



# BONDWATCH

Daily

April 08, 2024

INDIA

India bond yields ended lower on Wednesday tracking Treasuries while investors awaited a U.S. inflation print that will be crucial to gauge the interest rate outlook.

The benchmark 10-year bond yield ended at 7.1112% after closing at 7.1501%, the highest closing level since Jan. 31, in the previous session.

U.S. Treasury yields declined on Tuesday because of some buying on dips after a recent sell-off, as bond investors waited for inflation data on Wednesday.

U.S. consumer inflation is seen at 0.3% on-month, while the reading for 12 months to March is expected at 3.4%. A strong reading of U.S. non-farm payrolls last week raised uncertainty over the timing and extent of rate cuts from the Federal Reserve this year.

The odds for a Fed rate cut in June have inched back to over 50% after falling below the halfway mark following the jobs data.

Market participants also await local inflation data to be released on Friday. India's consumer price inflation likely eased to a five-month low of 4.91% in March from 5.09% in February.

Oil prices rose on Wednesday after two days of losses as conflicts in the Middle-East still persists and the oil supply quantum still remains in question.

The Indian rupee strengthened 0.16% versus the U.S. dollar, and quoted at 83.20 per dollar, aided by likely inflows and lower U.S. bond yields.

Repo: The weighted average call rates in the interbank segment increased to 6.55% vs 6.49% as on the previous day while that the TREP segment increased to 6.55% vs 6.48% as on the previous day.

GOI Yield	10-Apr	8-Apr	4-Apr	11-Mar
1 Year	7.030	7.020	7.010	7.070
5 Year	7.090	7.114	7.069	7.026
10 Year	7.111	7.150	7.093	7.015

AAA Bmk	10-Apr	8-Apr	4-Apr	11-Mar
1 Year	7.70	7.75	7.72	7.85
5 Year	7.65	7.65	7.64	7.57
10 Year	7.55	7.55	7.50	7.55

CD	10-Apr	8-Apr	4-Apr	11-Mar
3 Month	7.20	7.25	7.35	7.62
6 Month	7.35	7.45	7.50	7.70
1 Year	7.50	7.50	7.60	7.65

CP	10-Apr	8-Apr	4-Apr	11-Mar
3 Month	7.35	7.40	7.45	7.80
6 Month	7.45	7.55	7.60	7.85
1 Year	7.60	7.60	7.70	7.85

OIS Rate	10-Apr	8-Apr	4-Apr	11-Mar
1 Year	6.81	6.83	6.76	6.70
2 Year	6.54	6.56	6.48	6.36
3 Year	6.50	6.51	6.44	6.30
5 Year	6.46	6.48	6.39	6.25

	10-Apr	8-Apr	4-Apr	11-Mar
Sensex	75,038	74,743	74,228	73,503
Nifty	22,754	22,666	22,515	22,333
USD/INR	83.19	83.32	83.44	82.76
Gold (USD)	2,347	2,339	2,289	2,182
Oil (USD)	89.95	90.38	90.65	82.21

NDF	10-Apr	8-Apr	4-Apr	11-Mar
3 Month	83.43	83.39	83.65	82.93
1 Year	84.59	84.64	84.84	84.09
2 Year	86.79	86.72	86.92	86.29
3 Year	89.39	89.17	89.37	88.94

## Market Observations

### G-sec

- Trading activity was visible in 7-year G-sec where foreign banks were looking to switch.
- Buying demand was seen up to 1-month t-bill by Mutual funds.
- 10-year and above SDLs were actively chased by Insurance Companies and Co-operative banks at 7.42 levels.

### Corporate Bonds

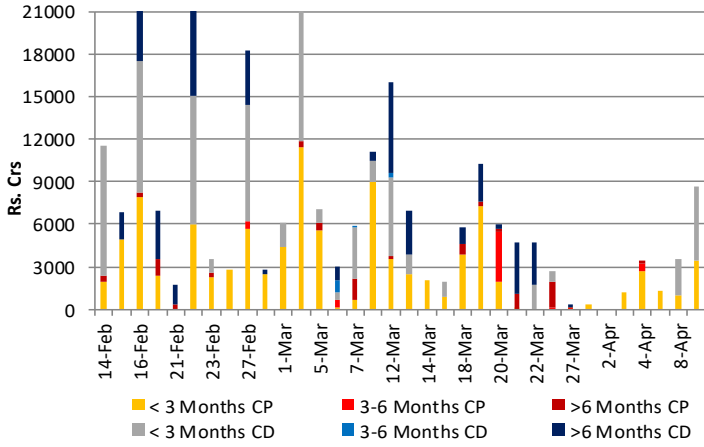
- Major activity was seen in the MMY segment and in the 2025-2029 segment.
- Mutual funds were on the buying as well as selling side in the active segment.

