



Indian government bond yields declined on Friday, with the benchmark 10-year bond yield logging its fifth straight weekly fall, as record surplus transfer by the central bank is expected to aid the government's fiscal position.

The benchmark 10-year yield ended at 6.9988%, following its previous close of 6.9919%. The yield has eased by an aggregate of 23 basis points over the last five weeks.

Earlier this week, the Reserve Bank of India's (RBI) board approved the transfer of a record 2.11 trillion rupees (\$25.41 billion) as surplus to the government for the fiscal year 2024.

The government's fiscal position is expected to strengthen after a better-than-estimated dividend transfer and could further reduce some supply pressure, aiding the demand-supply dynamics. The government is open to buying back more bonds and cutting borrowings through Treasury bills as part of its short-term cash management.

Focus will also remain on U.S. Treasury yields, with the 10-year yield rising back toward the 4.50% mark, reinforcing expectations that the Federal Reserve will take its time to deliver the rate cuts this year.

Oil prices fell for a fifth consecutive session on Friday and settled at multi-month lows as the prospect of higher-for-longer U.S. interest rates raised worries around oil demand growth.

The Indian rupee strengthened 0.22% versus the U.S. dollar, and quoted at 83.13 per dollar boosted by likely strong dollar inflows into domestic equities.

Repo: The weighted average call rates in the interbank segment decreased to 6.72% vs 6.75% as on the previous day while that the TREP segment decreased to 6.62% vs 6.63% as on the previous day.

Market Observations

G-sec

- Selling was seen in 14 and 15year SDL @7.37 levels. Very muted demand was witnessed here.
- Demand was seen in 13 to 15-year G-sec by traders @7.06 centric levels.
- Cut off was in line with market expectations.

Corporate Bonds

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

CP/CD

- Major activity was seen in the 1 to 2-month segment.

GOI Yield	24-May	22-May	17-May	26-Apr
1 Year	7.010	7.015	7.050	7.065
5 Year	7.027	7.027	7.079	7.187
10 Year	6.999	6.992	7.095	7.187

AAA Bmk	24-May	22-May	17-May	26-Apr
1 Year	7.70	7.70	7.70	7.70
5 Year	7.63	7.63	7.64	7.76
10 Year	7.55	7.55	7.55	7.58

CD	24-May	22-May	17-May	26-Apr
3 Month	7.15	7.15	7.25	7.20
6 Month	7.45	7.40	7.45	7.40
1 Year	7.65	7.65	7.65	7.60

CP	24-May	22-May	17-May	26-Apr
3 Month	7.25	7.25	7.45	7.30
6 Month	7.55	7.55	7.55	7.50
1 Year	7.75	7.75	7.75	7.70

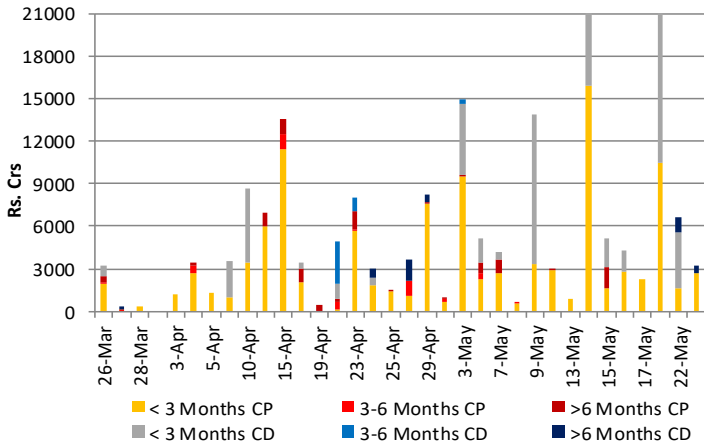
OIS Rate	24-May	22-May	17-May	26-Apr
1 Year	6.80	6.78	6.80	6.89
2 Year	6.51	6.50	6.51	6.65
3 Year	6.44	6.44	6.46	6.62
5 Year	6.39	6.39	6.41	6.61

	24-May	22-May	17-May	26-Apr
Sensex	75,410	74,221	73,917	73,730
Nifty	22,957	22,598	22,466	22,420
USD/INR	83.10	83.28	83.34	83.34
Gold (USD)	2,341	2,378	2,415	2,338
Oil (USD)	81.06	81.90	83.98	89.50

