



BONDWATCH

Daily

April 22, 2024

INDIA

Indian government bond yields ended lower on Monday, tracking a decline in oil prices as easing geopolitical tensions provided a breather for market participants.

The benchmark 10-year yield ended at 7.1890%, after closing at 7.2278% in the previous session.

The yield had settled higher for the third straight week on Friday as escalating tensions in the Middle East and worries around the timing of U.S. interest rate cuts pressured investor sentiment.

The recent flare up in U.S. inflation and rise in U.S. bond yields is pressuring global yields, including India, with FPI (foreign portfolio investors) outflows from Indian bonds happening for the first time in last seven months.

US yields remained higher as higher inflation numbers have pushed back expectations of a rate cut significantly.

Oil prices fell more than 1% on Monday, as the market focus switched to fundamentals after Israel and Iran played down the risk of an escalation of hostilities following Israel's apparently small strike on Iran.

Earlier this month, the RBI kept the lending rate steady at 6.50% for the seventh consecutive meeting. The market expects rate cuts only in early 2025, with Morgan Stanley ruling out any cuts this fiscal year.

The Indian rupee strengthened 0.13% versus the U.S. dollar, and quoted at 83.3625, aided by likely equity inflows and dollar sales from state-run banks.

Repo: The weighted average call rates in the interbank segment increased to 6.61% vs 6.16% as on the previous day while that the TREP segment increased to 6.64% vs 6.37% as on the previous day.

GOI Yield	22-Apr	19-Apr	15-Apr	21-Mar
1 Year	7.021	7.050	7.020	7.050
5 Year	7.188	7.231	7.159	7.060
10 Year	7.189	7.228	7.178	7.048

AAA Bmk	22-Apr	19-Apr	15-Apr	21-Mar
1 Year	7.68	7.68	7.70	7.87
5 Year	7.77	7.77	7.69	7.61
10 Year	7.58	7.58	7.55	7.53

CD	22-Apr	19-Apr	15-Apr	21-Mar
3 Month	7.15	7.15	7.20	7.60
6 Month	7.35	7.35	7.35	7.75
1 Year	7.60	7.60	7.50	7.65

CP	22-Apr	19-Apr	15-Apr	21-Mar
3 Month	7.25	7.25	7.35	7.80
6 Month	7.45	7.45	7.45	7.90
1 Year	7.70	7.70	7.60	7.85

OIS Rate	22-Apr	19-Apr	15-Apr	21-Mar
1 Year	6.89	6.90	6.85	6.75
2 Year	6.67	6.69	6.61	6.46
3 Year	6.64	6.64	6.59	6.41
5 Year	6.62	6.61	6.54	6.37

	22-Apr	19-Apr	15-Apr	21-Mar
Sensex	73,649	73,088	73,400	72,641
Nifty	22,336	22,147	22,273	22,012
USD/INR	83.36	83.47	83.45	83.15
Gold (USD)	2,344	2,390	2,383	2,181
Oil (USD)	86.74	87.29	90.10	85.78

NDF	22-Apr	19-Apr	15-Apr	21-Mar
3 Month	83.60	83.68	83.73	83.30
1 Year	84.78	84.90	84.82	84.55
2 Year	86.89	87.05	86.83	86.70
3 Year	89.33	89.50	89.28	89.17

Market Observations

G-sec

- Market opened negative as 10year benchmark hit 7.24 mark but rallied over the course of day by 5bps closing @7.1890 levels.
- Demand was seen in 15year SDL @7.52 levels. Major buyers were Life insurance companies, pension funds and Mutual funds.
- Switch was reported in FRBs 2033 and 2034 @5bps spread.

Corporate Bonds

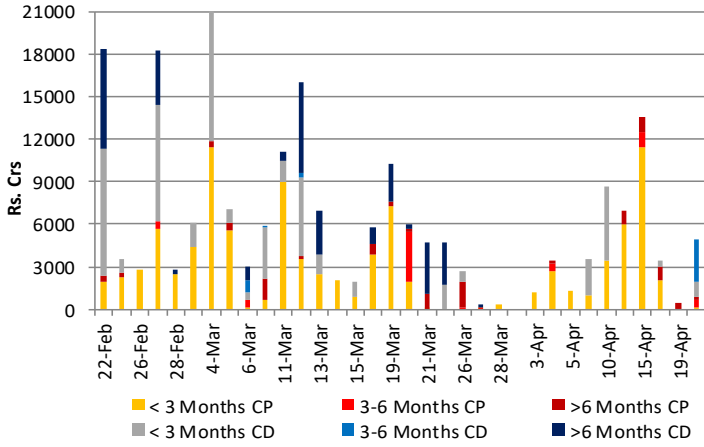
- Muted activity was seen throughout all segments.
- Corporates, insurance companies and pension funds were active in the longer segment.

