



Indian government bond yields were little changed on Tuesday after a record state debt issuance went through without any major disruption, while focus shifted to the Federal Reserve's interest rate decision and guidance on Wednesday.

The benchmark 10-year yield ended at 7.0981%, following its previous close of 7.0871%. Still, the upside in yields continues to remain capped as strong demand is seen from state-run banks and foreign investors.

The Fed will announce its monetary policy decision after Indian market hours on Wednesday, and it comes on the back of data which highlighted resilience in the economy and elevated inflationary pressures.

While no rate action is expected, traders would keenly await guidance on the timing and magnitude of rate cuts in 2024, with many fearing that Fed members may reduce their expectations to two cuts from three in their updated dot plot projections.

As a result, U.S. bond yields continue to remain elevated, with the 10-year yield posting its sixth straight rise on Monday. It has jumped 25 basis points over the past six sessions. The odds of a rate cut in June have eased below 60% from around 70% a week ago.

Oil prices were largely steady on Tuesday near four-month highs after breaking above range-bound trading last week.

The Indian rupee weakened 0.16% versus the U.S. dollar, and quoted at 83.03 per dollar, pressured by broad strength in the greenback and consistent dollar demand from state-run banks

Repo: The weighted average call rates in the interbank segment decreased to 6.51% vs 6.55% as on the previous day while that the TREP segment decreased to 6.34% vs 6.53% as on the previous day.

GOI Yield	19-Mar	18-Mar	12-Mar	16-Feb
1 Year	7.030	7.020	7.080	7.090
5 Year	7.087	7.075	7.030	7.076
10 Year	7.098	7.087	7.027	7.097

AAA Bmk	19-Mar	18-Mar	12-Mar	16-Feb
1 Year	7.87	7.80	7.83	8.00
5 Year	7.61	7.60	7.57	7.63
10 Year	7.53	7.53	7.55	7.60

CD	19-Mar	18-Mar	12-Mar	16-Feb
3 Month	7.60	7.62	7.62	7.85
6 Month	7.75	7.65	7.70	7.85
1 Year	7.65	7.65	7.65	7.85

CP	19-Mar	18-Mar	12-Mar	16-Feb
3 Month	7.80	7.80	7.80	7.85
6 Month	7.90	7.85	7.85	7.85
1 Year	7.85	7.85	7.85	7.95

OIS Rate	19-Mar	18-Mar	12-Mar	16-Feb
1 Year	6.77	6.75	6.71	6.71
2 Year	6.48	6.45	6.37	6.41
3 Year	6.42	6.41	6.32	6.38
5 Year	6.38	6.35	6.27	6.35

	19-Mar	18-Mar	12-Mar	16-Feb
Sensex	72,012	72,748	73,668	72,427
Nifty	21,817	22,056	22,336	22,041
USD/INR	83.04	82.91	82.77	83.02
Gold (USD)	2,153	2,160	2,158	2,013
Oil (USD)	86.82	86.89	81.92	83.47

NDF	19-Mar	18-Mar	12-Mar	16-Feb
3 Month	83.21	83.16	82.84	83.32
1 Year	84.37	84.24	84.14	84.46
2 Year	86.36	86.30	86.30	86.61
3 Year	89.03	88.77	88.95	89.26

Market Observations

G-sec

- SDL cut off was in line with market expectation. Demand was seen in 10 and 11-year good state SDLs by insurance companies @7.42 centric levels.
- Selling was seen in 40-year G-sec by insurance companies @7.17 centric levels.
- Selling was seen in 2030 to 2034 maturity illiquid G-sec @7.12 to 7.15 levels.

Corporate Bonds

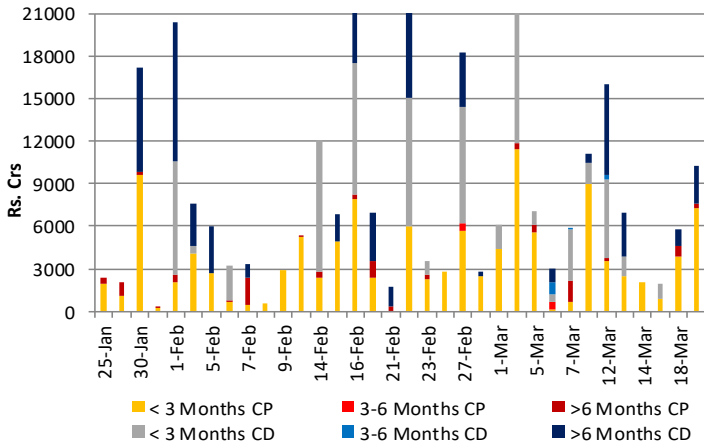
- Mutual funds were active in the 2025-2028 segment on buying as well as selling side.
- Banks were active in the 2029 segment and were on the selling side.