### CP/CD

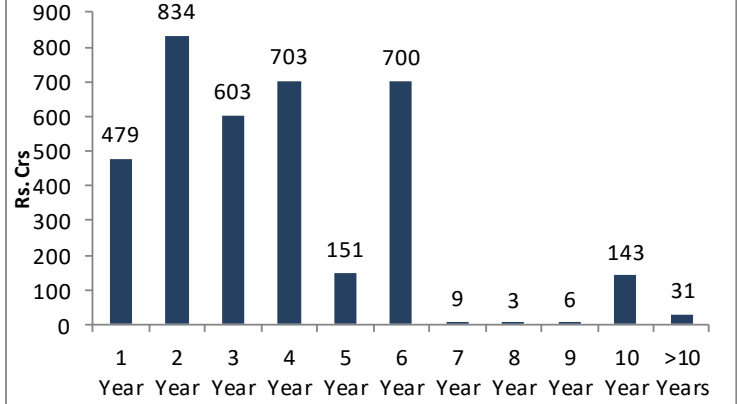
- Demand was seen in the 3-month and 1-year segment.



CP/CD Primary Volume



Bonds Volume (prev.)



10 Year Benchmarks	10-Apr	8-Apr	4-Apr	11-Mar
India	7.11	7.15	7.09	7.01
US	4.35	4.42	4.31	4.10
South Korea	3.50	3.49	3.46	3.34
Russia	14.22	14.25	14.14	13.26
Brazil	11.20	11.20	11.20	10.82
Germany	2.36	2.44	2.36	2.30
China	2.30	2.29	2.29	2.31

Top Traded Securities	Volume	28-Mar	27-Mar	21-Mar	28-Feb
7.26 2033	170	7.08	7.11	7.09	7.09
7.06 2028	1,165	7.06	7.10	7.07	7.06
7.62 2039	-	7.09	7.14	7.14	7.15
7.30 2053	315	7.12	7.16	7.14	7.15
6.64 2035	-	7.10	7.13	7.14	7.12
7.40 2035	30	7.08	7.15	7.14	7.12

