



INDIA

Indian government bond yields ended flat on Tuesday as traders awaited fresh triggers, while the 10-year U.S. counterpart rising above the crucial 4.20% mark discouraged investors.

The benchmark 7.26% 2033 bond yield ended at 7.2068% after closing the previous session at 7.2047%. The yield rose on Monday, which resulted in investors refraining from aggressive buying. The benchmark yield is likely to remain around the 7.20% level after it failed to breach 7.15% on the downside last week.

There could be an upward pressure on U.S. long-term rates till Fed pivots, which could prevent any downwards move in Indian bond yields.

The 10-year U.S. yield moved above the 4.20% level on Tuesday, sustaining the rise after the August non-farm payrolls report showed that the world's largest economy added more jobs than expected last month.

However, the odds of another rate hike by the Federal Reserve later this month eased to around 7%. Market participants now await local as well as U.S. inflation prints due next week.

India's August inflation reading is expected to stay elevated after retail inflation spiked to a 15-month high of 7.44% in July from 4.87% in June.

Market participants are also assessing the evolving domestic liquidity situation ahead of the Reserve Bank of India's review of its decision to levy incremental cash reserve ratio on banks due Sept. 8.

The Indian rupee weakened 0.35% to 83.04 per U.S. dollar due to broad weakness in Asian currencies and likely dollar outflows.

Repo: The weighted average call rates in the interbank segment decreased to 6.38% vs 6.44% as on the previous day while that the TREP segment decreased to 6.25% vs 6.31% as on the previous day.

Market Observations

G-sec

- Demand was seen in 11-13-year G-sec by life insurance companies around 7.26-7.28 levels.
- SDL cut off was in line with market expectation. The spread is diminishing because of less supply and high demand in SDLs.
- Demand was seen in 40-year G-sec by pension fund around 7.34 level

Corporate Bonds

- Mutual funds were active in the 2025-2026 segment.

CP/CD

- Demand was seen in the 3-month segment.

GOI Yield	5-Sep	4-Sep	29-Aug	8-Aug
1 Year	7.000	7.000	7.000	6.870
5 Year	7.187	7.184	7.184	7.142
10 Year	7.207	7.205	7.188	7.164

AAA Bmk	5-Sep	4-Sep	29-Aug	8-Aug
1 Year	7.45	7.45	7.45	7.35
5 Year	7.65	7.64	7.65	7.60
10 Year	7.62	7.62	7.62	7.55

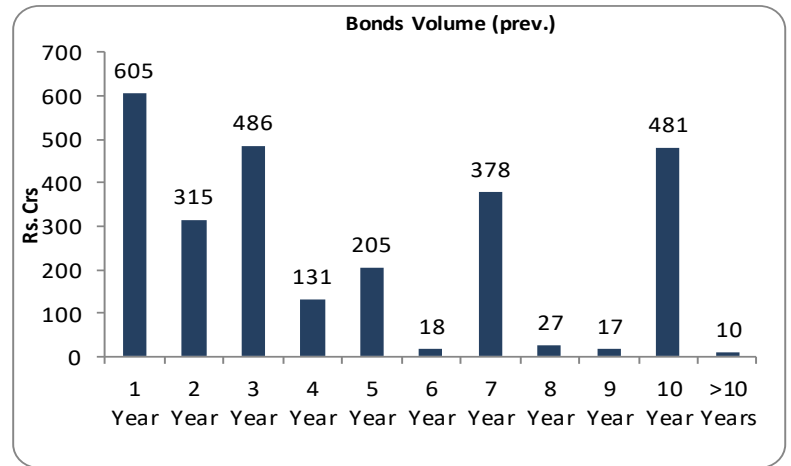
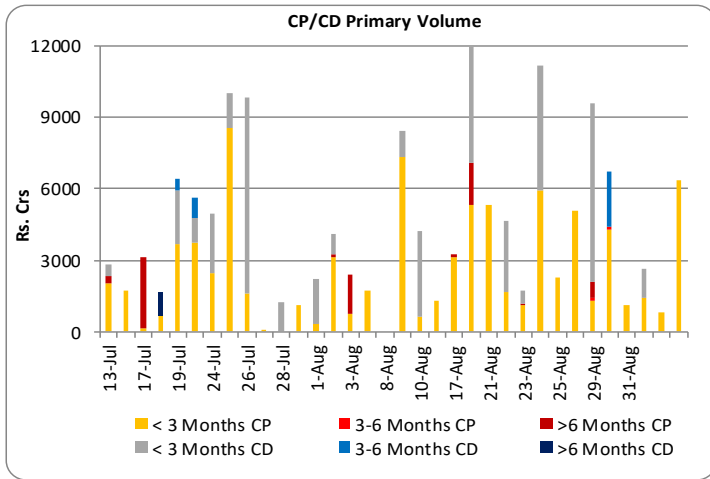
CD	5-Sep	4-Sep	29-Aug	8-Aug
3 Month	7.02	7.02	7.05	6.95
6 Month	7.20	7.20	7.25	7.20
1 Year	7.50	7.50	7.50	7.45

