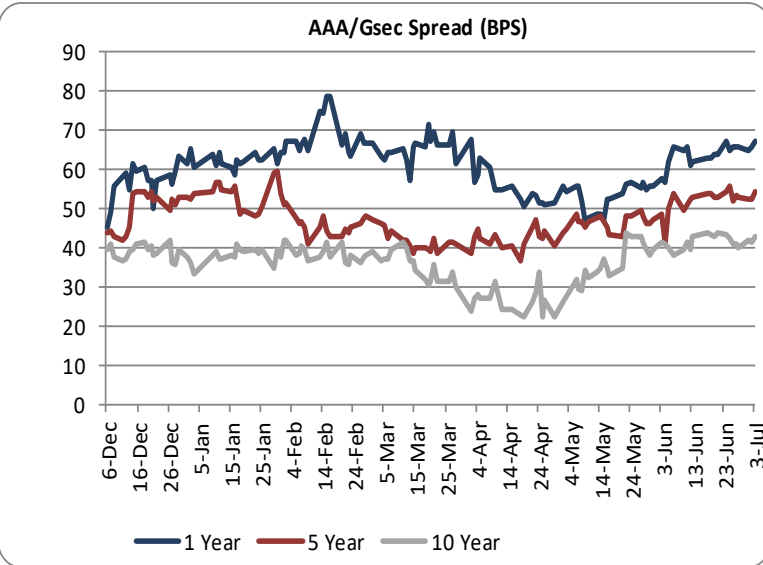
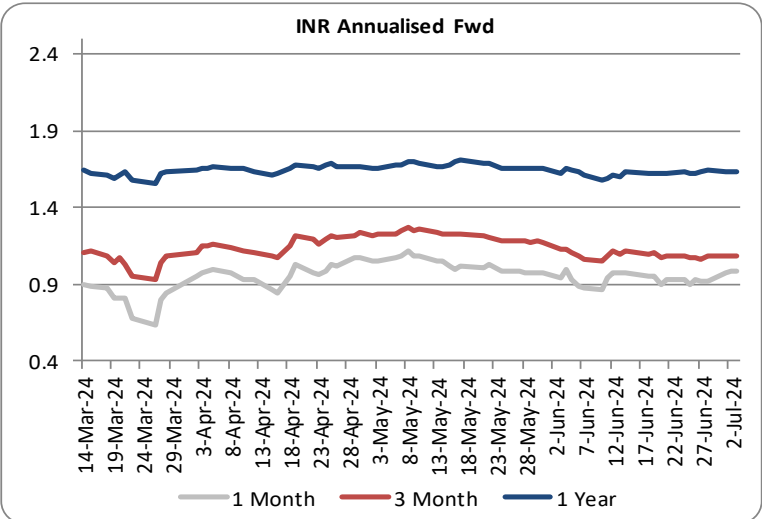
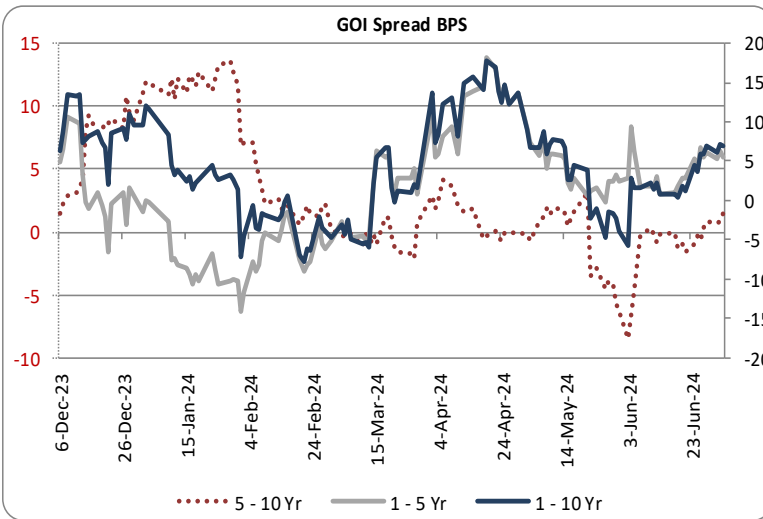
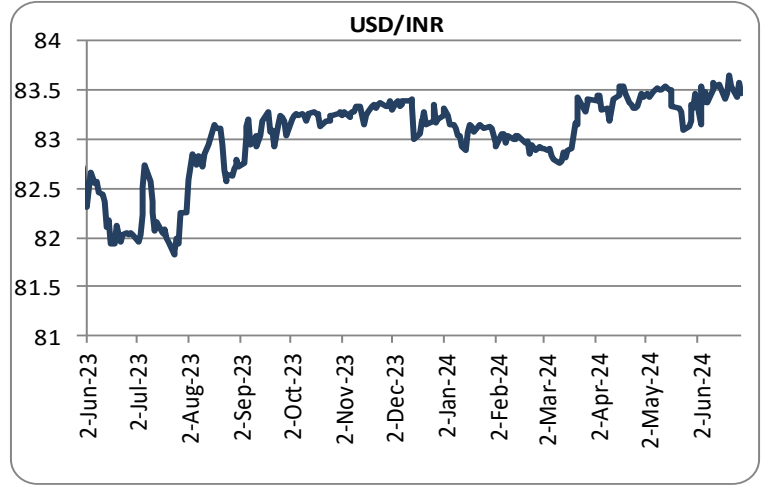
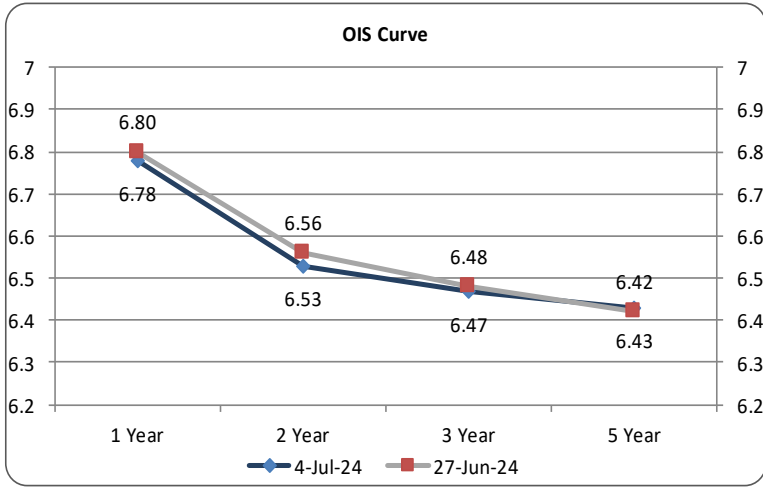
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
4-Jul-24	1812	1112	699