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
8-Apr-24	272	297	-26

EQUITY	Gross Purchase	Gross Sales	Net Investment
	998	392	605

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
1269	690	580

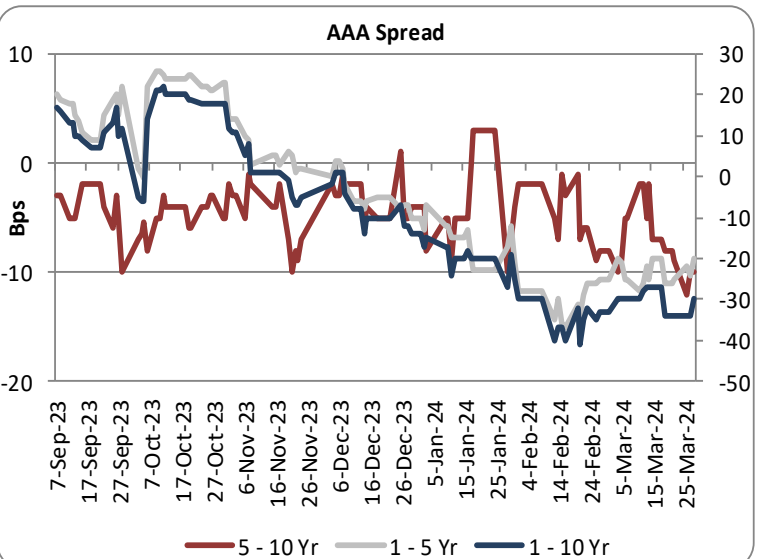
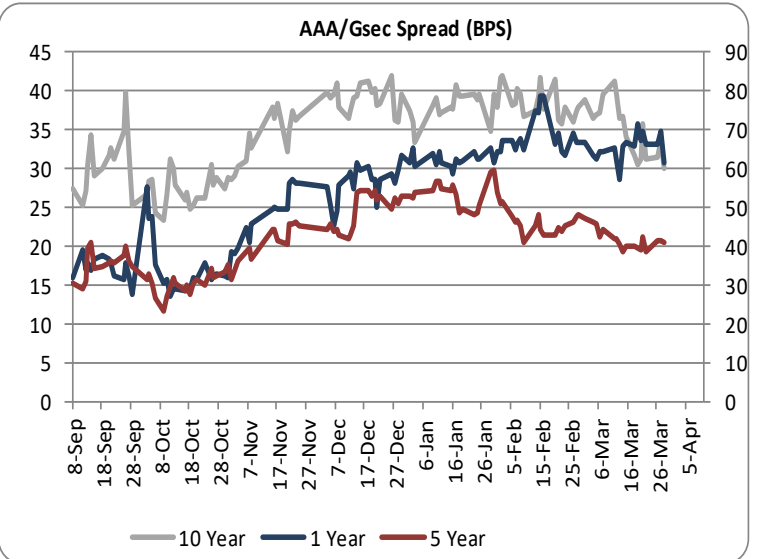
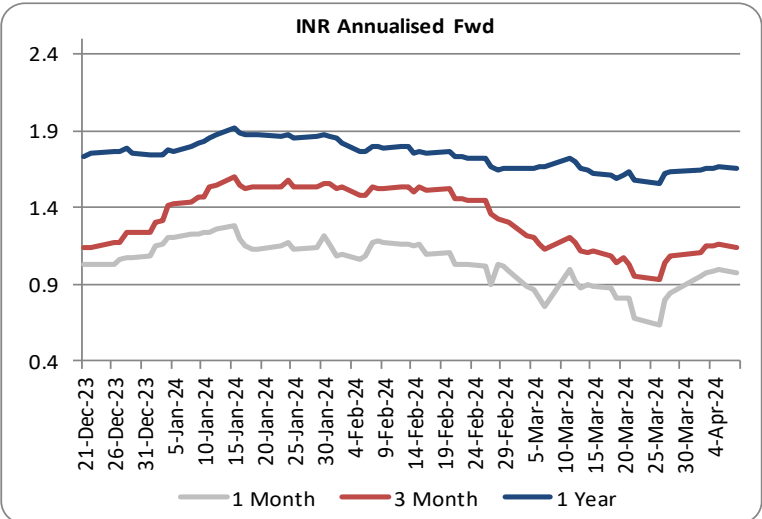
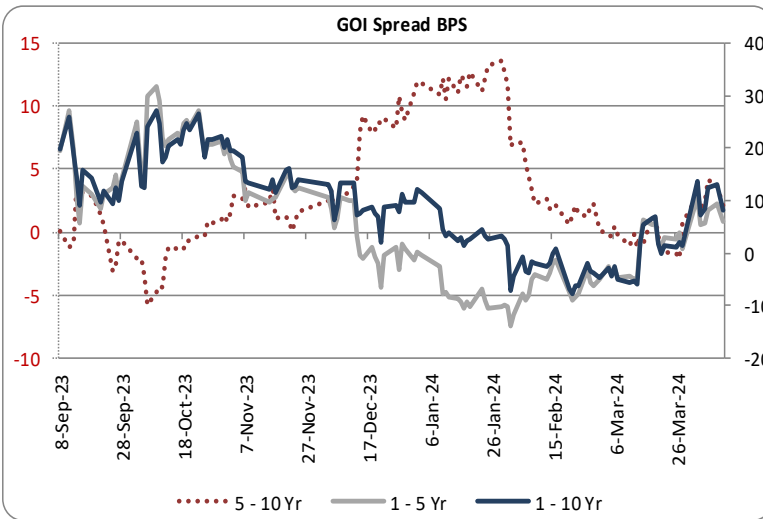
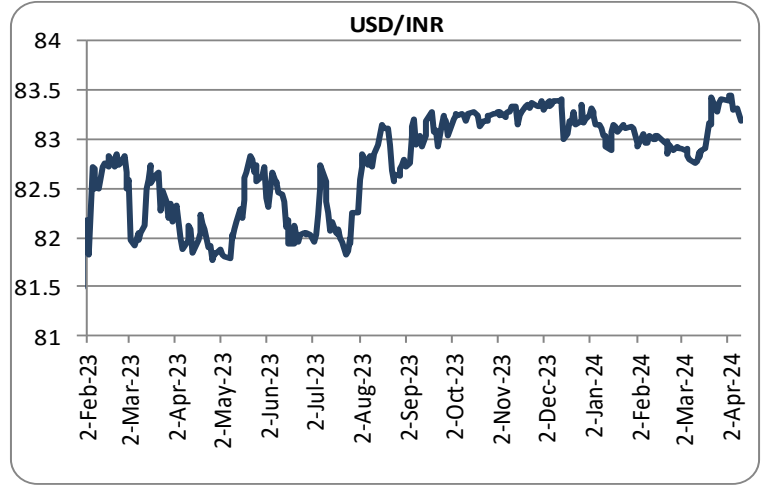
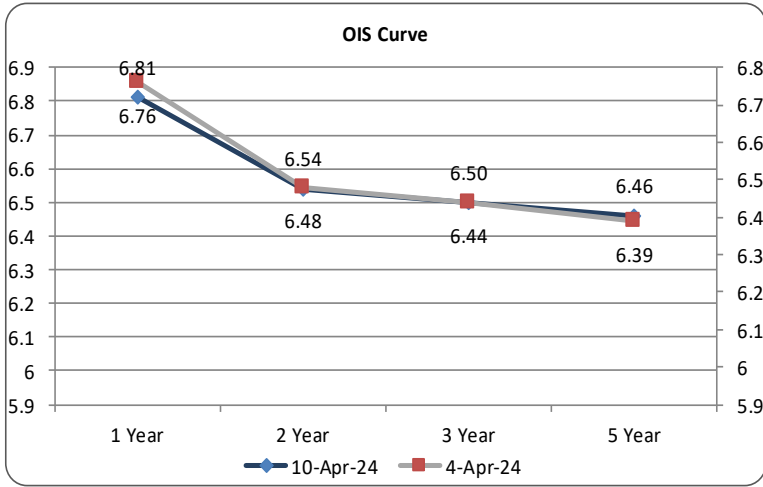
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
10-Apr-24	1325	769	556

