



Indian government bond yields ended marginally higher on Wednesday, with the benchmark yield moving above the 7% mark, tracking a similar move in U.S. Treasury yields.

The benchmark 10-year yield ended at 7.0129%, following its previous close of 6.9956%.

Still, bets of a strong fiscal position of the government continued to favour investor sentiment, especially after the Reserve Bank of India's record surplus transfer earlier this month. Some market participants are anticipating a further cut in borrowings, even as the Government has already lowered the supply of Treasury bills till the end of June.

The government aims to buy back bonds maturing within this financial year worth 400 billion rupees (\$4.80 billion) on Thursday, after having bought back securities worth 179 billion rupees so far in May.

S&P Global Ratings raised India's sovereign rating outlook to 'positive' from 'stable' while retaining the rating at 'BBB-'.

U.S. yields rose, with the 10-year yield rising above 4.55%, as uncertainty over the timing and magnitude of rate cuts by the Federal Reserve in 2024 persisted.

The futures market is pricing in only around 34 basis points (bps) of rate cuts this year, compared with over 50 bps earlier in the month.

The Indian rupee weakened 0.20% versus the U.S. dollar, and quoted at 83.3450 per dollar, pressured by persistent dollar demand from importers and election-related risks.

Repo: The weighted average call rates in the interbank segment remained the same at 6.49% vs 6.49% as on the previous day while that the TREP segment increased to 6.41% vs 6.42% as on the previous day.

GOI Yield	29-May	28-May	22-May	29-Apr
1 Year	7.030	7.010	7.015	7.060
5 Year	7.054	7.035	7.027	7.197
10 Year	7.013	6.996	6.992	7.197

AAA Bmk	29-May	28-May	22-May	29-Apr
1 Year	0.00	7.70	7.70	7.70
5 Year	0.00	7.64	7.63	7.73
10 Year	0.00	7.53	7.55	7.55

CD	29-May	28-May	22-May	29-Apr
3 Month	7.15	7.15	7.15	7.25
6 Month	7.45	7.45	7.40	7.45
1 Year	7.70	7.70	7.65	7.65

CP	29-May	28-May	22-May	29-Apr
3 Month	7.25	7.25	7.25	7.35
6 Month	7.55	7.55	7.55	7.55
1 Year	7.80	7.80	7.75	7.75

OIS Rate	29-May	28-May	22-May	29-Apr
1 Year	6.83	6.82	6.78	6.88
2 Year	6.55	6.53	6.50	6.64
3 Year	6.49	6.46	6.44	6.60
5 Year	6.44	6.40	6.39	6.58

	29-May	28-May	22-May	29-Apr
Sensex	74,503	75,170	74,221	74,671
Nifty	22,705	22,888	22,598	22,643
USD/INR	83.35	83.18	83.28	83.47
Gold (USD)	2,342	2,361	2,378	2,334
Oil (USD)	84.82	84.22	81.90	88.40

NDF	29-May	28-May	22-May	29-Apr
3 Month	83.64	83.42	83.48	83.69
1 Year	84.76	84.55	84.63	84.82
2 Year	86.63	86.56	86.63	86.82
3 Year	89.07	88.89	89.07	89.17

Market Observations

G-sec

- Demand was seen in Aug t-bill @6.87 levels before t-bill cut off by mutual funds. T-bill cut off was in line with market expectations.
- Selling was seen in 30 and 40-year G-sec by Mutual funds @7.16 centric levels. Major buyers were foreign banks and PDs.

Corporate Bonds

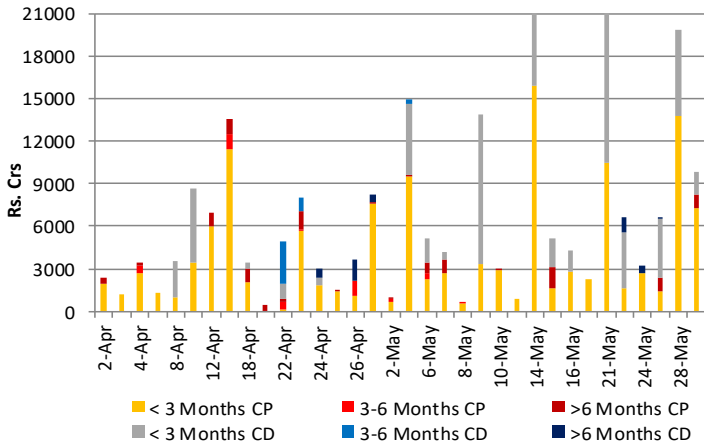
- Major activity was seen throughout all segments.
- Mutual funds were active on the buying as well as selling side in the 2025-2028 segment.
- Life insurance companies were active in the longer segment.