CP/CD

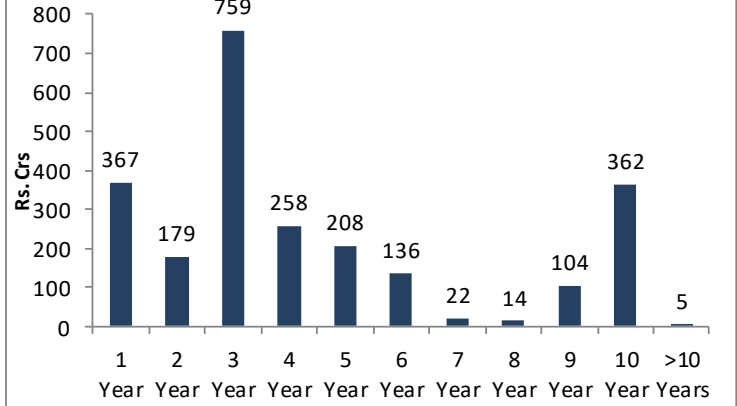
- Activity was seen in the 1-month to 10-month segments.



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	22-Apr	19-Apr	15-Apr	21-Mar
India	7.19	7.23	7.18	7.05
US	4.66	4.62	4.63	4.27
South Korea	3.65	3.58	3.56	3.41
Russia	14.10	14.05	14.32	13.84
Brazil	11.45	11.45	11.60	10.92
Germany	2.55	2.51	2.43	2.40
China	2.25	2.26	2.28	2.29

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	485	7.06	7.10	7.07	7.06
7.62 2039	-	7.09	7.11	7.09	7.10
7.30 2053	470	7.12	7.16	7.14	7.15
6.64 2035	5	7.10	7.13	7.14	7.12
7.40 2035	5	7.08	7.15	7.14	7.12

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
18-Apr-24	1153	887	266

	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
18-Apr-24	1652	722	929

	TOTAL (Rs.Crs)		
	Gross Purchase	Gross Sales	Net Investment
18-Apr-24	2804	1609	1195

