



# BONDWATCH

Daily

April 08, 2024

INDIA

Indian bond yields rose on Monday, with the 10-year benchmark yield hitting a more than two-month high, tracking rise in U.S. peers as strong economic data further pushed back expectations around the timing of the first rate cut by the Federal Reserve.

The benchmark 10-year yield ended at 7.1501%, the highest level since Jan. 31, following Friday's close of 7.1232%.

Investors now await domestic and U.S. March inflation data, due later this week for further cues.

U.S. yields jumped on Friday after data showed non-farm payrolls grew by 303,000 jobs in March compared with expectations for a 200,000 increase, while the unemployment rate slipped to 3.8% compared with forecasts of 3.9%.

The 10-year yield was over 4.40%, after hitting its highest level in more than four months.

The data has further raised uncertainty over the timing of rate cuts, with the odds of a June action now dropping below 50%, while bets for aggregate cuts of 75 bps in 2024 also eased below 50%.

Last week, the RBI kept interest rates unchanged for a seventh straight policy meeting as growth is expected to remain robust while inflation stays above the 4% target.

Oil prices drifted lower on Monday after gaining 4% last week on escalating geopolitical tensions.

The Indian rupee weakened 0.02% versus the U.S. dollar, and quoted at 83.32 per dollar as dollar demand from state-run banks, likely on behalf of importer clients, eroding early gains in the local unit.

GOI Yield	8-Apr	5-Apr	2-Apr	7-Mar
1 Year	7.020	7.000	6.980	7.080
5 Year	7.114	7.081	7.088	7.032
10 Year	7.150	7.123	7.116	7.031

AAA Bmk	8-Apr	5-Apr	2-Apr	7-Mar
1 Year	7.75	7.75	7.78	7.85
5 Year	7.65	7.63	7.60	7.60
10 Year	7.55	7.52	7.48	7.55

CD	8-Apr	5-Apr	2-Apr	7-Mar
3 Month	7.25	7.30	7.35	7.65
6 Month	7.45	7.45	7.50	7.70
1 Year	7.50	7.55	7.60	7.75

CP	8-Apr	5-Apr	2-Apr	7-Mar
3 Month	7.40	7.40	7.45	7.80
6 Month	7.55	7.55	7.60	7.85
1 Year	7.60	7.65	7.70	7.90

OIS Rate	8-Apr	5-Apr	2-Apr	7-Mar
1 Year	6.83	6.79	6.77	6.71
2 Year	6.56	6.50	6.49	6.38
3 Year	6.51	6.45	6.44	6.32
5 Year	6.48	6.40	6.40	6.28

	8-Apr	5-Apr	2-Apr	7-Mar
Sensex	74,743	74,248	73,904	74,119
Nifty	22,666	22,514	22,453	22,494
USD/INR	83.32	83.30	83.39	82.79
Gold (USD)	2,339	2,330	2,280	2,159
Oil (USD)	90.48	91.17	88.92	82.96

NDF	8-Apr	5-Apr	2-Apr	7-Mar
3 Month	83.51	83.54	83.50	82.81
1 Year	84.70	84.67	84.70	84.04
2 Year	86.87	86.82	86.75	86.19
3 Year	89.50	89.27	89.41	88.64

## Market Observations

### G-sec

- Longer end illiquid G-sec were actively traded between foreign banks at parity.
- Good buying demand was visible in shorter end T-bill / SDL and G-sec by Mutual funds.

### Corporate Bonds

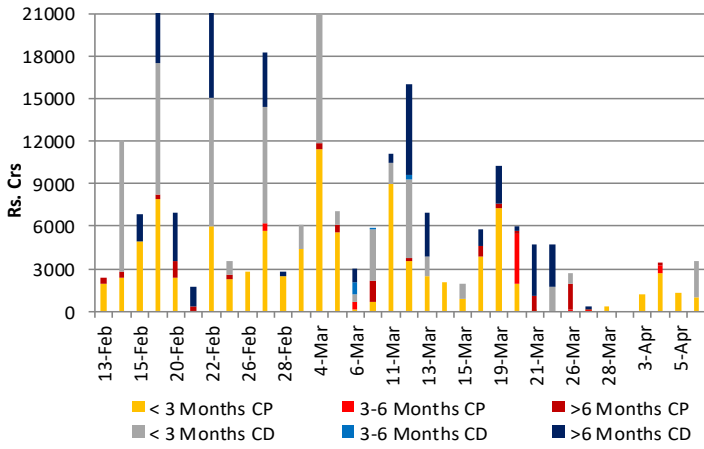
- Major activity was seen in the 2025-2029 segment.
- Mutual funds were on the buying as well as selling side in the active segment.