CP/CD

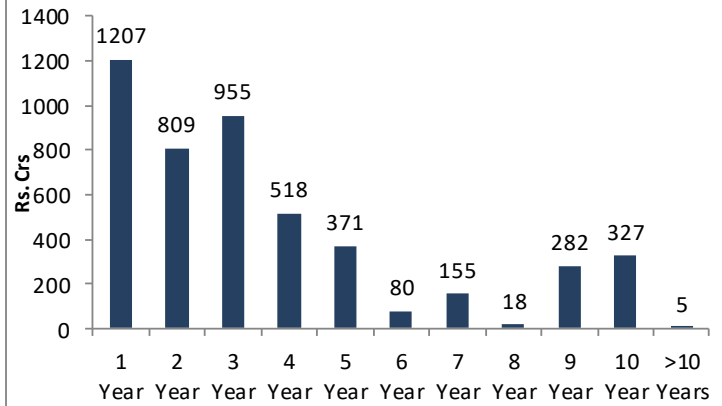
- Major activity was seen in the 1-month segment for CD and 3-month segment for CP.



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	29-May	28-May	22-May	29-Apr
India	7.01	7.00	7.00	7.20
US	4.58	4.54	4.43	4.61
South Korea	3.54	3.49	3.47	3.71
Russia	14.75	14.69	14.22	14.41
Brazil	11.70	11.70	11.81	11.64
Germany	2.65	2.59	2.53	2.53
China	2.30	2.30	2.31	2.21

Top Traded Securities	Volume	17-May	16-May	10-May	16-Apr
7.26 2033	130	#N/A	#N/A	#N/A	#N/A
7.06 2028	450	#N/A	#N/A	#N/A	#N/A
7.62 2039	-	7.12	7.10	7.14	7.21
7.30 2053	560	#N/A	7.11	7.18	#N/A
6.64 2035	175	7.14	7.12	7.15	7.21
7.40 2035	45	7.18	7.11	7.18	7.21

