



Indian government bond yields ended largely unchanged on Tuesday, as traders awaited U.S. inflation data a day later, while yields on ultra-long duration papers eased amid demand from investors.

The benchmark 10-year yield ended at 7.1067%, following its previous close of 7.1157%. The 30-year and 40-year bond yields fell by around 2 bps.

Traders said that long-term investors like insurance companies and pension funds were on bid for 30-year and 40-year bonds as state debt supply undershoots calendar by a wide margin.

The 10-year U.S. bond yield continued to stay below 4.50%, as investors await the U.S. inflation print due after Indian market hours on Wednesday, which will provide cues on interest rates.

The reading for 12 months to April is expected at 3.6%, down from 3.8% in March, while core inflation is expected at 0.3% on a month-on-month basis. Investors are currently pricing in around a 65% chance of a rate cut in September.

India's annual retail inflation rate eased slightly in April to 4.83% from 4.85% in March.

Market participants await the response at government's second bond buy back in the last two weeks. The government aims to purchase debt worth up to 600 billion rupees (\$7.18 billion) on Thursday.

The Indian rupee strengthened 0.03% versus the U.S. dollar, and quoted at 83.52, as dollar sales from state-run banks aided the local unit which has remained under pressure over the last few sessions amid elevated outflows from equities.

Repo: The weighted average call rates in the interbank segment decreased to 6.70% vs 6.72% as on the previous day while that the TREP segment decreased to 6.52% vs 6.70% as on the previous day.

Market Observations

G-sec

- Demand was seen in 17 and 30-year SDLs by life insurance companies and pension funds @7.43 levels. Major sellers were Mutual funds.
- Demand was seen in 8 to 10-year illiquid G-sec by private bank and foreign bank @7.13 centric levels. Major sellers were insurance companies.

Corporate Bonds

- Major activity was seen in the MMY segment and the 2025-2028 segment.
- Mutual funds were active on the buying side as well as selling side.

CP/CD

- Major activity was seen in the 3-month segment.

GOI Yield	14-May	13-May	7-May	15-Apr
1 Year	7.040	7.040	7.040	7.020
5 Year	7.092	7.097	7.116	7.159
10 Year	7.107	7.116	7.128	7.178

AAA Bmk	14-May	13-May	7-May	15-Apr
1 Year	7.65	7.65	7.72	7.70
5 Year	7.70	7.70	7.71	7.69
10 Year	7.58	7.58	7.55	7.55

CD	14-May	13-May	7-May	15-Apr
3 Month	7.25	7.30	7.20	7.20
6 Month	7.45	7.50	7.45	7.35
1 Year	7.70	7.70	7.65	7.50

CP	14-May	13-May	7-May	15-Apr
3 Month	7.45	7.40	7.30	7.35
6 Month	7.60	7.60	7.55	7.45
1 Year	7.75	7.80	7.75	7.60

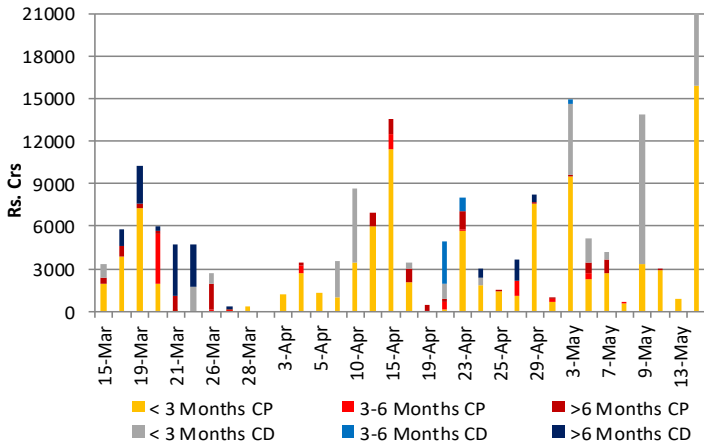
OIS Rate	14-May	13-May	7-May	15-Apr
1 Year	6.81	6.82	6.81	6.85
2 Year	6.54	6.56	6.55	6.61
3 Year	6.49	6.51	6.51	6.59
5 Year	6.46	6.48	6.47	6.54

	14-May	13-May	7-May	15-Apr
Sensex	73,105	72,776	73,512	73,400
Nifty	22,218	22,104	22,303	22,273
USD/INR	83.51	83.53	83.51	83.45
Gold (USD)	2,343	2,336	2,314	2,383
Oil (USD)	83.15	83.36	83.16	90.10