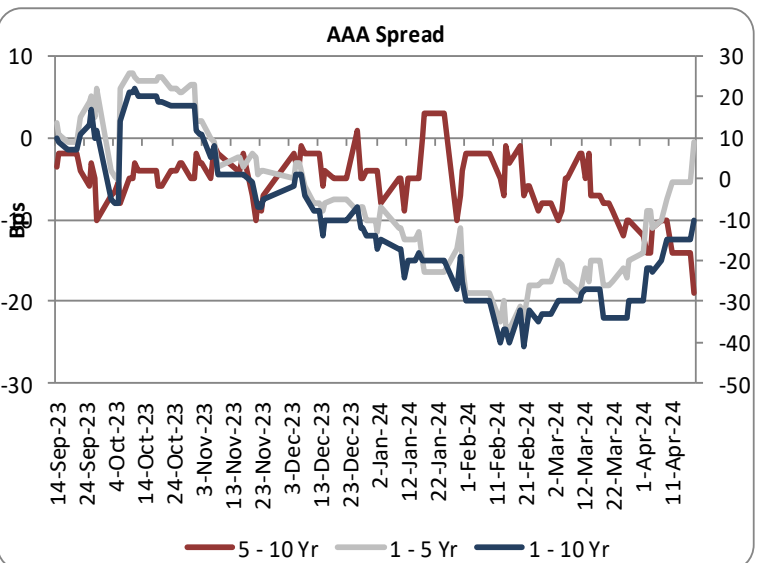
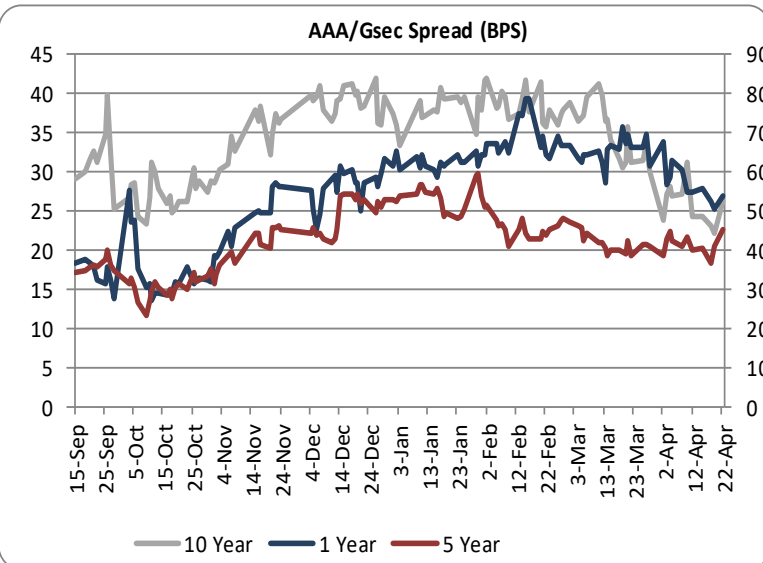
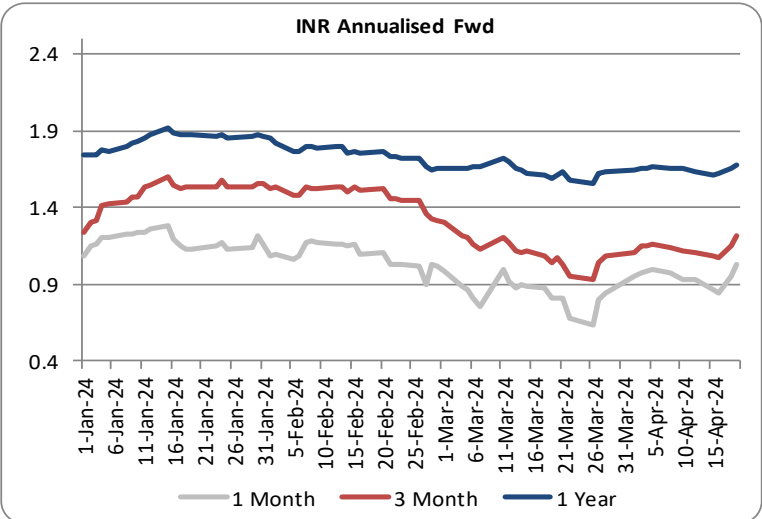
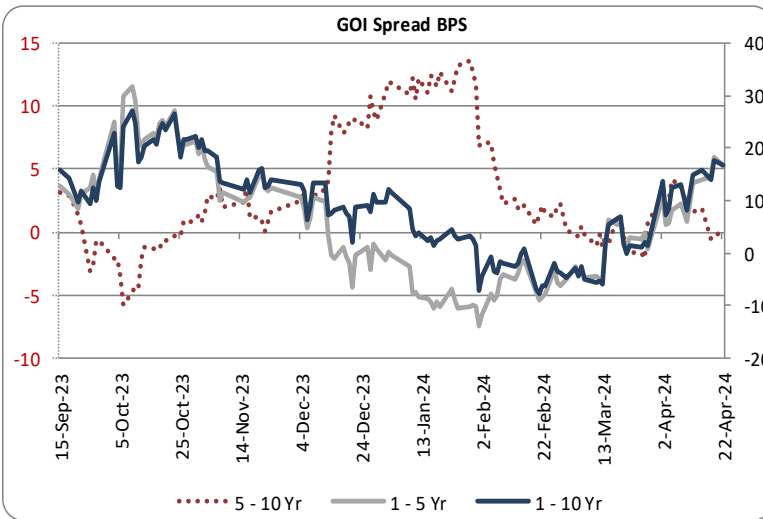
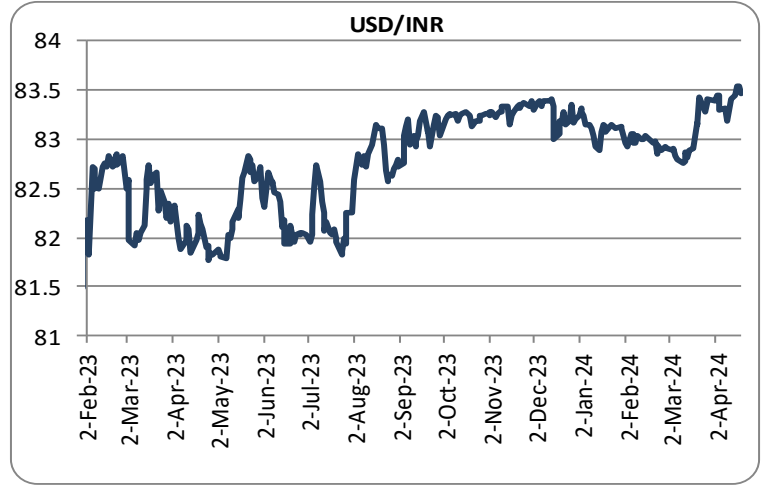
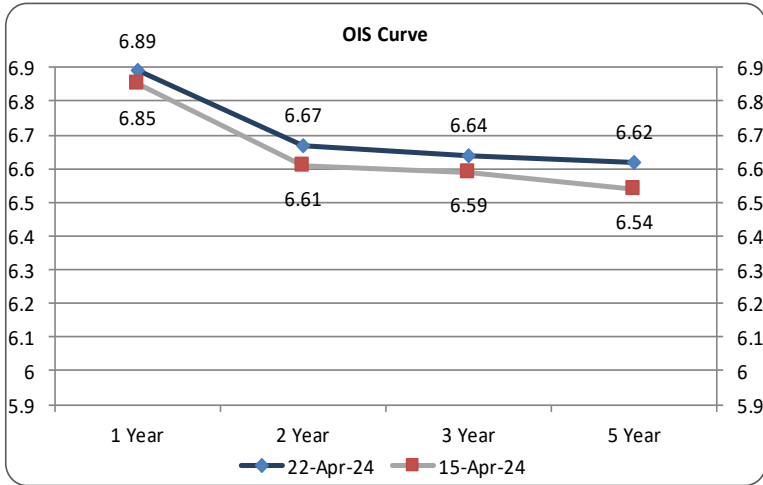
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
22-Apr-24	1516	2336	-819