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
27-May-24	5726	4705	1021

	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	6868	9923	-3054

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
0	0	0

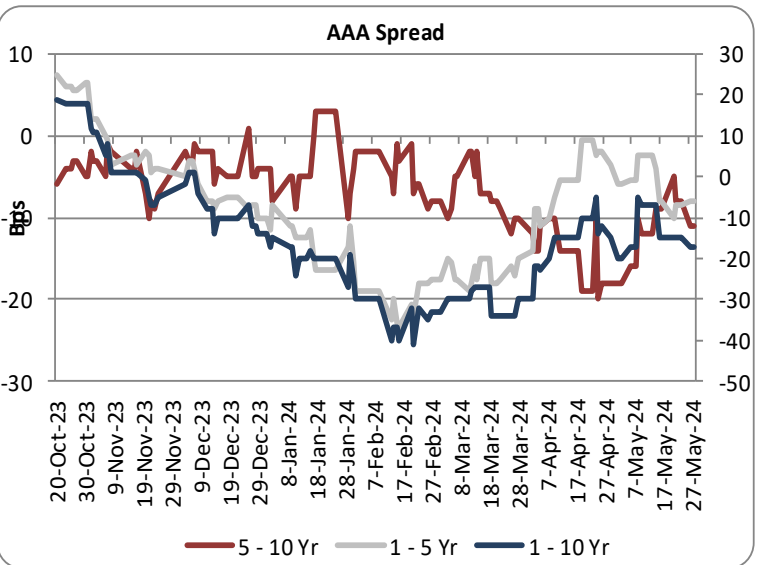
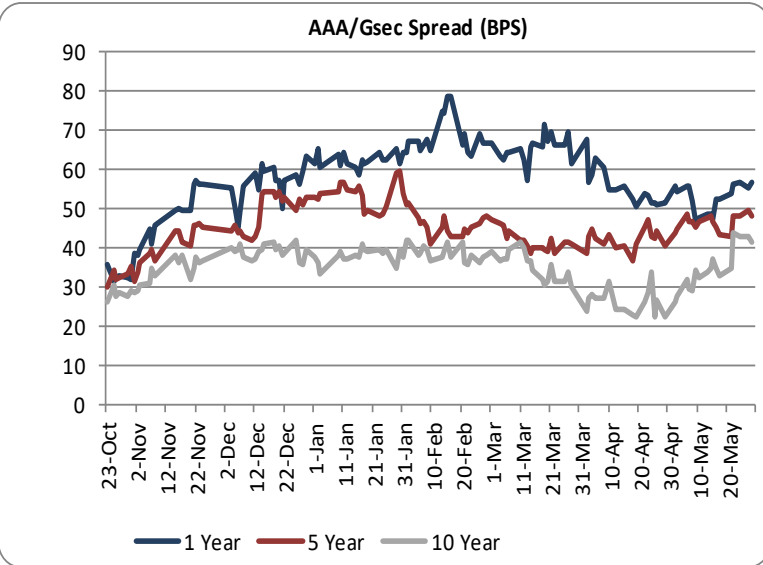
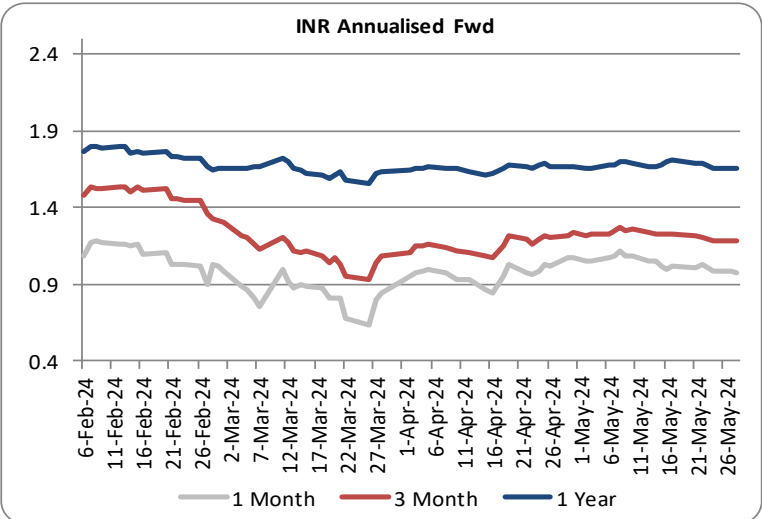
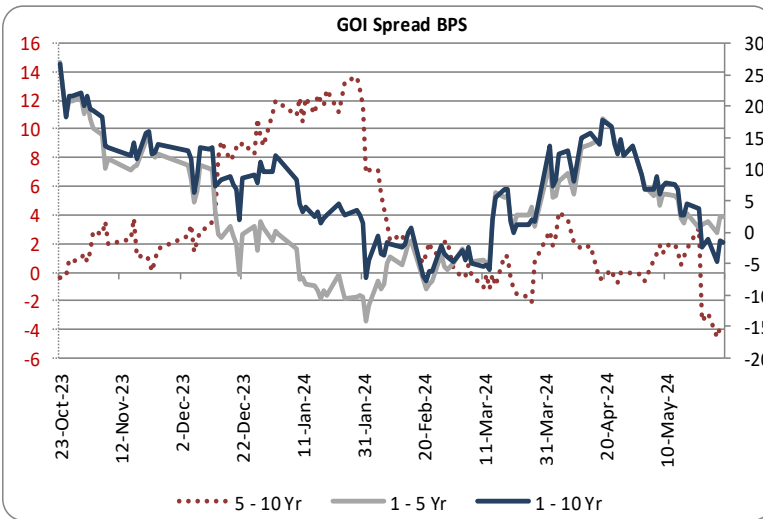
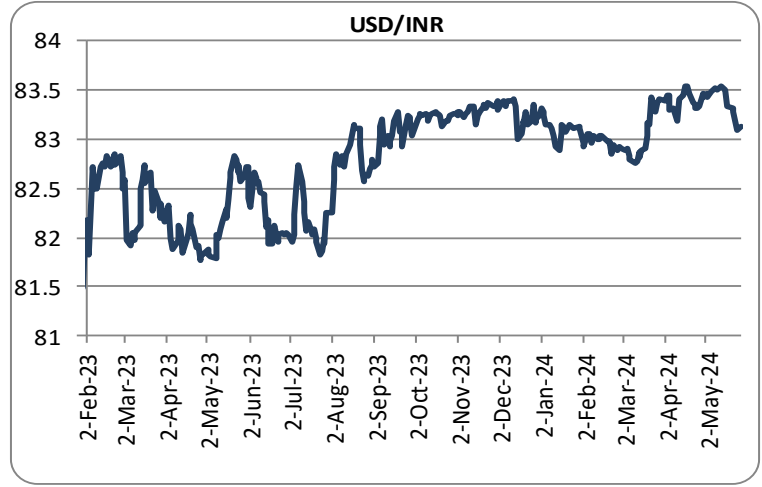
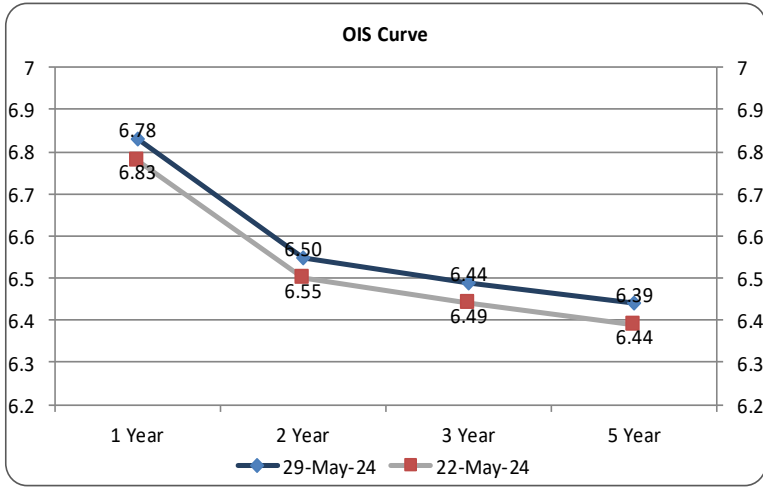
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
29-May-24	1399	1120	279