### CP/CD

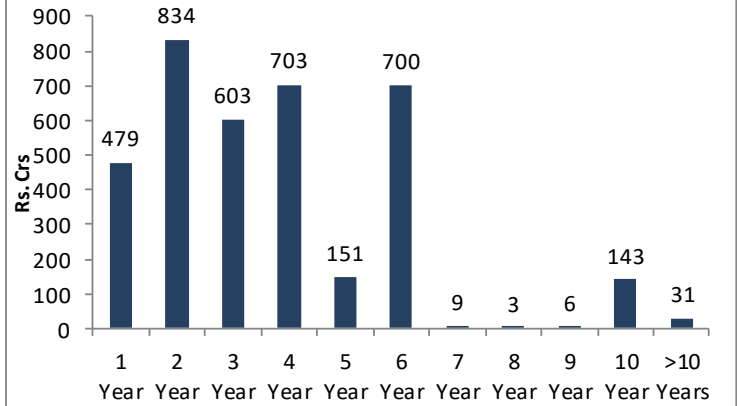
- Demand was seen across all segments.



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	8-Apr	5-Apr	2-Apr	7-Mar
India	7.15	7.12	7.11	7.03
US	4.46	4.38	4.37	4.09
South Korea	3.49	3.43	3.43	3.40
Russia	14.20	14.21	14.01	13.27
Brazil	11.20	11.20	11.16	10.68
Germany	2.45	2.40	2.41	2.30
China	2.29	2.29	2.30	2.30

Top Traded Securities	Volume	28-Mar	27-Mar	21-Mar	28-Feb
7.26 2033	95	7.08	7.11	7.09	7.09
7.06 2028	330	7.06	7.10	7.07	7.06
7.62 2039	-	7.09	7.11	7.09	7.10
7.30 2053	1,080	7.12	7.16	7.14	7.15
6.64 2035	155	7.10	7.13	7.14	7.12
7.40 2035	10	7.08	7.15	7.14	7.12

