



BONDWATCH

Daily

April 05, 2024

INDIA

Indian government bond yields rose on Friday and for the week, with the benchmark yield posting its biggest weekly jump in four months, tracking a spike in U.S. Treasury yields amid concerns over the Federal Reserve's interest rate cuts.

The benchmark 10-year yield ended at 7.1232%, following its previous close of 7.0934%. It rose seven basis points this week after easing four bps last week.

Yields rose during the session after the Reserve Bank of India (RBI) maintained its repo rate and stance as widely expected.

The RBI expects the economy to expand by 7% in fiscal year 2025, unchanged from its earlier forecast, while it sees retail inflation at 4.5%, with volatile food prices a continuing risk.

Meanwhile, U.S. yields stayed elevated around the key 4.35% mark, with market awaiting the March nonfarm payrolls report, a major factor in gauging the timing of the Fed's first easing in 2024 and the number of rate cuts.

Oil prices extended gains on Friday and were on course for a second weekly gain, supported by geopolitical tensions in the Middle East.

The Indian rupee strengthened 0.17% versus the U.S. dollar, and quoted at 83.32 per dollar, bolstered by dollar sales from foreign and state-run banks and the Indian central bank keeping rates unchanged for a seventh consecutive meeting.

Repo: The weighted average call rates in the interbank segment increased to 6.50% vs 6.44% as on the previous day while that the TREP segment increased to 6.47% vs 6.45% as on the previous day.

GOI Yield	5-Apr	4-Apr	28-Mar	7-Mar
1 Year	7.000	7.010	7.040	7.080
5 Year	7.081	7.069	7.049	7.032
10 Year	7.123	7.093	7.056	7.031

AAA Bmk	5-Apr	4-Apr	28-Mar	7-Mar
1 Year	7.75	7.72	7.78	7.85
5 Year	7.63	7.64	7.58	7.60
10 Year	7.52	7.50	7.48	7.55

CD	5-Apr	4-Apr	28-Mar	7-Mar
3 Month	7.30	7.35	7.55	7.65
6 Month	7.45	7.50	7.65	7.70
1 Year	7.55	7.60	7.60	7.75

CP	5-Apr	4-Apr	28-Mar	7-Mar
3 Month	7.40	7.45	7.85	7.80
6 Month	7.55	7.60	7.90	7.85
1 Year	7.65	7.70	7.85	7.90

OIS Rate	5-Apr	4-Apr	28-Mar	7-Mar
1 Year	6.79	6.76	6.74	6.71
2 Year	6.50	6.48	6.44	6.38
3 Year	6.45	6.44	6.39	6.32
5 Year	6.40	6.39	6.33	6.28

	5-Apr	4-Apr	28-Mar	7-Mar
Sensex	74,248	74,228	73,651	74,119
Nifty	22,514	22,515	22,327	22,494
USD/INR	83.30	83.44	83.40	82.79
Gold (USD)	2,293	2,289	2,232	2,159
Oil (USD)	90.85	90.65	87.48	82.96

NDF	5-Apr	4-Apr	28-Mar	7-Mar
3 Month	83.53	83.65	83.59	82.81
1 Year	84.73	84.84	84.70	84.04
2 Year	86.99	86.92	86.76	86.19
3 Year	89.60	89.37	89.42	88.64

Market Observations

G-sec

- Good buying demand was visible in 2030 G-sec papers by private banks at 7.09 levels.

- Switches were actively dealt in 2029 G-sec segment between banks.

Corporate Bonds

- Major activity was seen in the MMY segment and in the 2025-2026 segment.

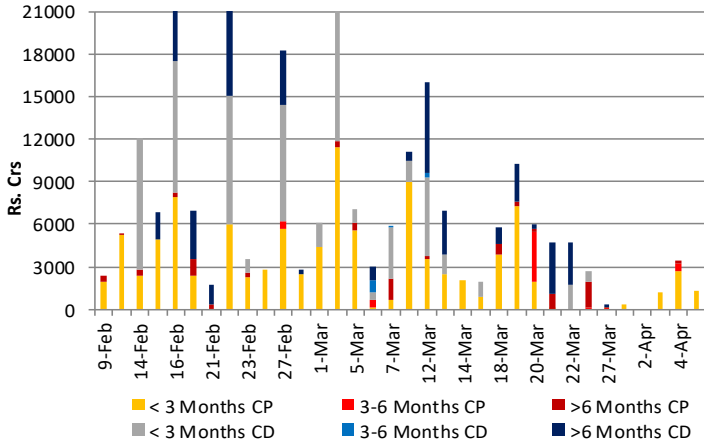
- Banks and Mutual funds were active on the buying as well as selling side in the 2025-2026 segment.