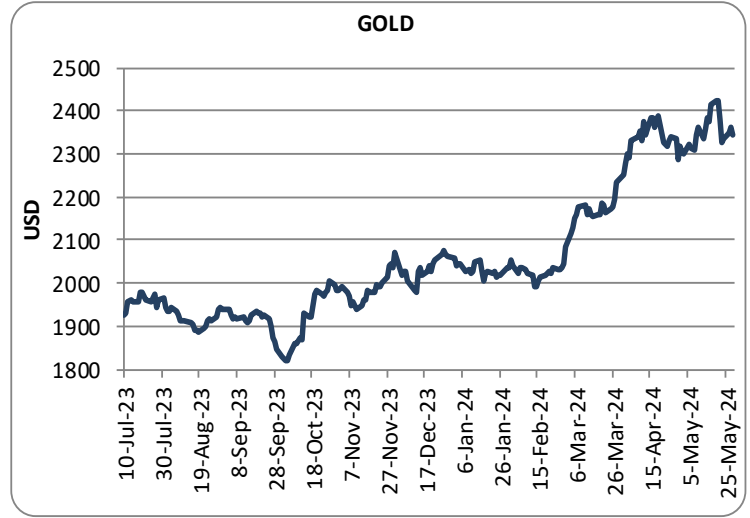
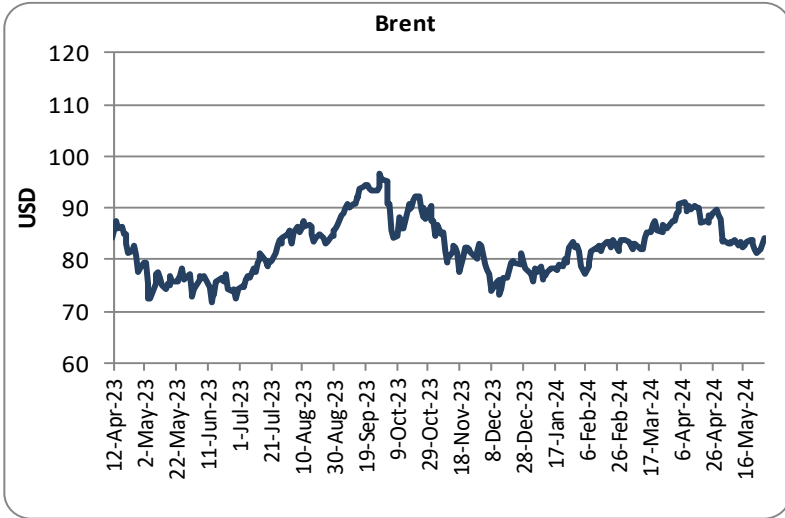
	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	14771	12637	2135

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
16171	13757	2414

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
CPI	Australia	29-May-24	0	3.8
CPI	Germany	29-May-24	2.40	2.20
Unemployment rate	Euro Zone	30-May-24	6.50	6.50
Unemployment rate	Japan	31-May-24	2.60	2.60
GDP Quaterly	India	31-May-24	6.70	8.40
GDP Yearly	Brazil	04-Jun-24	-	2.10
Industrial Output	Brazil	05-Jun-24	-	(2.80)
Refinancing Rate	Euro Zone	06-Jun-24	-	4.50





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

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