CP	5-Sep	4-Sep	29-Aug	8-Aug
3 Month	7.12	7.12	7.10	7.05
6 Month	7.35	7.35	7.35	7.30
1 Year	7.60	7.60	7.60	7.55

OIS Rate	5-Sep	4-Sep	29-Aug	8-Aug
1 Year	7.01	7.00	6.98	6.89
2 Year	6.75	6.73	6.67	6.65
3 Year	6.71	6.66	6.63	6.57
5 Year	6.67	6.63	6.57	6.55

	5-Sep	4-Sep	29-Aug	8-Aug
Sensex	65,780	65,628	65,076	65,847
Nifty	19,575	19,529	19,343	19,571
USD/INR	83.04	82.75	82.71	82.83
Gold (USD)	1,930	1,938	1,937	1,925
Oil (USD)	88.36	89.00	85.49	86.17

NDF	5-Sep	4-Sep	29-Aug	8-Aug
3 Month	83.33	83.00	82.87	83.18
1 Year	84.47	84.09	83.95	84.26
2 Year	86.78	86.29	86.01	86.41
3 Year	89.64	88.99	88.66	89.06



10 Year Benchmarks	5-Sep	4-Sep	29-Aug	8-Aug
India	7.21	7.20	7.18	7.17
US	4.23	4.17	4.12	4.02
South Korea	3.89	3.86	3.83	3.74
Russia	12.12	12.11	12.03	11.65
Brazil	11.16	11.16	10.97	10.77
Germany	2.61	2.58	2.51	2.44
China	2.64	2.65	2.60	2.65

Top Traded Securities	Volume	29-Aug	28-Aug	22-Aug	31-Jul
7.26 2033	12,745	7.18	7.18	7.22	7.17
7.06 2028	485	7.28	7.29	7.33	7.31
7.62 2039	-	7.20	7.19	7.23	7.21
7.30 2053	155	#N/A	7.22	7.28	7.33
6.64 2035	255	7.22	7.26	7.28	7.30
7.40 2035	115	7.25	7.24	7.28	7.33

