



Indian government bond yields ended marginally lower on Friday, after a choppy week as focus remained on U.S. Treasuries and oil prices.

The benchmark 10-year yield ended at 7.1870%, following its previous close at 7.2061%. The yield fell four basis points for the week, after rising an aggregate 16 bps in last three weeks.

U.S. yields jumped overnight, with the 10-year hitting its highest level in nearly six months, amid risks of a further upside, as rate cut hopes were pushed back after latest data.

The U.S. 10-year yield is set to post its fourth consecutive weekly rise on expectation the Federal Reserve will adopt a more cautious tone at its policy meeting next week.

The odds of U.S. rate cuts have declined further and investors eye around 35 basis points (bps) of rate cuts by the end of 2024.

Meanwhile, the benchmark Brent crude contract continues to remain around \$90 per barrel.

Earlier in the day, Indian Government sold 200 billion rupees (\$2.40 billion) of the 7.10% 2034 paper at yields that met estimates. This note will replace the existing benchmark bond soon.

The Indian rupee weakened 0.02% versus the U.S. dollar, and quoted at 83.34 per dollar, tracking its range bound Asian peers, with traders expecting the local unit to stick to its prevailing range ahead of the closely watched U.S. inflation data.

Repo: The weighted average call rates in the interbank segment decreased to 6.68% vs 6.70% as on the previous day while that the TREP segment remained the same at 6.70% vs 6.70% as on the previous day.

GOI Yield	26-Apr	25-Apr	19-Apr	28-Mar
1 Year	7.065	7.060	7.050	7.040
5 Year	7.187	7.206	7.231	7.049
10 Year	7.187	7.206	7.228	7.056

AAA Bmk	26-Apr	25-Apr	19-Apr	28-Mar
1 Year	7.70	7.70	7.68	7.78
5 Year	7.76	7.76	7.77	7.58
10 Year	7.58	7.56	7.58	7.48

CD	26-Apr	25-Apr	19-Apr	28-Mar
3 Month	7.20	7.20	7.15	7.55
6 Month	7.40	7.40	7.35	7.65
1 Year	7.60	7.60	7.60	7.60

CP	26-Apr	25-Apr	19-Apr	28-Mar
3 Month	7.30	7.30	7.25	7.85
6 Month	7.50	7.50	7.45	7.90
1 Year	7.70	7.70	7.70	7.85

OIS Rate	26-Apr	25-Apr	19-Apr	28-Mar
1 Year	6.89	6.89	6.90	6.74
2 Year	6.65	6.66	6.69	6.44
3 Year	6.62	6.62	6.64	6.39
5 Year	6.61	6.60	6.61	6.33

	26-Apr	25-Apr	19-Apr	28-Mar
Sensex	73,730	74,339	73,088	73,651
Nifty	22,420	22,570	22,147	22,327
USD/INR	83.34	83.32	83.47	83.40
Gold (USD)	2,346	2,332	2,390	2,232
Oil (USD)	89.59	89.01	87.29	87.48

NDF	26-Apr	25-Apr	19-Apr	28-Mar
3 Month	83.61	83.47	83.68	83.59
1 Year	84.75	84.68	84.90	84.70
2 Year	86.81	86.72	87.05	86.76
3 Year	89.29	89.07	89.50	89.42

Market Observations

G-sec

- Good buying demand was visible by banks in 5-7 year SDL segment at 7.50 centric levels.
- 9-year semi-liquid papers were heavily traded at 7.23 centric levels between banks.
- Insurance companies were looking to sell Longer end G-sec and buy Longer End SDL at around 25bps spread.

Corporate Bonds

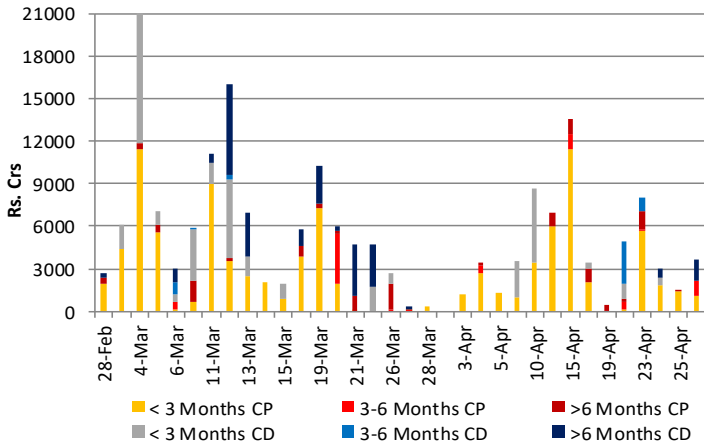
- Muted activity was seen throughout all segments.
- Mutual funds and insurance companies were active.