CP/CD

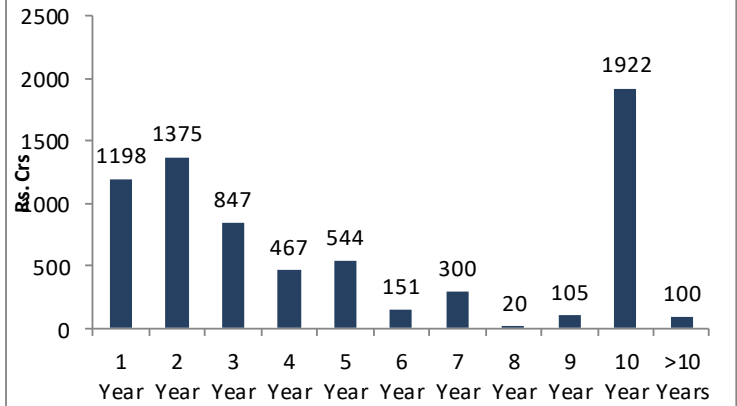
- Major activity was seen in the 3-month segment.



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	19-Mar	18-Mar	12-Mar	16-Feb
India	7.10	7.09	7.03	7.10
US	4.33	4.34	4.16	4.30
South Korea	3.47	3.44	3.34	3.48
Russia	13.80	13.78	13.30	12.65
Brazil	11.02	11.02	10.72	10.78
Germany	2.46	2.46	2.33	2.40
China	2.29	2.29	2.36	2.46

Top Traded Securities	Volume	14-Mar	13-Mar	7-Mar	14-Feb
7.26 2033	330	7.08	7.07	7.07	7.14
7.06 2028	1,450	7.06	7.05	7.05	7.11
7.62 2039	-	7.12	7.09	7.13	7.18
7.30 2053	495	7.13	7.13	7.11	7.18
6.64 2035	165	7.12	7.10	7.11	7.16
7.40 2035	425	7.13	7.09	7.09	7.16

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
15-Mar-24	11960	13424	-1464