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
23-Aug-23	5219	4778	441

EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	8538	8569	-31

TOTAL (Rs.Crs)			
	Gross Purchase	Gross Sales	Net Investment
	13757	13346	410

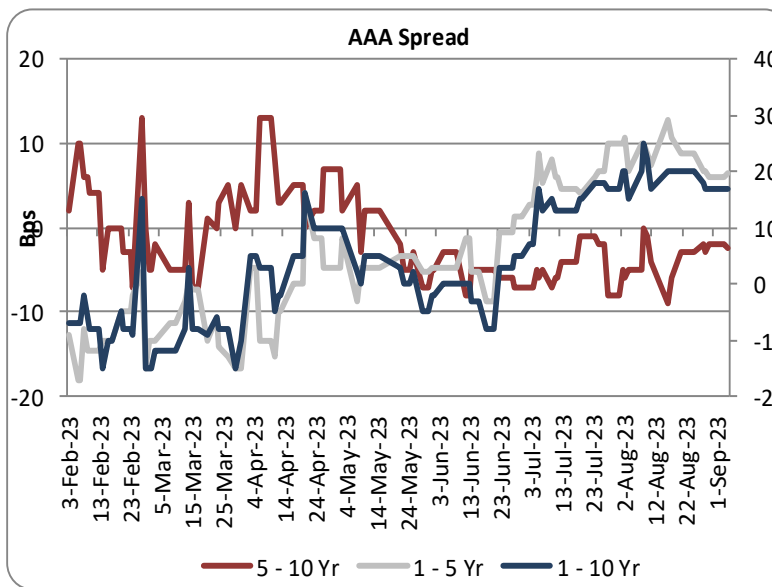
