



# BONDWATCH

Daily

May 09, 2024

INDIA

Indian government bond yields ended steady on Thursday amid a lack of triggers and as traders awaited a weekly debt auction to gauge demand.

The benchmark 10-year yield ended at 7.1321%, following its previous close of 7.1343%.

The Reserve Bank of India (RBI) accepted bids to buy back government bonds worth 105.10 billion rupees (\$1.26 billion) on Thursday against the notified amount of 400 billion rupees. The repurchase auction was launched amid tight banking system liquidity over the last few weeks.

As per market participants, India's consumer price inflation is likely to have eased to 4.80% in April, just shy of March's inflation rate.

Last week's weaker-than-expected April U.S. non-farm payrolls data has raised bets of two rate cuts by the Federal Reserve this year. Odds of rate cuts had earlier declined to just one after elevated inflation and strong economic data.

Traders are now pricing in 66% chance the Fed will cut in September, with an at least 25 basis points reduction.

Oil prices rose on Thursday as shrinking US crude inventories signaled tighter supply and amid rising hopes that the Federal Reserve would cut interest rates by the end of the year.

The Indian rupee flat versus the U.S. dollar, and quoted at 83.51 per dollar, tracking muted price action in most of its Asian peers and as dollar demand from custodian banks eroded early gains.

Repo: The weighted average call rates in the interbank segment increased to 6.71% vs 6.61% as on the previous day while that the TREP segment increased to 6.69% vs 6.65% as on the previous day.

GOI Yield	9-May	8-May	3-May	8-Apr
1 Year	7.060	7.075	7.080	7.020
5 Year	7.119	7.116	7.154	7.114
10 Year	7.132	7.134	7.147	7.150

AAA Bmk	9-May	8-May	3-May	8-Apr
1 Year	7.65	7.72	7.75	7.75
5 Year	7.70	7.71	7.73	7.65
10 Year	7.60	7.55	7.55	7.55

CD	9-May	8-May	3-May	8-Apr
3 Month	7.30	7.30	7.20	7.25
6 Month	7.50	7.50	7.45	7.45
1 Year	7.70	7.70	7.65	7.50

CP	9-May	8-May	3-May	8-Apr
3 Month	7.40	7.40	7.30	7.40
6 Month	7.60	7.60	7.55	7.55
1 Year	7.80	7.80	7.75	7.60

OIS Rate	9-May	8-May	3-May	8-Apr
1 Year	6.83	6.83	6.85	6.83
2 Year	6.59	6.58	6.54	6.56
3 Year	6.54	6.53	6.53	6.51
5 Year	6.52	6.51	6.51	6.48

	9-May	8-May	3-May	8-Apr
Sensex	72,404	73,466	73,878	74,743
Nifty	21,958	22,303	22,476	22,666
USD/INR	83.50	83.52	83.42	83.32
Gold (USD)	2,313	2,309	2,302	2,339
Oil (USD)	84.20	83.58	82.96	90.38

NDF	9-May	8-May	3-May	8-Apr
3 Month	83.76	83.74	83.64	83.39
1 Year	84.93	84.91	84.76	84.64
2 Year	86.96	86.99	86.76	86.72
3 Year	89.67	89.34	89.11	89.17

## Market Observations

### G-sec

- Demand was seen in 10year illiquid G-sec by private bank @7.16 centric levels.
- Selling was seen in 2026 G-sec by foreign banks @7.11 to 7.13 levels

### Corporate Bonds

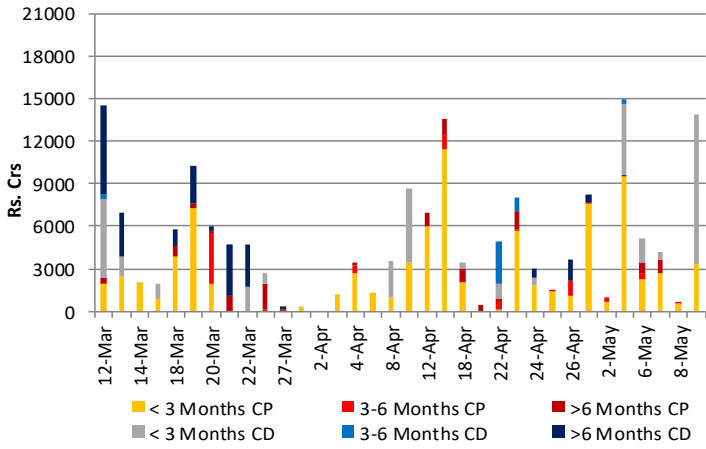
- Major activity was seen in the 2025-2027 maturity segment.
- Mutual funds were active on the buying as well as selling side in the active segment.