CP/CD

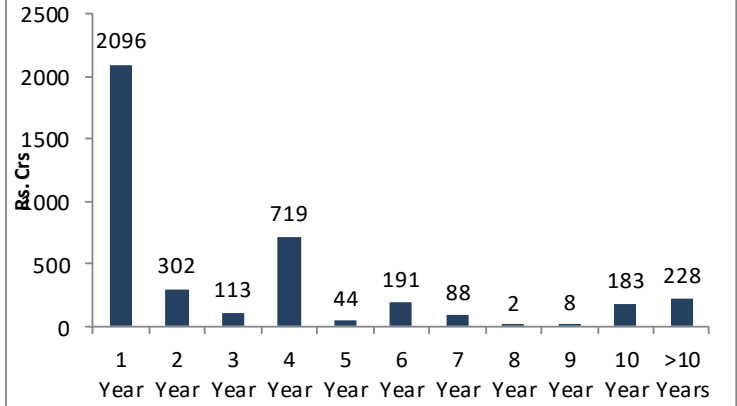
- Major activity was seen across all segments.



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	5-Apr	4-Apr	28-Mar	7-Mar
India	7.12	7.09	7.05	7.03
US	4.33	4.31	4.19	4.09
South Korea	3.43	3.46	3.38	3.40
Russia	14.19	14.14	13.82	13.27
Brazil	11.20	11.20	10.98	10.68
Germany	2.37	2.36	2.29	2.30
China	2.29	2.29	2.31	2.30

Top Traded Securities	Volume	28-Mar	27-Mar	21-Mar	28-Feb
7.26 2033	745	7.08	7.11	7.09	7.09
7.06 2028	215	7.06	7.10	7.07	7.06
7.62 2039	100	7.09	7.11	7.09	7.10
7.30 2053	1,355	7.12	7.16	7.14	7.15
6.64 2035	610	7.10	7.13	7.14	7.12
7.40 2035	720	7.08	7.15	7.14	7.12