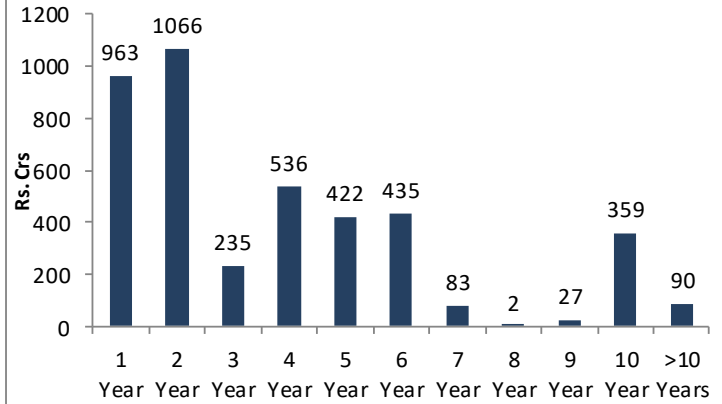
NDF	14-May	13-May	7-May	15-Apr
3 Month	83.78	83.76	83.63	83.73
1 Year	84.93	84.88	84.86	84.82
2 Year	86.79	86.98	86.96	86.83
3 Year	89.62	89.45	89.31	89.28



CP/CD Primary Volume



Bonds Volume (prev.)



10 Year Benchmarks	14-May	13-May	7-May	15-Apr
India	7.11	7.12	7.13	7.18
US	4.48	4.48	4.46	4.63
South Korea	3.55	3.55	3.53	3.56
Russia	14.98	14.88	14.64	14.32
Brazil	11.76	11.76	11.48	11.60
Germany	2.53	2.51	2.42	2.43
China	2.29	2.30	2.29	2.28

Top Traded Securities	Volume	14-May	13-May	7-May	13-Apr
7.26 2033	325	7.13	7.13	7.15	#N/A
7.06 2028	235	7.10	7.11	7.12	#N/A
7.62 2039	-	7.14	7.15	7.14	0.00
7.30 2053	1,250	7.18	7.20	7.23	#N/A
6.64 2035	125	7.17	7.14	7.18	#N/A
7.40 2035	50	7.16	7.16	7.16	0.00