### CP/CD

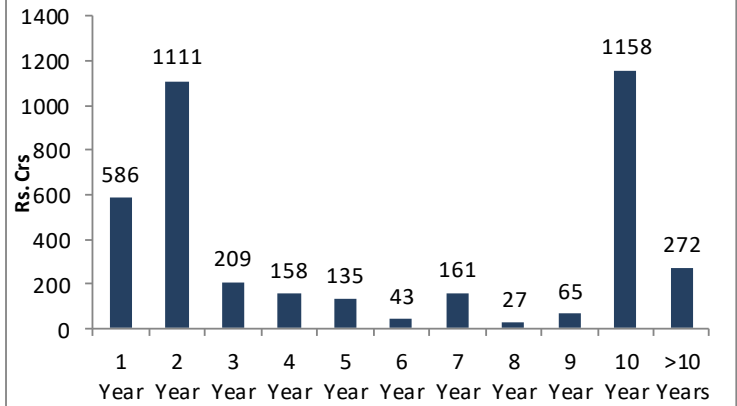
- Activity was seen in the 1 to 3-month segment.



CP/CD Primary Volume



Bonds Volume (prev.)



10 Year Benchmarks	9-May	8-May	3-May	8-Apr
India	7.13	7.14	7.15	7.15
US	4.51	4.49	4.50	4.42
South Korea	3.56	3.53	3.61	3.49
Russia	14.70	14.70	14.58	14.25
Brazil	11.55	11.55	11.46	11.20
Germany	2.49	2.46	2.51	2.44
China	2.32	2.30	2.31	2.29

Top Traded Securities	Volume	9-May	8-May	2-May	8-Apr
7.26 2033	135	7.17	7.16	7.19	7.17
7.06 2028	320	7.14	7.13	7.17	7.13
7.62 2039	110	7.21	7.19	7.22	7.18
7.30 2053	1,260	7.22	7.23	7.27	7.24
6.64 2035	385	#N/A	7.17	7.22	7.20
7.40 2035	95	7.19	7.18	7.21	7.18