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
4-Apr-24	8981	10326	-1346

EQUITY	Gross Purchase	Gross Sales	Net Investment
	11749	10372	1377

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
20730	20698	32

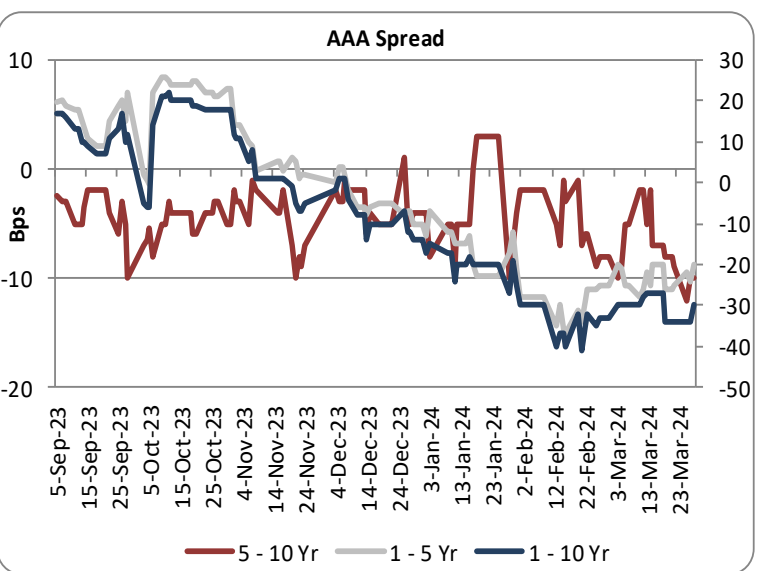
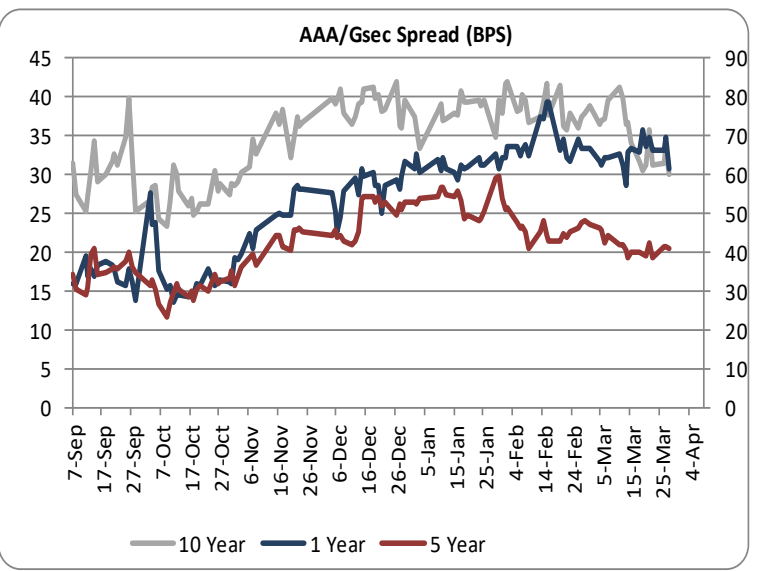
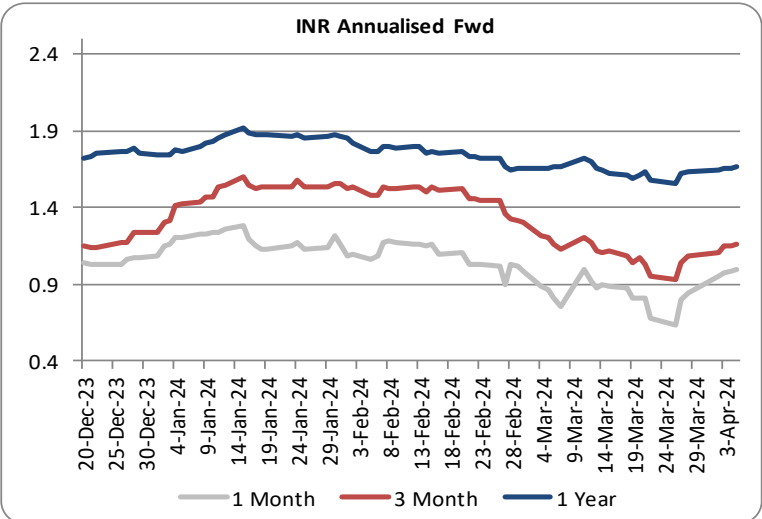
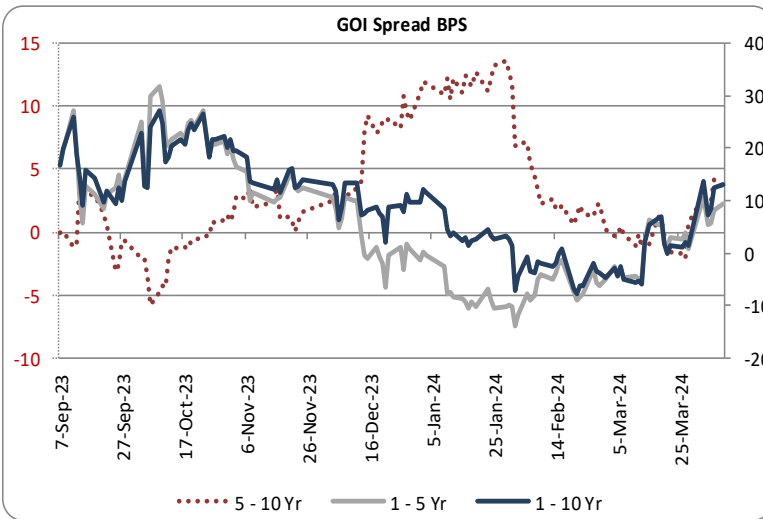
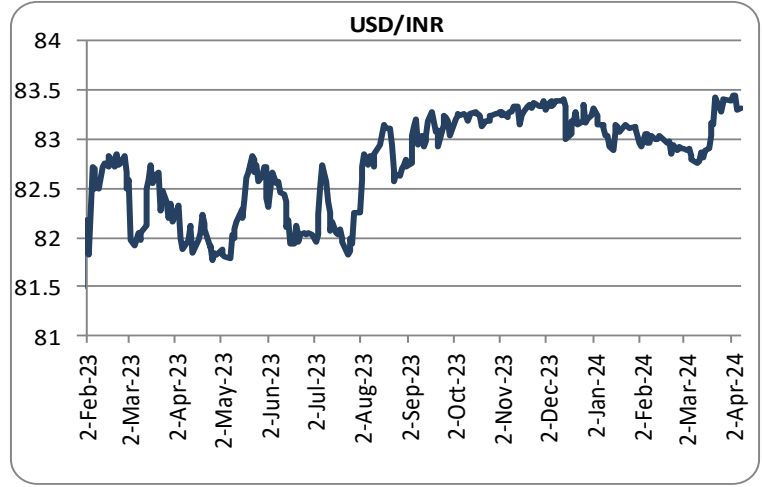
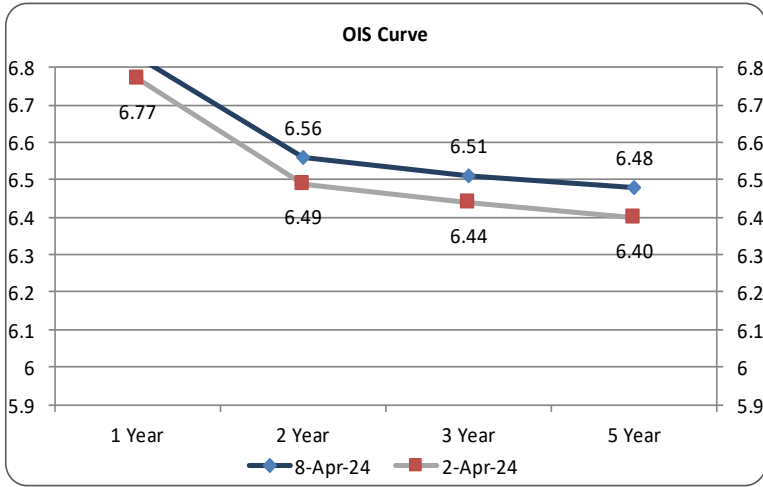
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
8-Apr-24	1138	2764	-1626