CP/CD

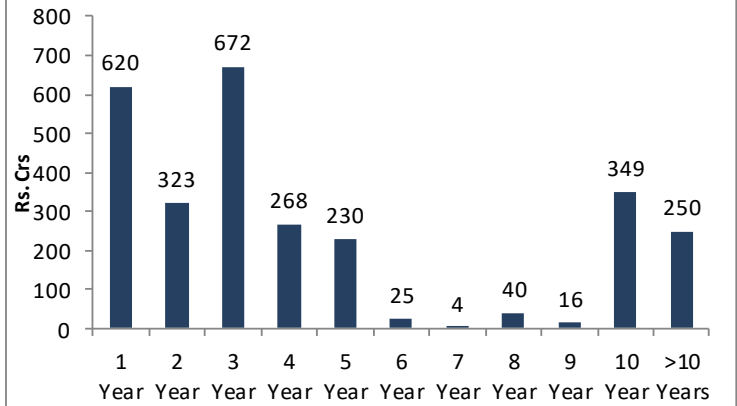
- Activity was seen in the 0 to 4-month segment.



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	26-Apr	25-Apr	19-Apr	28-Mar
India	7.19	7.20	7.23	7.05
US	4.69	4.71	4.62	4.19
South Korea	3.71	3.70	3.58	3.38
Russia	14.42	14.26	14.05	13.82
Brazil	11.69	11.69	11.45	10.98
Germany	2.59	2.62	2.51	2.29
China	2.21	2.27	2.26	2.31

Top Traded Securities	Volume	23-Apr	22-Apr	16-Apr	22-Mar
7.26 2033	570	7.19	7.22	7.20	7.11
7.06 2028	1,240	7.18	7.19	7.18	7.11
7.62 2039	-	7.21	7.22	7.24	7.12
7.30 2053	665	7.26	7.28	7.28	7.16
6.64 2035	50	7.23	7.20	7.21	7.14
7.40 2035	5	7.22	7.16	7.21	7.14

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
23-Apr-24	9188	6840	2348

EQUITY	Gross Purchase	Gross Sales	Net Investment
	6754	7727	-973

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
15942	14567	1375

FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
26-Apr-24	2350	1865	484

EQUITY	Gross Purchase	Gross Sales	Net Investment
	24314	24287	27

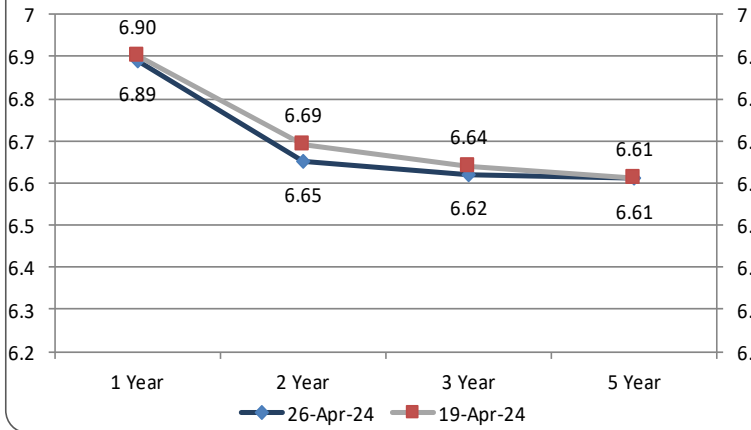
TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
26663	26152	511