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
7-May-24	11700	10774	927

EQUITY	Gross Purchase	Gross Sales	Net Investment
	8383	13318	-4936

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
20083	24092	-4009

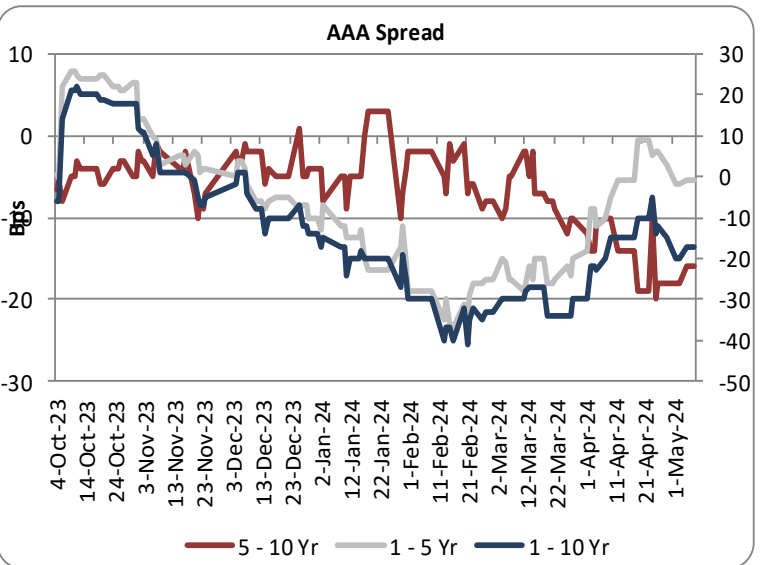
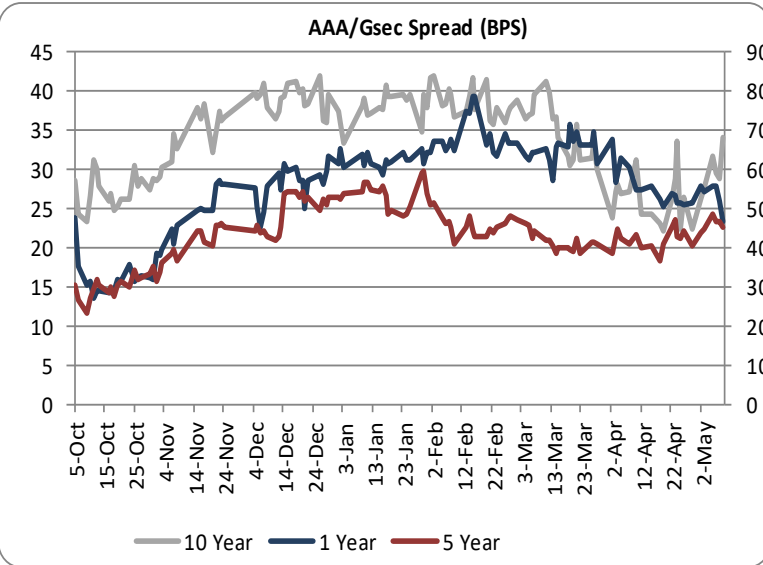
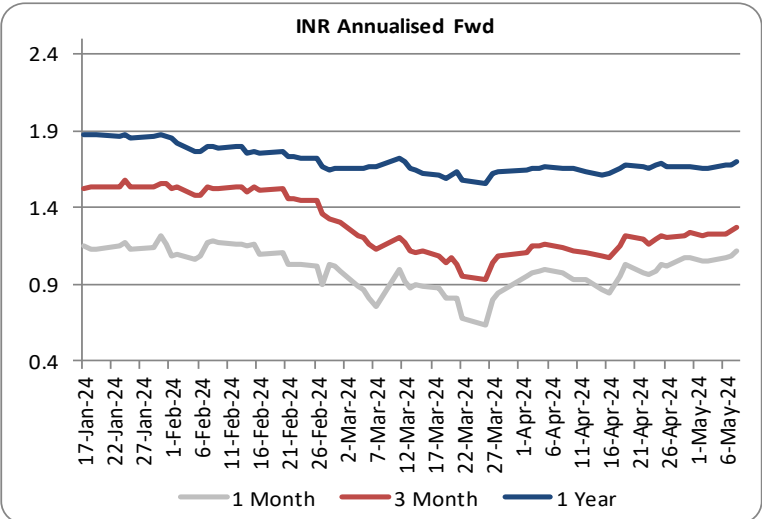
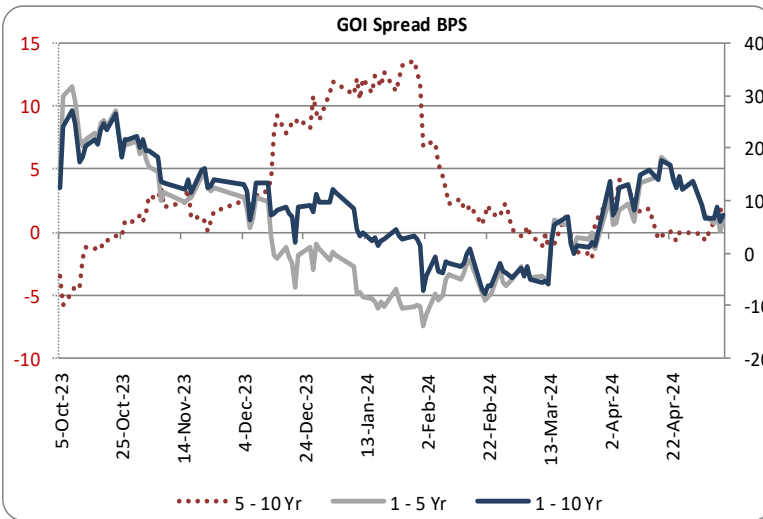
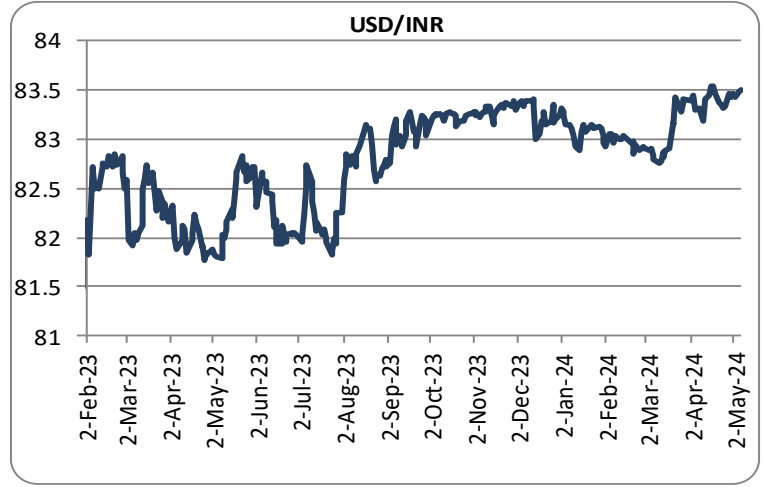
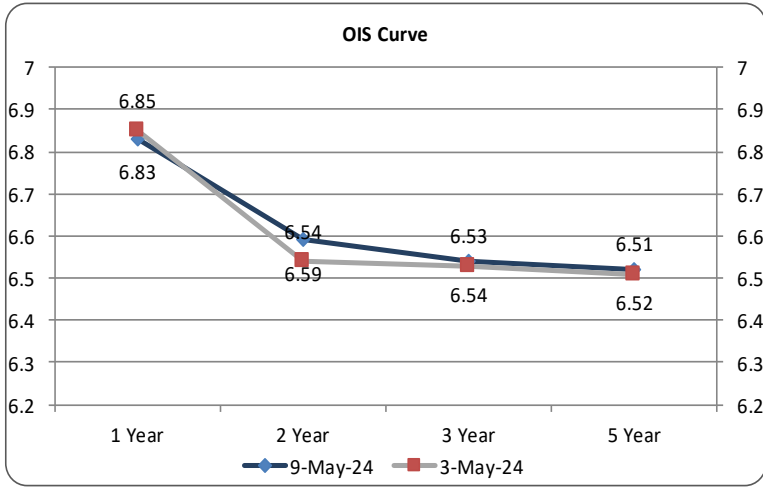
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
9-May-24	1778	2311	-533