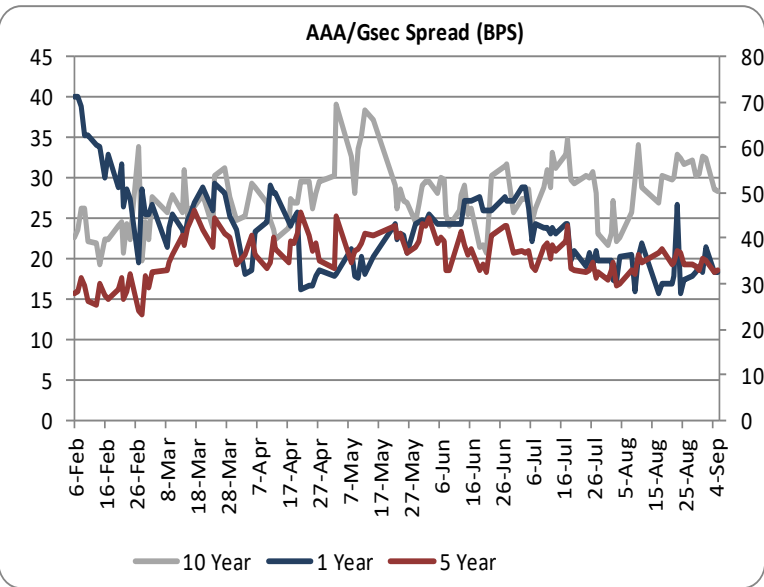
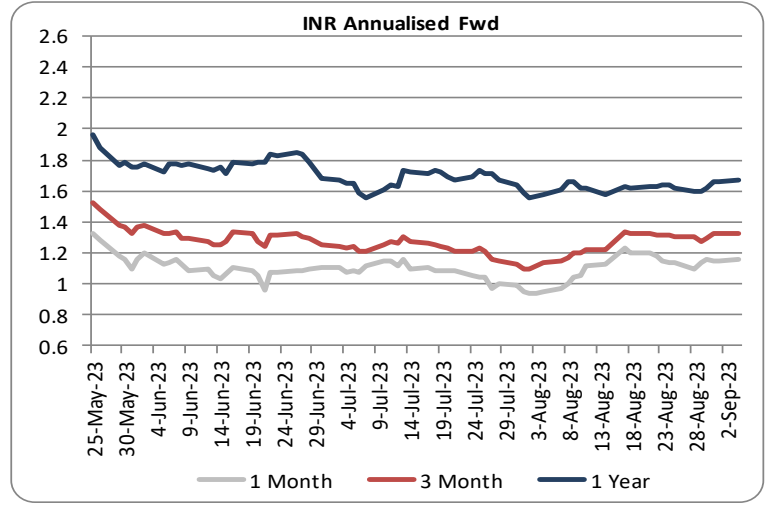
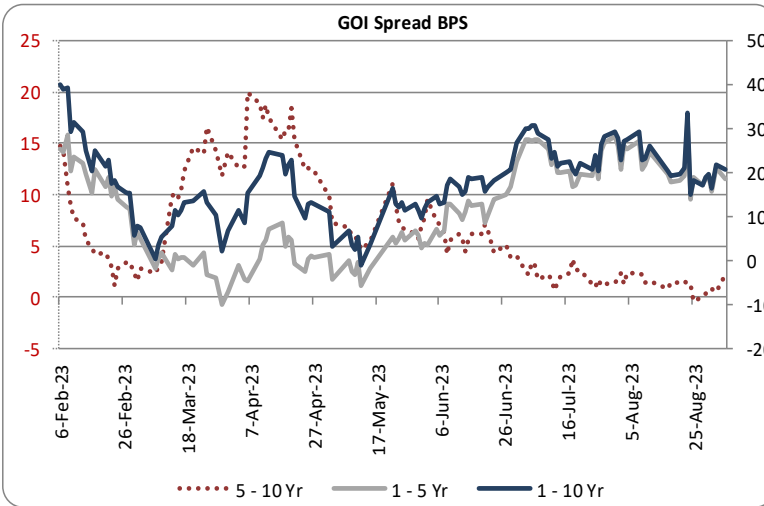
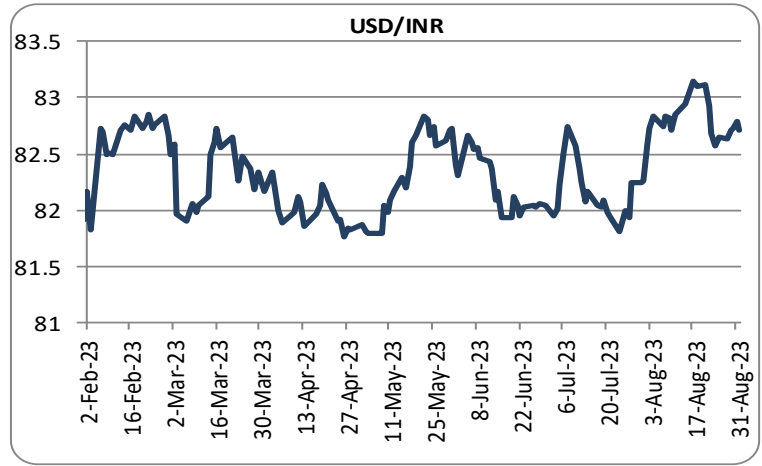
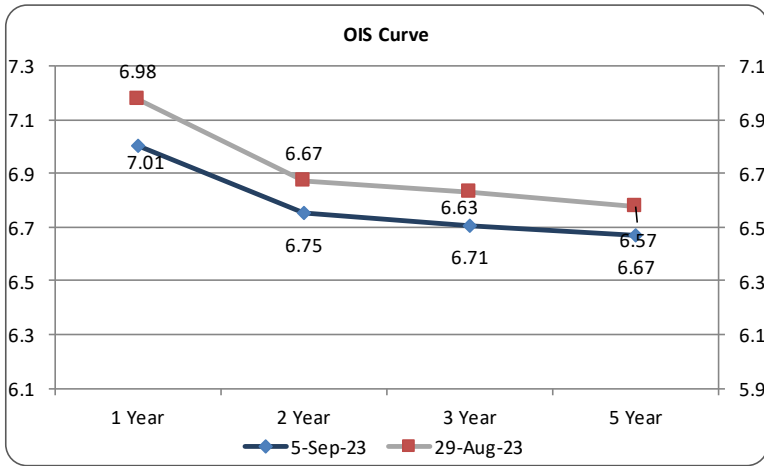
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
5-Sep-23	207	234	-27