EQUITY	Gross Purchase	Gross Sales	Net Investment
	8835	12042	-3208

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
20795	25466	-4671

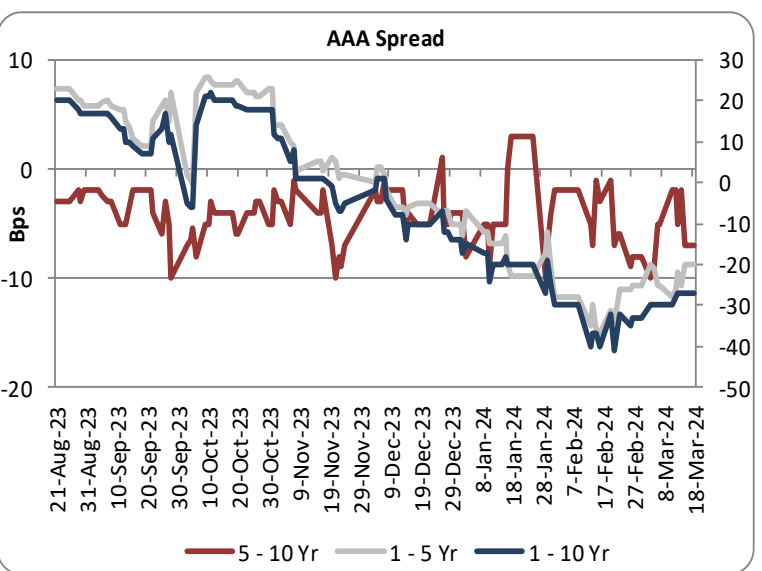
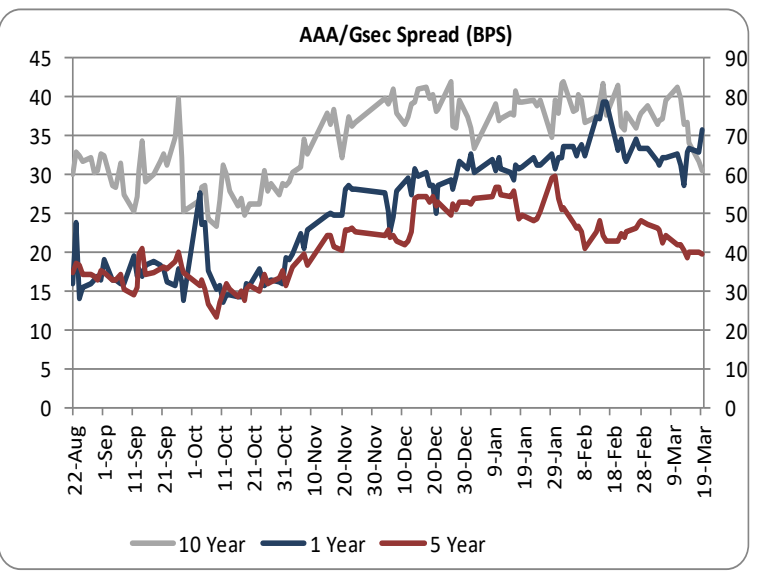
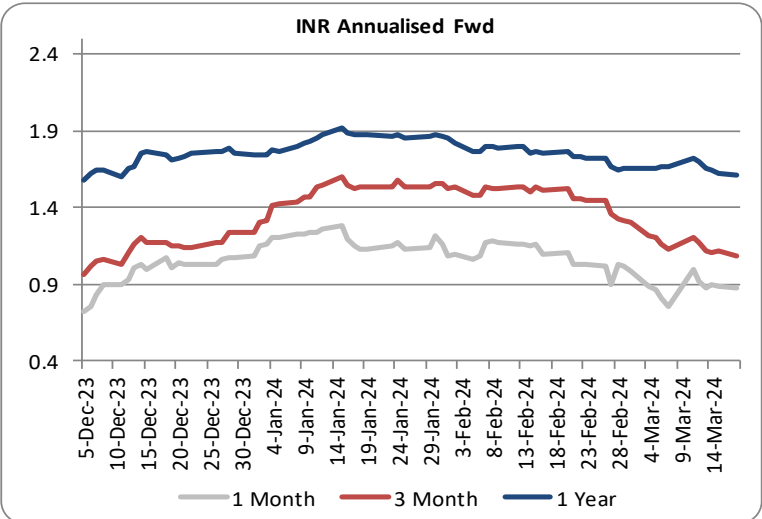
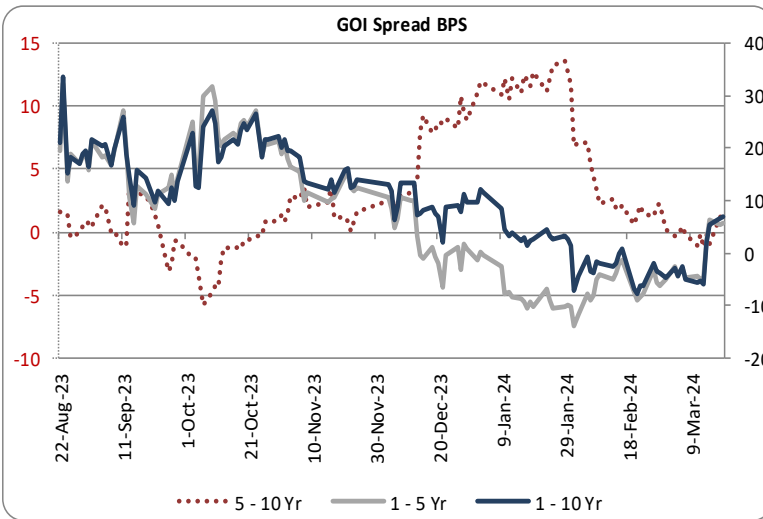
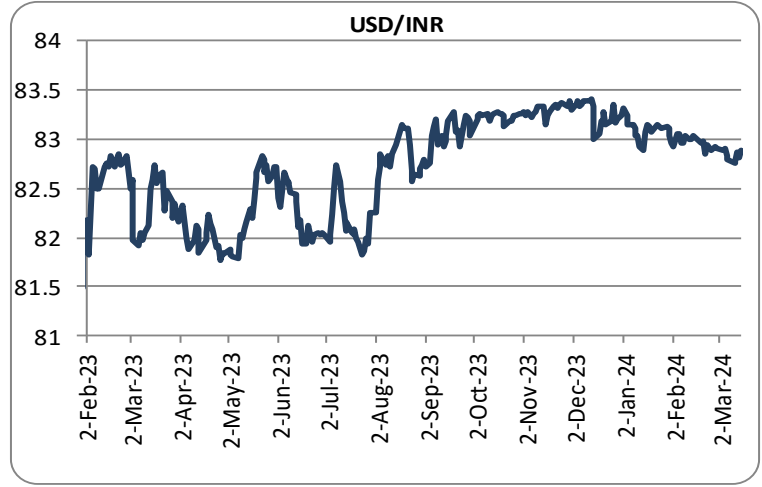
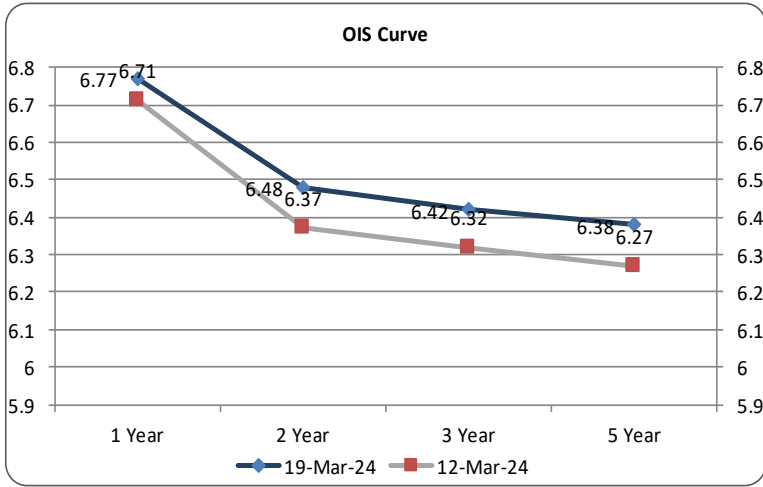
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
19-Mar-24	1463	2244	-781