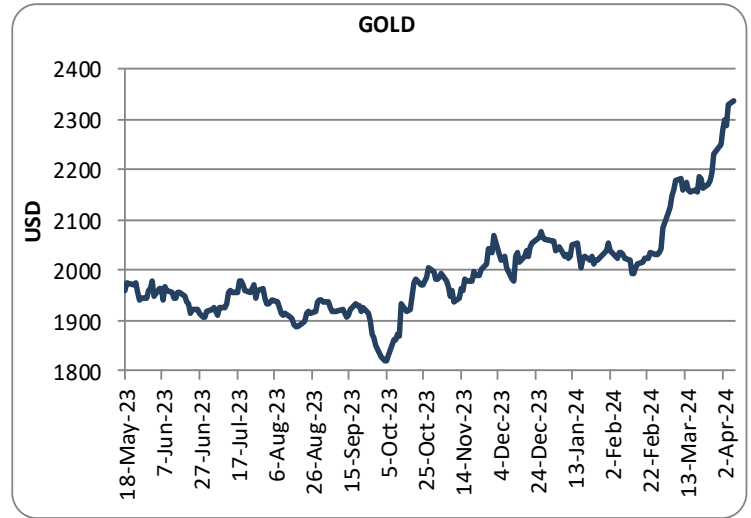
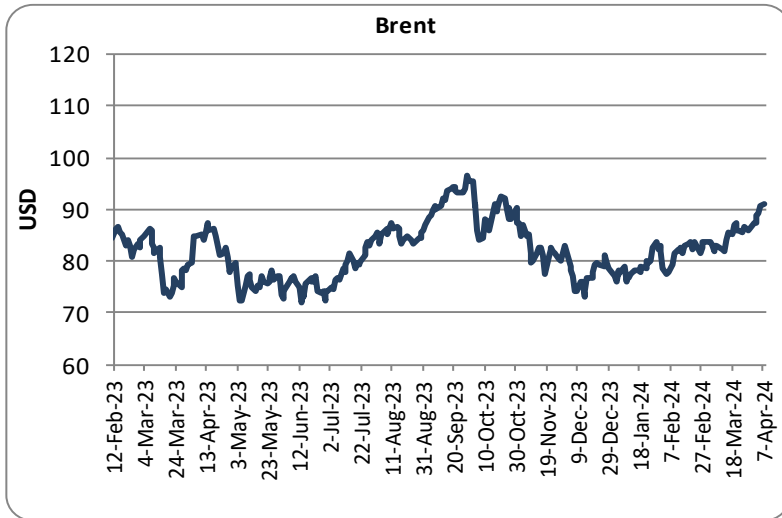
EQUITY	Gross Purchase	Gross Sales	Net Investment
	13097	11182	1915

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
14235	13946	289

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	USA	10-Apr-24	0	3.2
CPI	China	11-Apr-24	-	0.70
Refinancing Rate	Euro Zone	11-Apr-24	-	4.50
CPI	Germany	12-Apr-24	2.20	2.20
CPI	India	12-Apr-24	4.90	5.09
WPI	India	15-Apr-24	0.55	0.20
Industrial Production	Euro Zone	15-Apr-24	-	(6.70)
GDP YY	China	16-Apr-24	5.00	5.20





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

**LKP SECURITIES LTD.**, 203, Embassy Centre, Nariman Point, Mumbai- 400021

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For any queries contact - LKP Securities Ltd. Ph: (91-22) 66306555 Fax: (91-22) 2284 2415 E Mail: FixedIncomeResearch@lkpsec.com

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