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
3-Apr-24	9627	9549	78

EQUITY	Gross Purchase	Gross Sales	Net Investment
	8535	4760	3775

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
18161	14309	3852

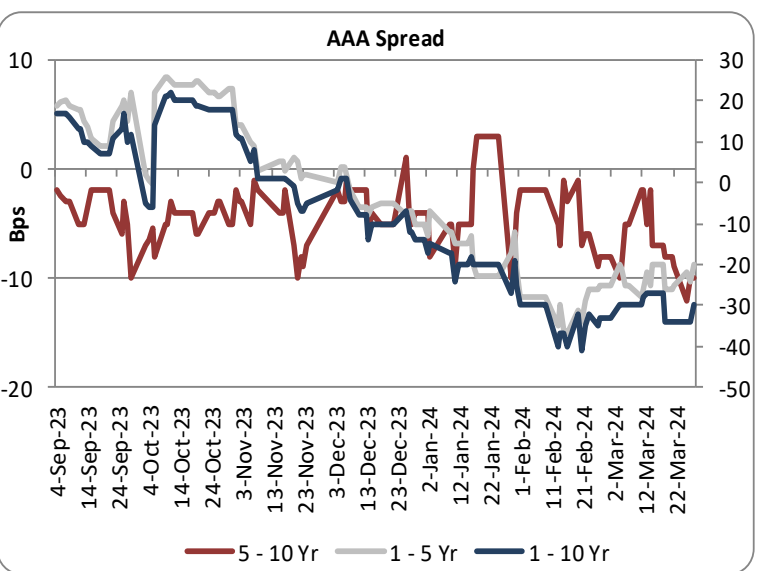
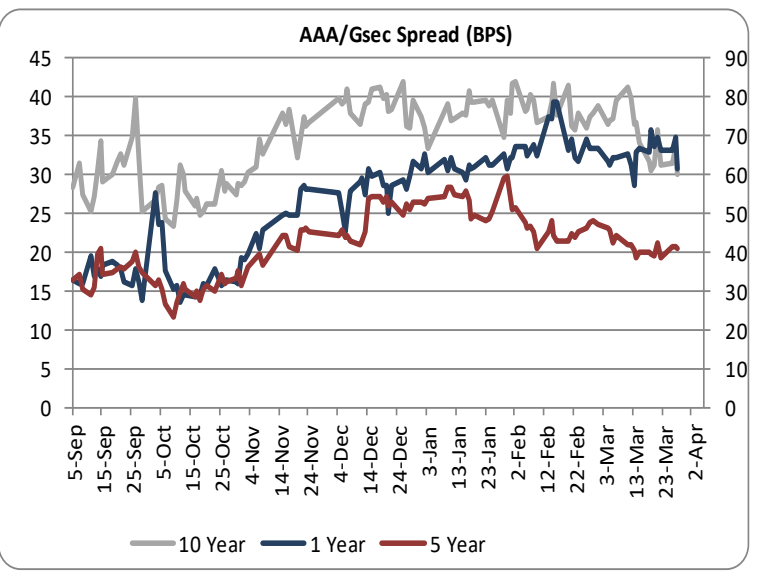
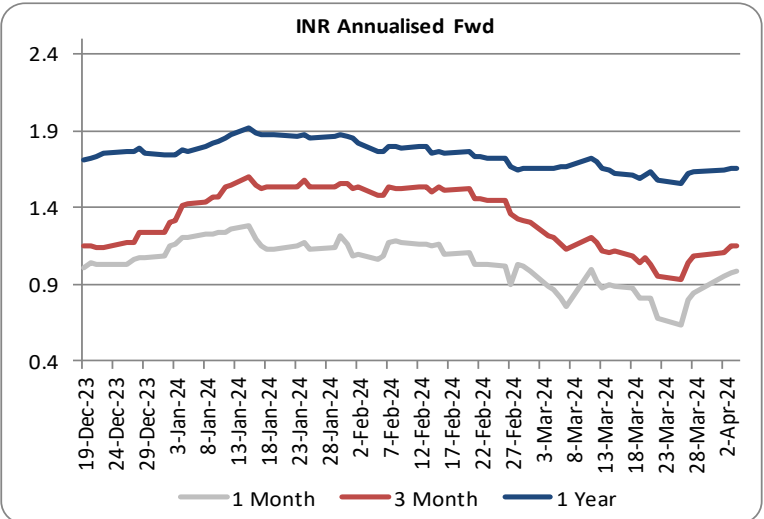
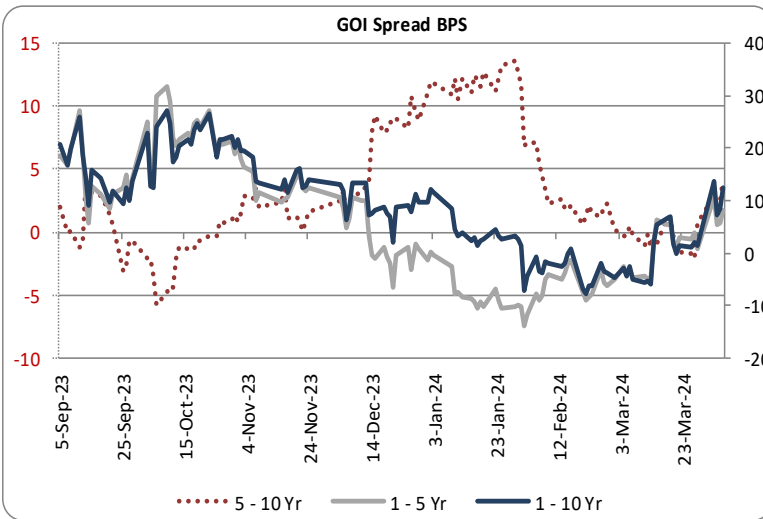
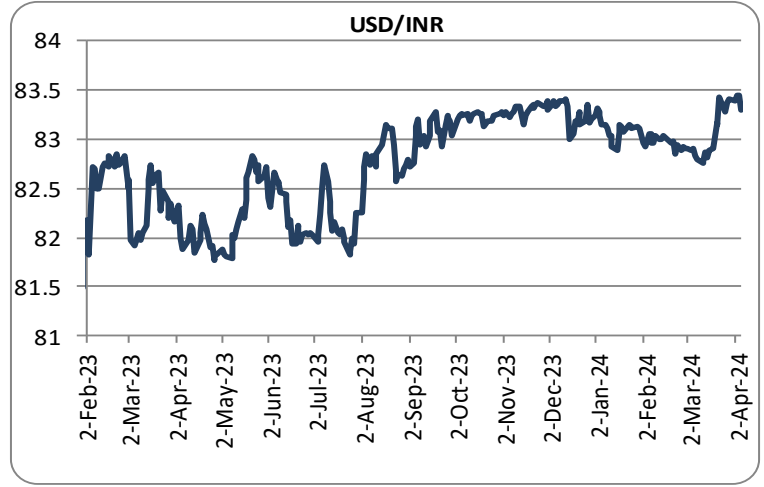
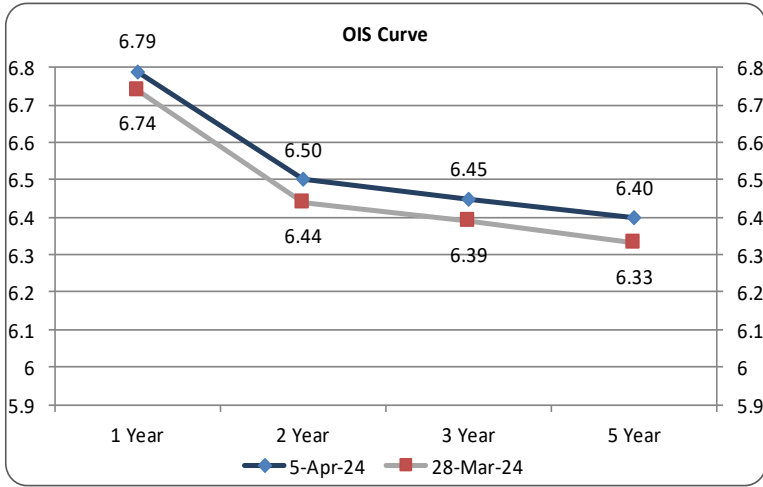
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
5-Apr-24	1741	2590	-849