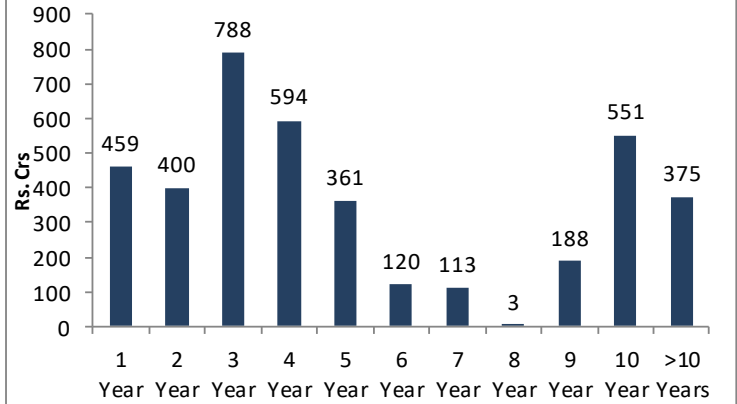
NDF	24-May	22-May	17-May	26-Apr
3 Month	83.39	83.48	83.56	83.66
1 Year	84.47	84.63	84.68	84.77
2 Year	86.38	86.63	86.74	86.72
3 Year	88.87	89.07	89.21	89.07



CP/CD Primary Volume



Bonds Volume (prev.)



10 Year Benchmarks	24-May	22-May	17-May	26-Apr
India	7.00	7.00	7.10	7.20
US	4.47	4.43	4.42	4.67
South Korea	3.52	3.47	3.46	3.71
Russia	14.54	14.22	15.04	14.46
Brazil	11.75	11.81	11.69	11.63
Germany	2.59	2.53	2.51	2.57
China	2.31	2.31	2.32	2.21

Top Traded Securities	Volume	17-May	16-May	10-May	16-Apr
7.26 2033	165	7.12	7.10	7.14	7.20
7.06 2028	670	7.08	7.08	7.11	7.18
7.62 2039	50	7.13	7.12	7.17	7.24
7.30 2053	680	7.17	7.16	7.21	7.28
6.64 2035	520	7.14	7.12	7.15	7.21
7.40 2035	150	7.18	7.11	7.18	7.21