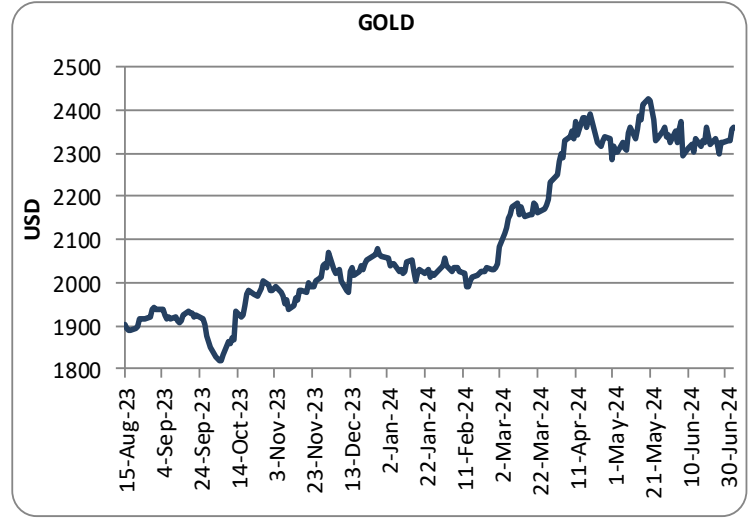
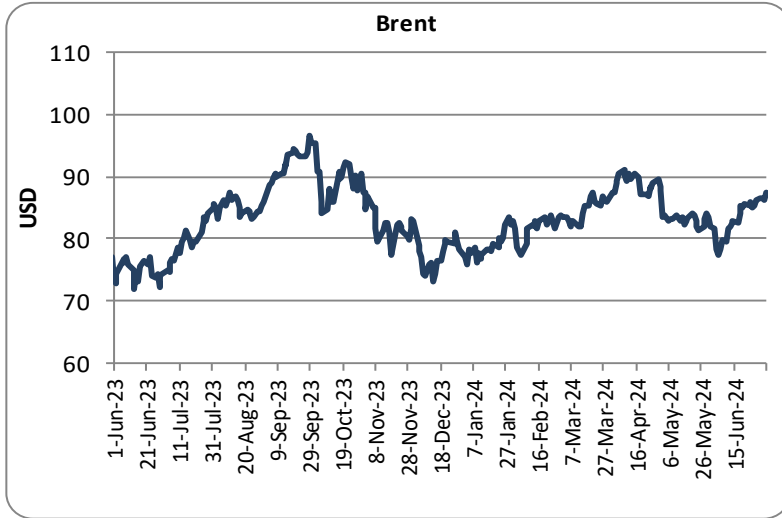
	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	16500	12602	3899

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
18312	13714	4598

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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