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

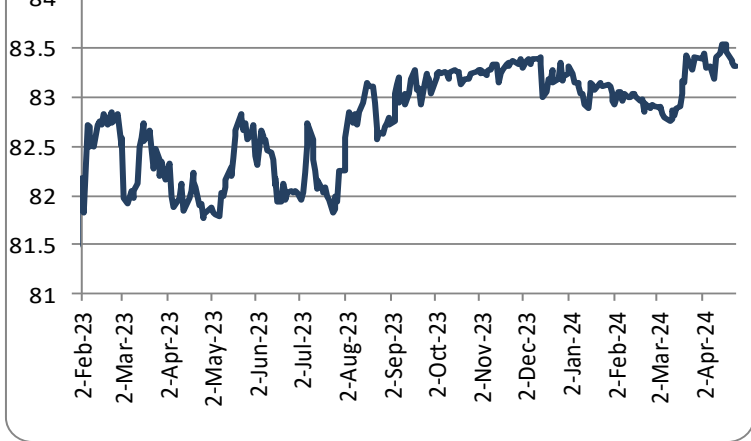
Economic Calender	Country	Date	Poll	Prior
Retail Sales	UK	19-Apr-24	1	-0.4
CPI Q1	Australia	24-Apr-24	-	4.10
GDP Advance q1	USA	25-Apr-24	2.10	3.40
CPI	Germany	29-Apr-24	-	2.20
Unemployment Rate	Japan	30-Apr-24	-	2.60
Unemployment Rate	Germany	30-Apr-24	-	5.90
CPI	Euro Zone	30-Apr-24	-	2.40
GDP YY Q1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