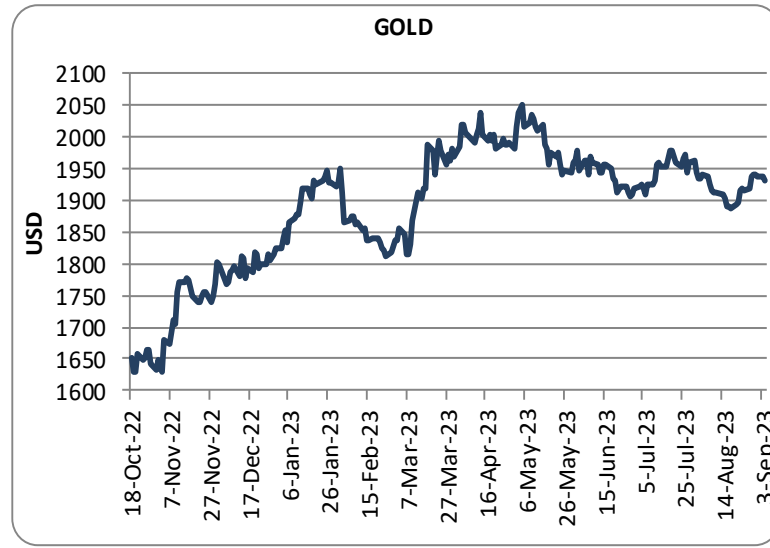
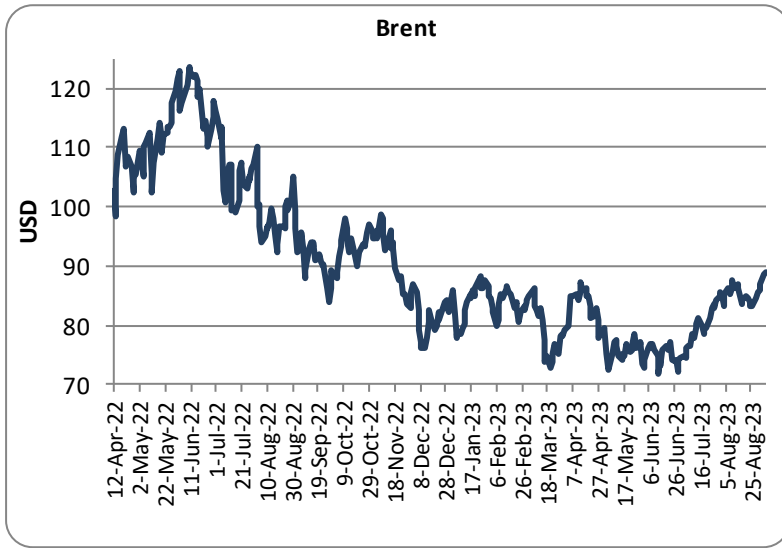
EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	8237	10613	-2376

TOTAL (Rs. Crs)			
	Gross Purchase	Gross Sales	Net Investment
	8444	10847	-2402

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-23	7.8	6.1
CAD (\$ Bn)	Mar-23	-1.3	-16.8
Trade Deficit (\$ Bn)	Mar-23	-52.6	-72.7
WPI (%)	Jul-23	-1.4	-4.1
CPI (%)	Jul-23	7.4	4.9
IIP (%)	Jun-23	3.7	5.2
PMI Manufacturing	Aug-23	58.6	57.7
PMI Service	Aug-23	60.1	62.3

Economic Calender	Country	Date	Poll	Prior
GDP	Brazil	1-Sep-23	2.7	4
Industrial Output	Brazil	05-Sep-23	-	0.30
Real GDP	Australia	06-Sep-23	-	2.30
Retail Sales	Euro Zone	06-Sep-23	-	(1.40)
Industrial Production	Germany	07-Sep-23	-	(1.83)
CPI	Germany	08-Sep-23	-	6.10
CPI	China	09-Sep-23	-	(0.30)
CPI	India	12-Sep-23	-	7.44





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

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