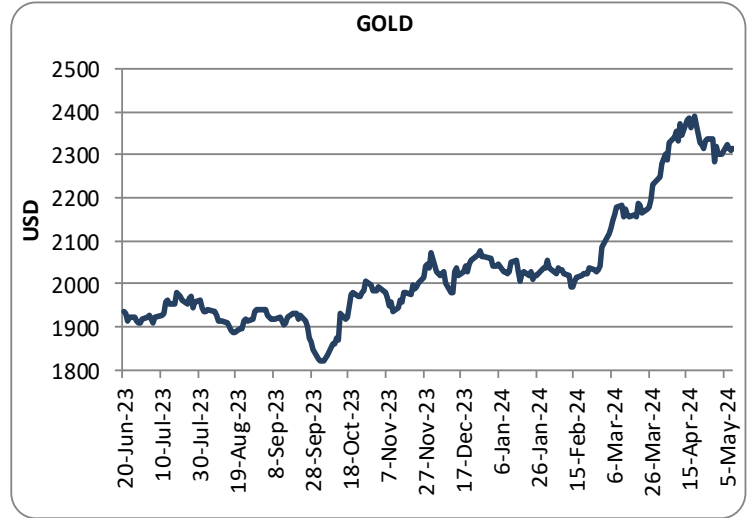
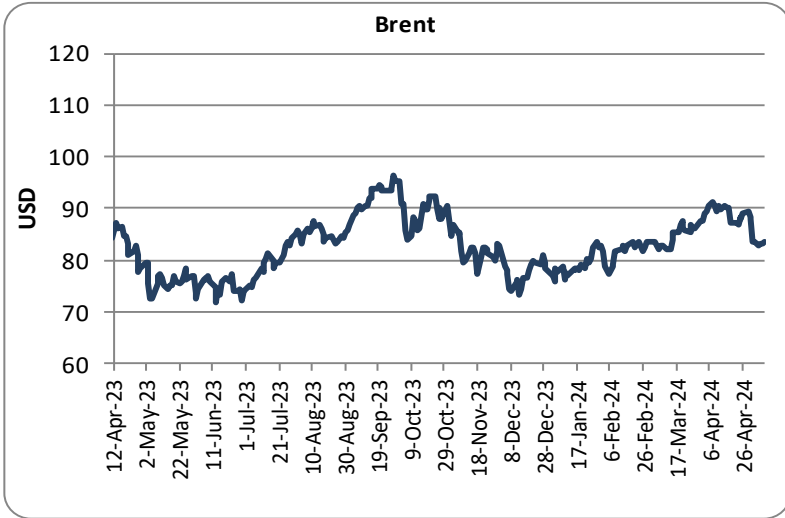
EQUITY	Gross Purchase	Gross Sales	Net Investment
	13068	18405	-5337

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
14847	20716	-5869

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 (%)	Mar-24	0.5	0.2
CPI (%)	Mar-24	4.9	5.1
IIP (%)	Feb-24	5.7	4.1
PMI Manufacturing	Apr-24	58.8	59.1
PMI Service	Apr-24	60.8	61.2

Economic Calender	Country	Date	Poll	Prior
Unemployment Rate	Euro Zone	3-May-24	6.5	6.5
Unemployment Rate	USA	03-May-24	3.80	3.80
RBA Cash Rate	Australia	07-May-24	4.35	4.35
Industrial Production	Germany	08-May-24	-	(4.76)
BOE Bank Rate	UK	09-May-24	5.25	5.25
GDP YY Q1	UK	10-May-24	-	(0.20)
Industrial Output	India	10-May-24	-	5.70
CPI	China	11-May-24	-	0.10





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

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