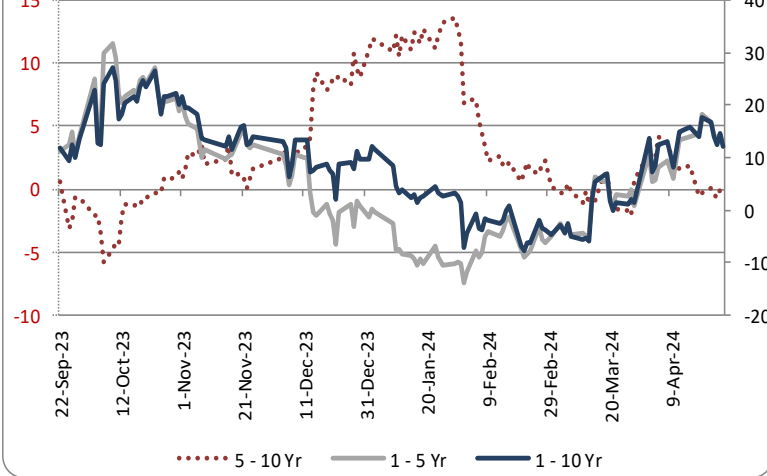
OIS Curve



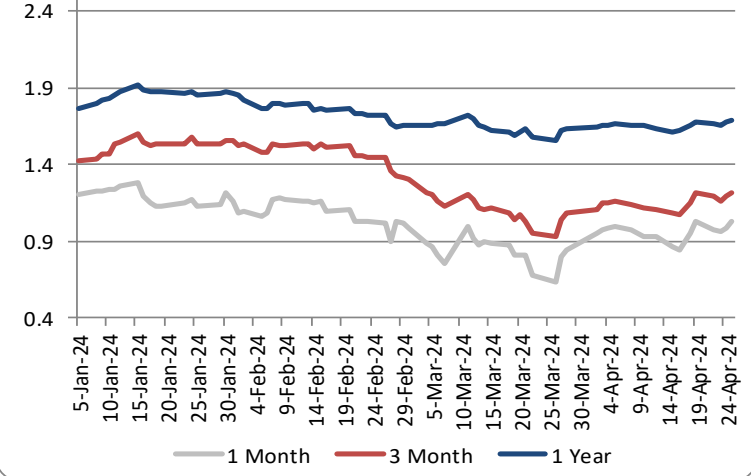
USD/INR



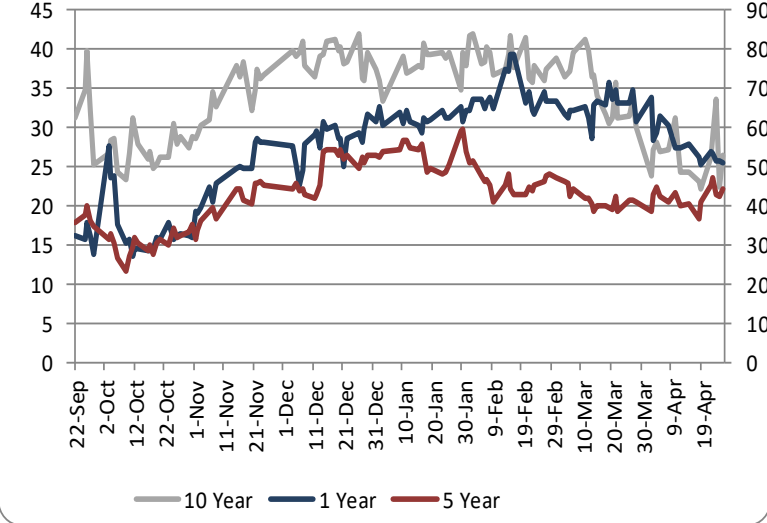
GOI Spread BPS



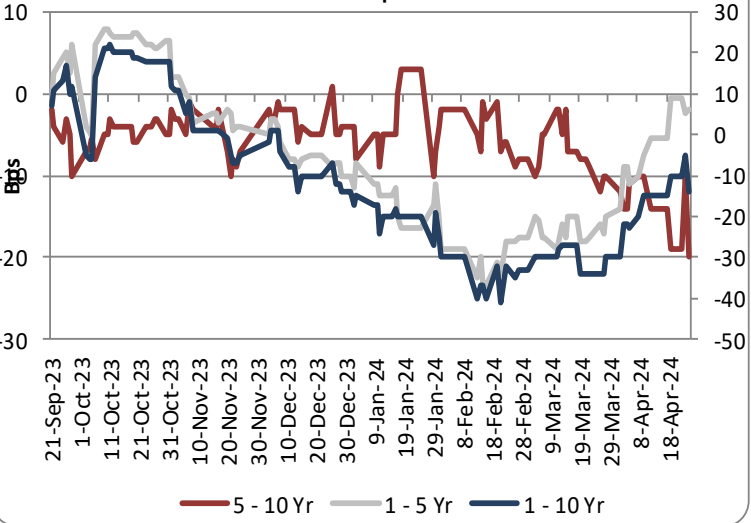
INR Annualised Fwd

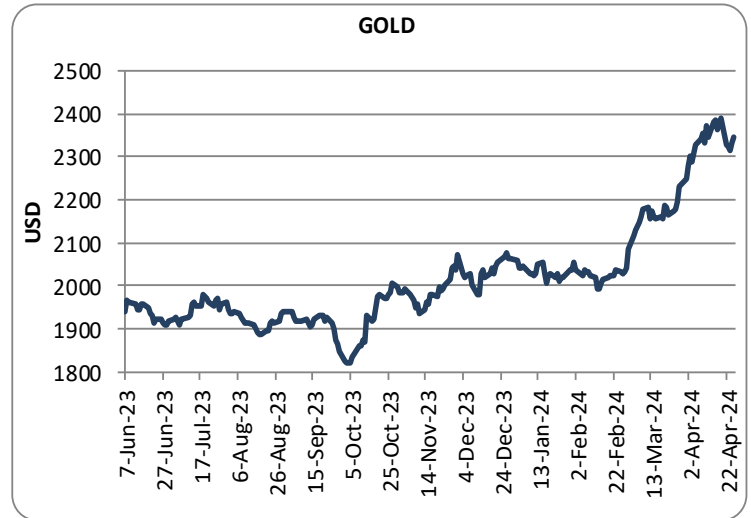
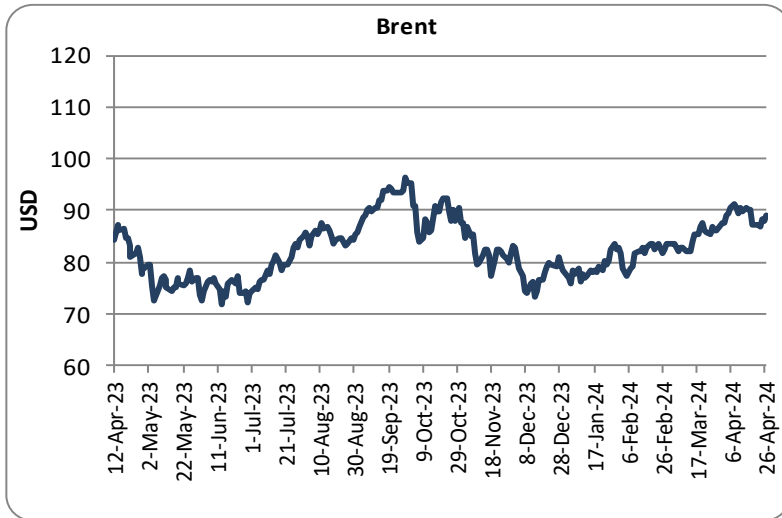


AAA/Gsec Spread (BPS)



AAA Spread





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

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