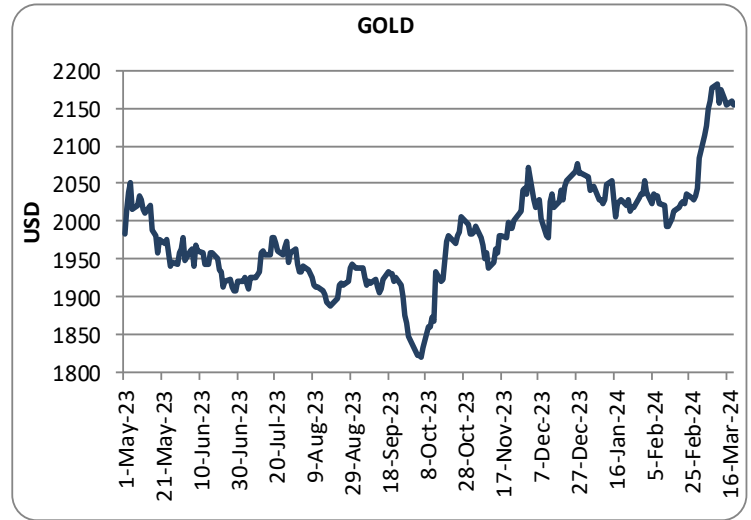
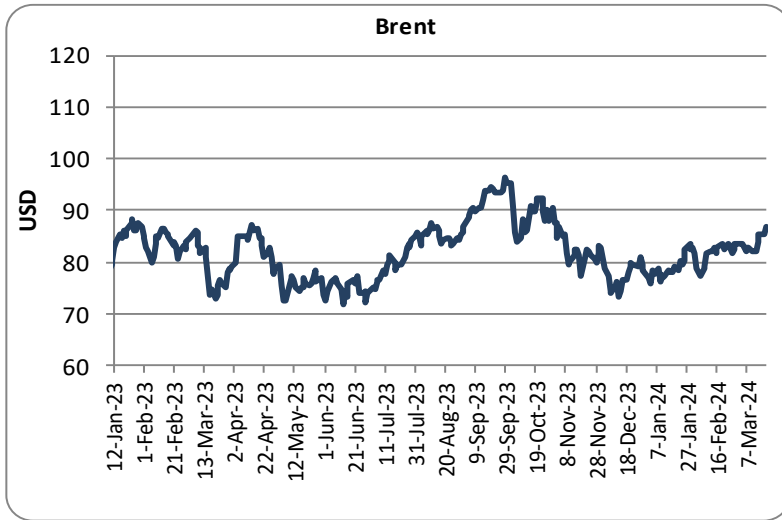
EQUITY	Gross Purchase	Gross Sales	Net Investment
	11282	12448	-1167

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
12745	14693	-1948

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-23	8.4	8.1
CAD (\$ Bn)	Sep-23	-8.3	-9.2
Trade Deficit (\$ Bn)	Sep-23	-61.0	-56.6
WPI (%)	Feb-24	0.2	0.3
CPI (%)	Feb-24	5.1	5.1
IIP (%)	Jan-24	3.8	4.2
PMI Manufacturing	Feb-24	56.9	56.5
PMI Service	Feb-24	60.6	61.8

Economic Calender	Country	Date	Poll	Prior
CPI	UK	20-Mar-24	3.5	4
Fed funds target rate	USA	20-Mar-24	5.25-5.5	5.25-5.5
Unemployment rate	Australia	21-Mar-24	4.00	4.10
BOE Bank Rate	UK	21-Mar-24	5.25	5.25
Retail Sales	UK	22-Mar-24	(0.70)	0.70
Unemployment rate	Japan	29-Mar-24	-	2.40
CPI	Germany	02-Apr-24	-	2.50
CPI	Euro Zone	03-Apr-24	-	2.60





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

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