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
10-May-24	8614	6299	2315

EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	6731	14786	-8055

TOTAL (Rs.Crs)			
	Gross Purchase	Gross Sales	Net Investment
	15345	21085	-5740

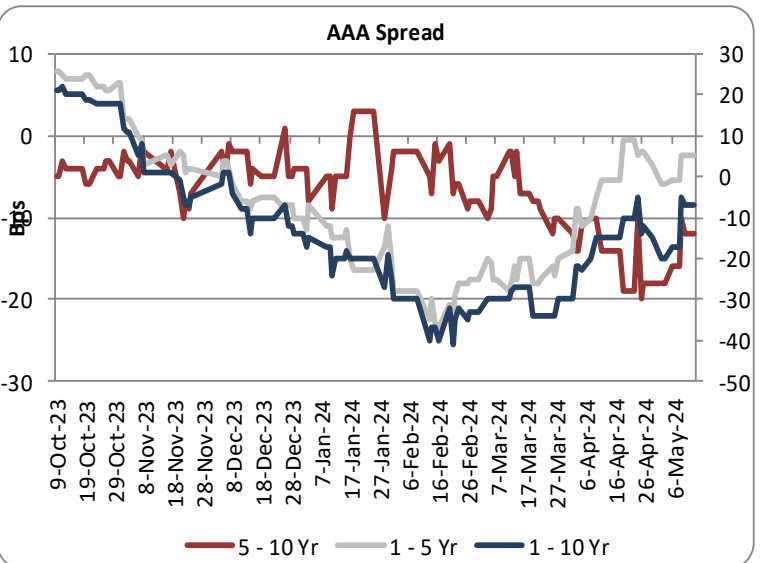
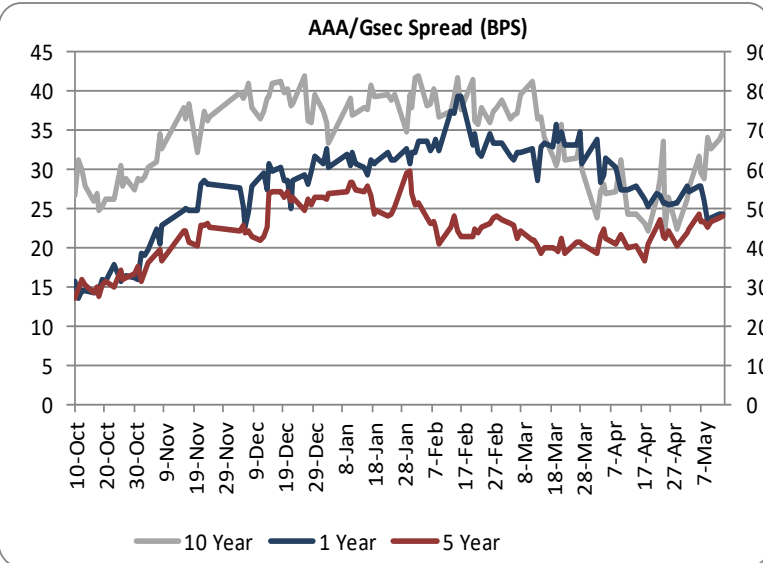
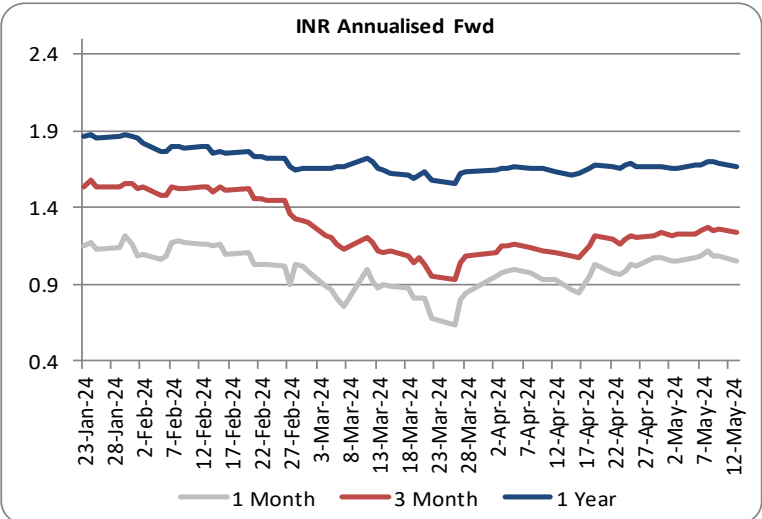
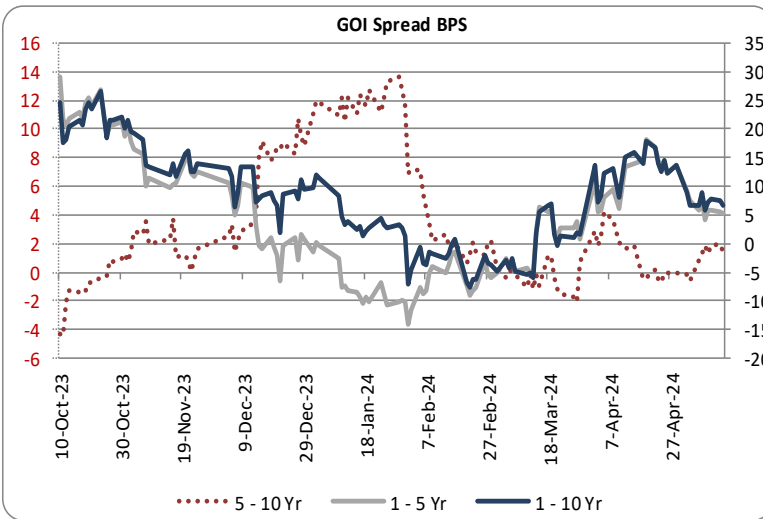
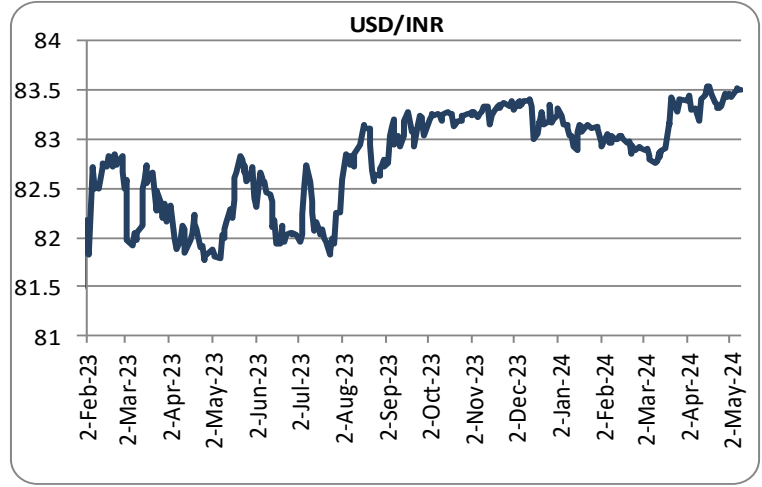
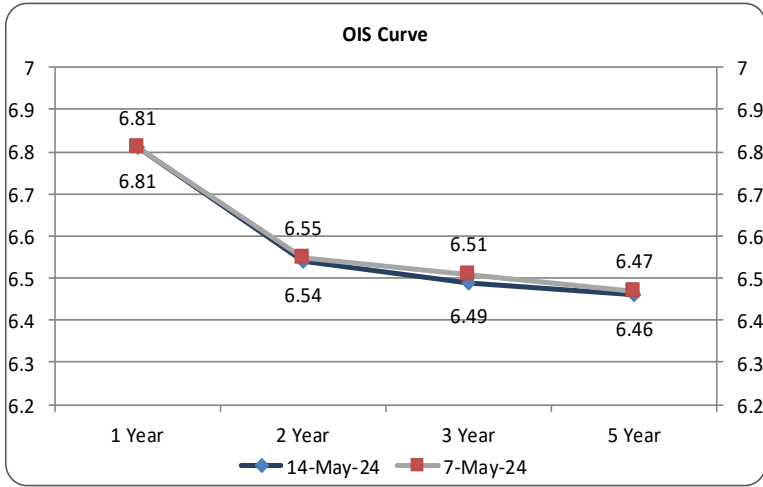
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
14-May-24	960	1904	-944