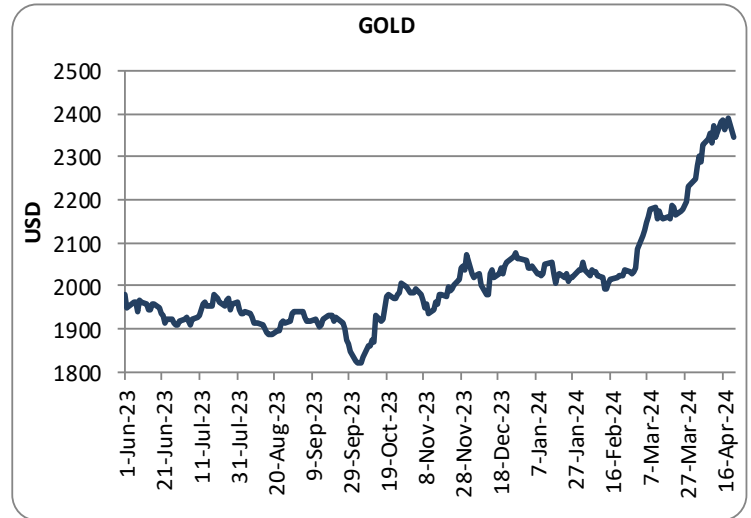
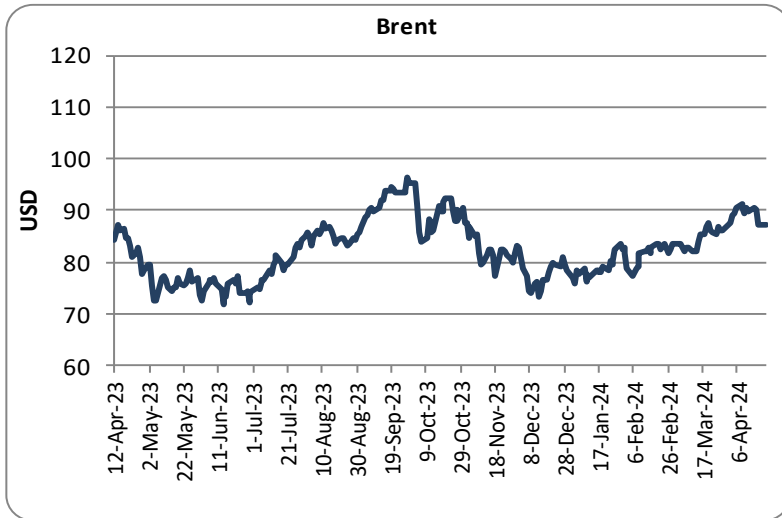
	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
22-Apr-24	16861	16089	773

	TOTAL (Rs. Crs)		
	Gross Purchase	Gross Sales	Net Investment
22-Apr-24	18378	18424	-47

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	Mar-24	59.1	56.9
PMI Service	Mar-24	61.2	60.6

Economic Calender	Country	Date	Poll	Prior
Retail Sales	UK	19-Apr-24	1	-0.4
CPI Q1	Australia	24-Apr-24	-	4.10
GDP Advance q1	USA	25-Apr-24	2.10	3.40
CPI	Germany	29-Apr-24	-	2.20
Unemployment Rate	Japan	30-Apr-24	-	2.60
Unemployment Rate	Germany	30-Apr-24	-	5.90
CPI	Euro Zone	30-Apr-24	-	2.40
GDP YY Q1	Euro Zone	30-Apr-24	-	0.10





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

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