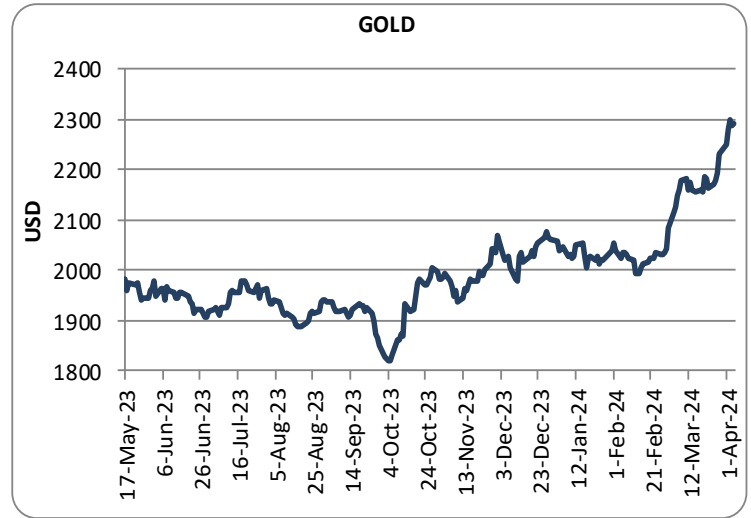
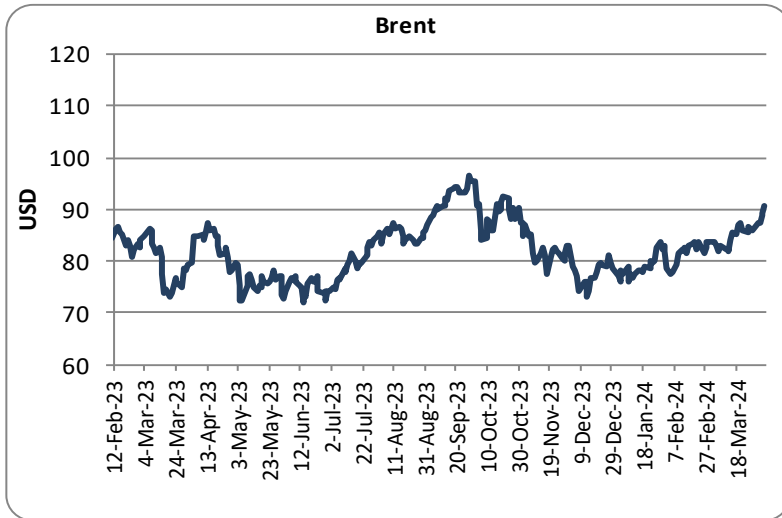
EQUITY	Gross Purchase	Gross Sales	Net Investment
	14012	14990	-978

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
15753	17580	-1827

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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