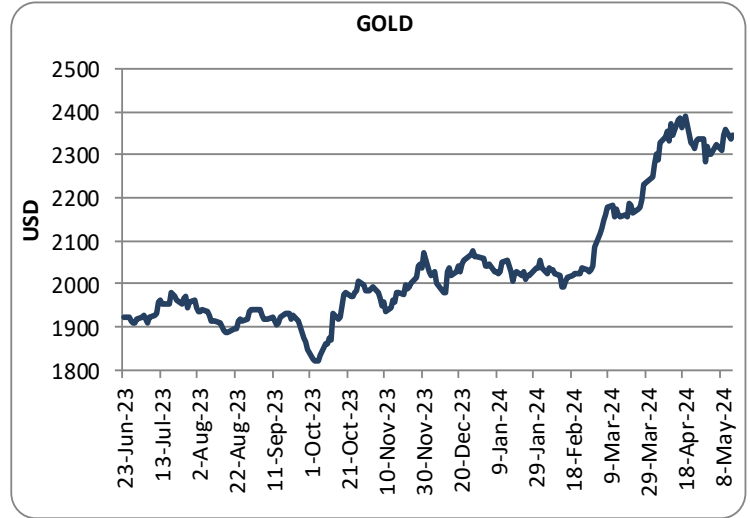
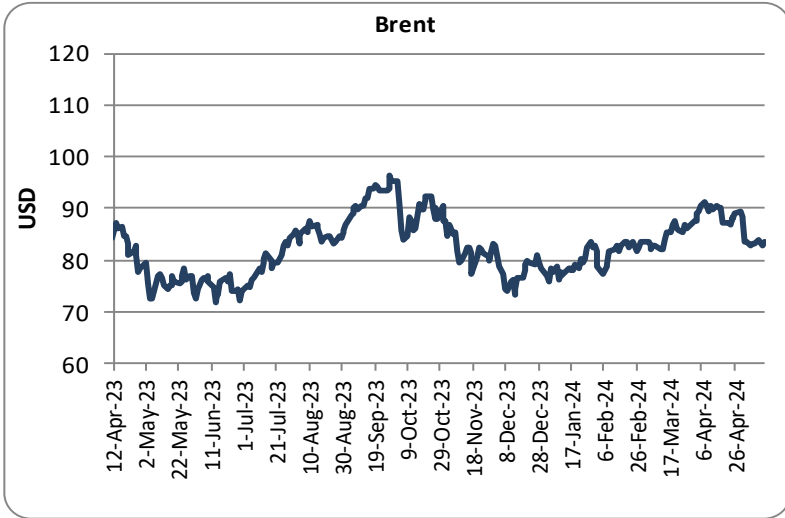
EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	10423	14816	-4393

TOTAL (Rs. Crs)			
	Gross Purchase	Gross Sales	Net Investment
	11383	16720	-5337

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 (%)	Apr-24	1.3	0.5
CPI (%)	Apr-24	4.8	4.9
IIP (%)	Mar-24	4.9	5.6
PMI Manufacturing	Apr-24	58.8	59.1
PMI Service	Apr-24	60.8	61.2

Economic Calender	Country	Date	Poll	Prior
Industrial Production	Euro Zone	15-May-24	-1.2	-6.4
CPI	USA	15-May-24	3.40	3.50
Unemployment rate	Australia	16-May-24	3.70	3.10
Retail Sales	China	17-May-24	-	(4.76)
CPI	Canada	21-May-24	-	2.90
CPI	Japan	24-May-24	-	2.60
Retail Sales	UK	24-May-24	-	0.80
CPI	Australia	29-May-24	-	3.80





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

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