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
16-May-24	301	222	78

EQUITY		
Gross Purchase	Gross Sales	Net Investment
730	1197	-466

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
1031	1419	-388

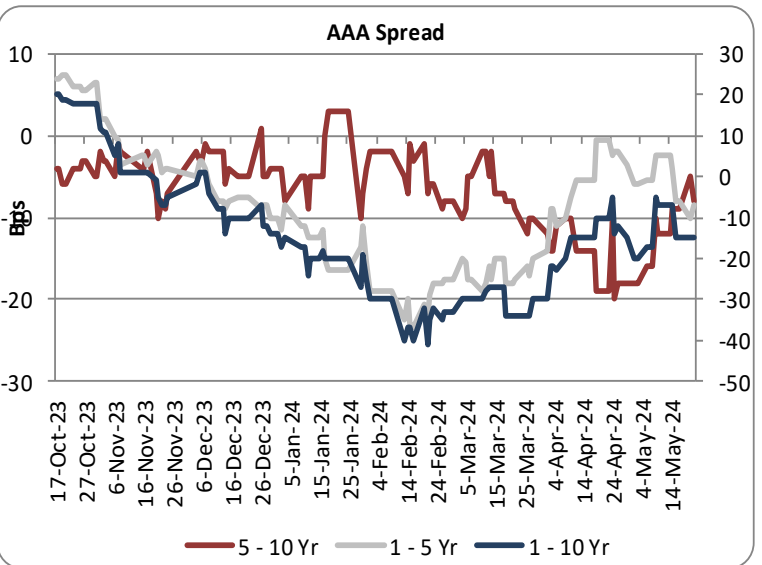
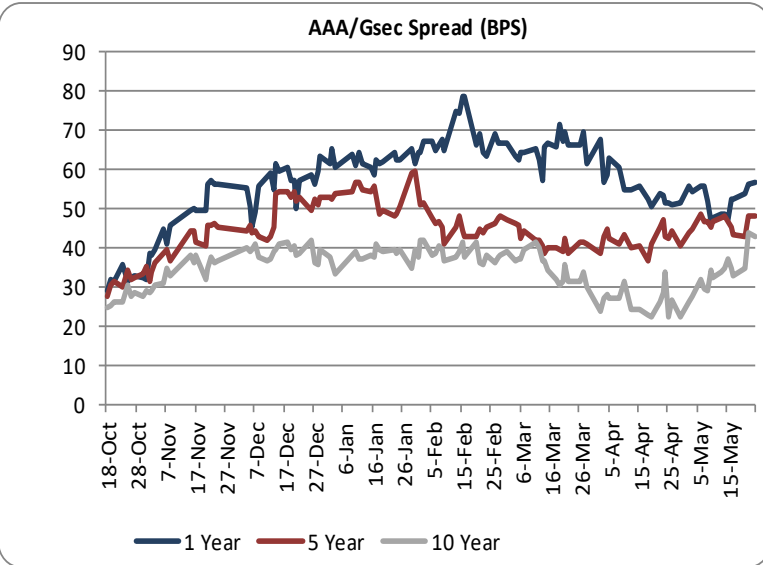
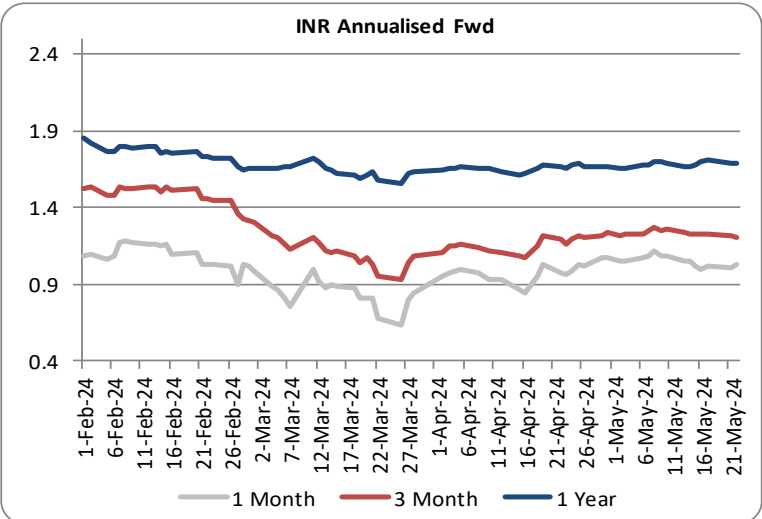
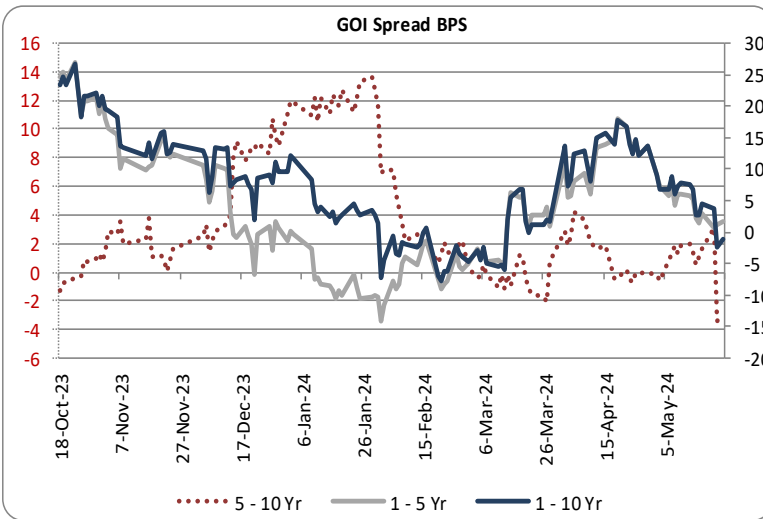
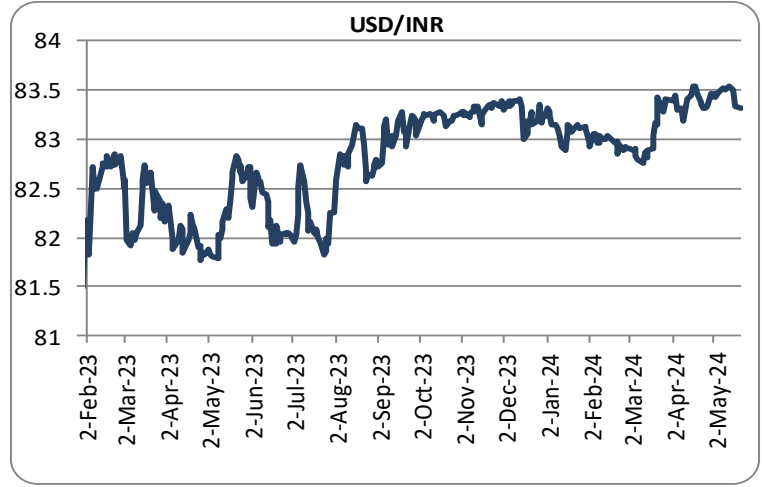
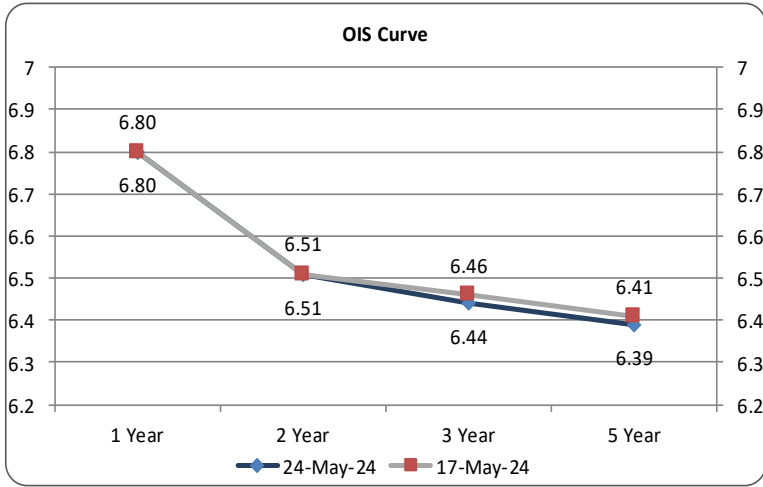
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
24-May-24	472	264	208