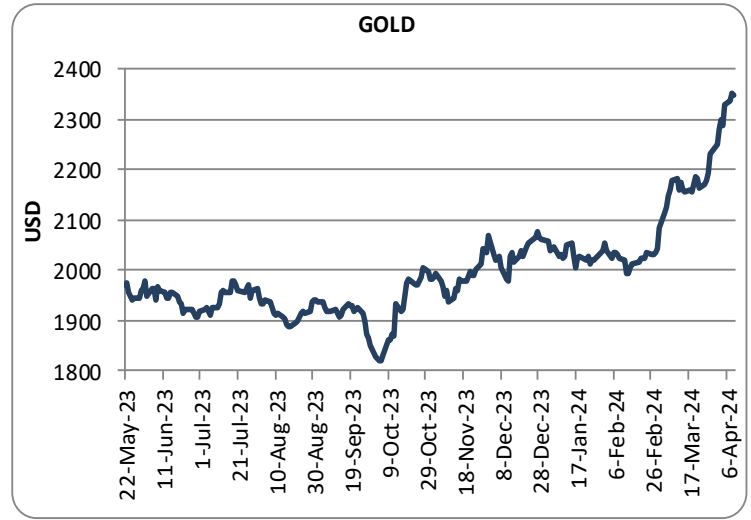
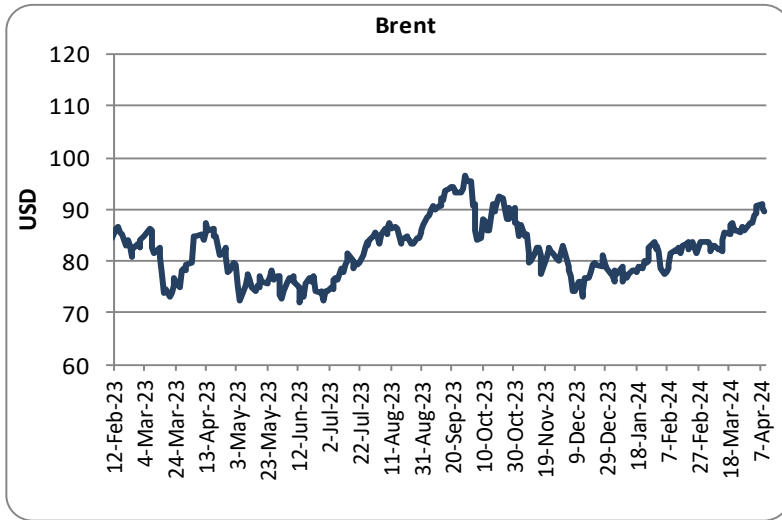
EQUITY	Gross Purchase	Gross Sales	Net Investment
	31364	22837	8527

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
32689	23606	9083

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.

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