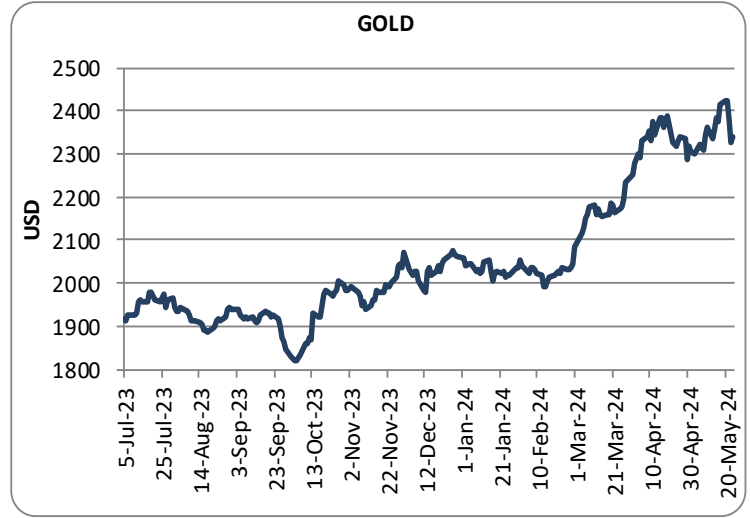
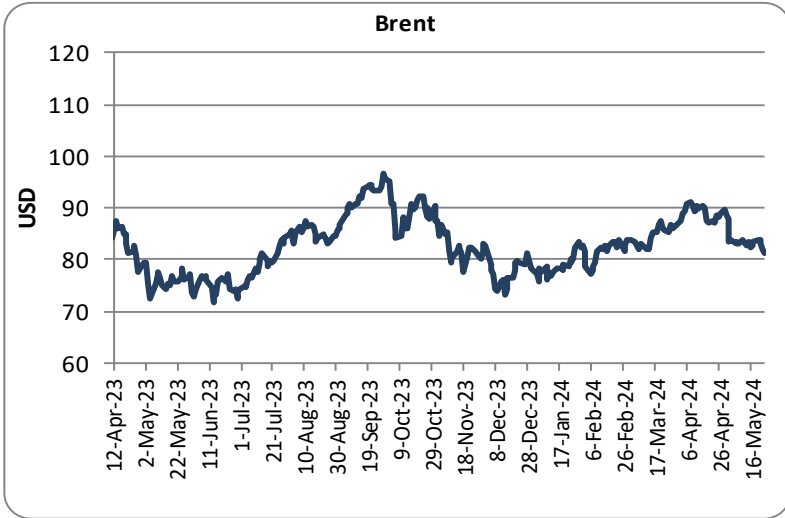
EQUITY		
Gross Purchase	Gross Sales	Net Investment
37436	31544	5892

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
37908	31808	6100

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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