



INDIA

Indian government bond yields ended marginally higher at the start of the new quarter on Monday, following a jump in Treasury yields amid uncertainty around U.S. elections.

The benchmark 10-year yield ended at 7.0105%, following its previous close of 7.0095%. The yield rose 4 basis points last week but posted its third consecutive quarterly decline.

Meanwhile, foreign inflows sharply undershot expectations on Friday, the first day of the much-awaited inclusion of Indian debt into a widely-tracked JPMorgan debt index.

Still, the overall purchase of bonds under the Fully Accessible Route (FAR), which are now a part of the index, has touched \$11 billion since last September, when JPMorgan first announced the inclusion.

U.S. yields rose on Friday and gained further during Asia hours on Monday as the confidence boost from a slowdown in domestic inflation was outweighed by uncertainty around the elections in the U.S. and France.

The U.S. 10-year yield broke its key technical resistance level of 4.35% and was last at 4.40% in Asian hours. This is despite a flat reading in the personal consumption expenditures price index for May, following a 0.3% gain in April.

Investors are now anticipating 50 bps of rate cuts from the Federal Reserve in 2024, with a 63% chance of a cut in September.

The Indian rupee weakened 0.06% to 83.43 per U.S. dollar as broad-based interbank dollar demand pressured the currency even as the greenback weakened.

Repo: The weighted average call rates in the interbank segment increased to 6.54% vs 6.04% as on the previous day while that the TREP segment decreased to 6.45% vs 6.48% as on the previous day.

Market Observations

G-sec

- Demand was seen in 2026 SDLs @7.20 centric levels by banks and PDs.
- Demand was seen in Sep T-bill by nationalized banks @6.78 levels and Nov T-bills @6.90 levels.

Corporate Bonds

- Major activity was seen in the MMY segment and the 2025-2029 segment.
- Banks and life insurance companies were on the buying side and mutual funds were active on the selling side in the MMY segment.
- Banks and Mutual funds were active in the 2025-2029 segment.

CP/CD

- Demand was seen in the 1 to 3-month segment.

| GOI Yield | 1-Jul | 28-Jun | 24-Jun | 3-Jun |
|-----------|-------|--------|--------|-------|
| 1 Year | 6.950 | 6.940 | 6.930 | 7.000 |
| 5 Year | 7.003 | 7.001 | 6.983 | 7.029 |
| 10 Year | 7.011 | 7.010 | 6.974 | 6.944 |

| AAA Bmk | 1-Jul | 28-Jun | 24-Jun | 3-Jun |
|---------|-------|--------|--------|-------|
| 1 Year | 7.72 | 7.72 | 7.72 | 7.70 |
| 5 Year | 7.65 | 7.65 | 7.65 | 7.64 |
| 10 Year | 7.55 | 7.53 | 7.53 | 7.48 |

| CD | 1-Jul | 28-Jun | 24-Jun | 3-Jun |
|---------|-------|--------|--------|-------|
| 3 Month | 7.18 | 7.20 | 7.13 | 7.15 |
| 6 Month | 7.50 | 7.52 | 7.52 | 7.45 |
| 1 Year | 7.70 | 7.70 | 7.70 | 7.70 |

| CP | 1-Jul | 28-Jun | 24-Jun | 3-Jun |
|---------|-------|--------|--------|-------|
| 3 Month | 7.30 | 7.30 | 7.23 | 7.25 |
| 6 Month | 7.60 | 7.60 | 7.62 | 7.55 |
| 1 Year | 7.80 | 7.80 | 7.80 | 7.80 |

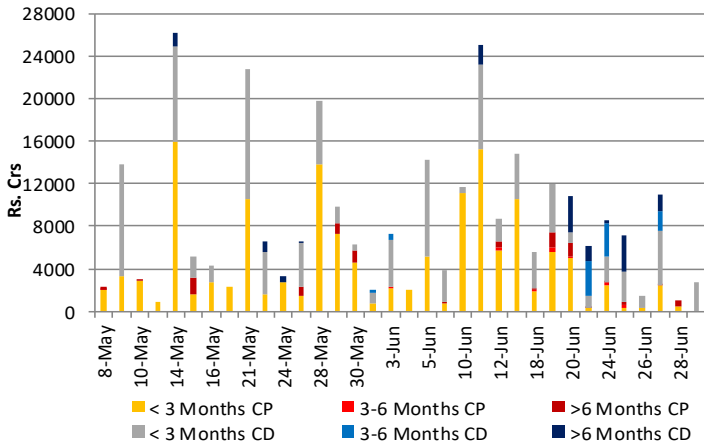
| OIS Rate | 1-Jul | 28-Jun | 24-Jun | 3-Jun |
|----------|-------|--------|--------|-------|
| 1 Year | 6.81 | 6.81 | 6.78 | 6.82 |
| 2 Year | 6.57 | 6.55 | 6.50 | 6.54 |
| 3 Year | 6.50 | 6.47 | 6.45 | 6.46 |
| 5 Year | 6.45 | 6.42 | 6.35 | 6.39 |

| | 1-Jul | 28-Jun | 24-Jun | 3-Jun |
|------------|--------|--------|--------|--------|
| Sensex | 79,476 | 79,033 | 77,341 | 76,469 |
| Nifty | 24,142 | 24,011 | 23,538 | 23,264 |
| USD/INR | 83.44 | 83.38 | 83.46 | 83.14 |
| Gold (USD) | 2,337 | 2,326 | 2,333 | 2,350 |
| Oil (USD) | 85.57 | 86.41 | 86.01 | 78.36 |

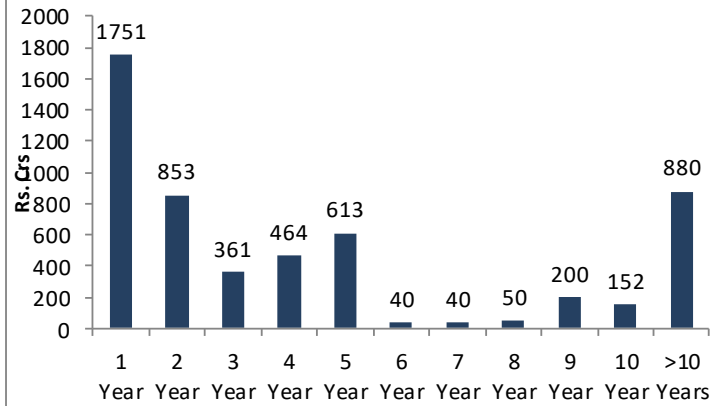
| NDF | 1-Jul | 28-Jun | 24-Jun | 3-Jun |
|---------|-------|--------|--------|-------|
| 3 Month | 83.68 | 83.58 | 83.54 | 83.31 |
| 1 Year | 84.79 | 84.68 | 84.76 | 84.38 |
| 2 Year | 87.00 | 86.79 | 86.91 | 86.28 |
| 3 Year | 89.70 | 89.39 | 89.35 | 88.72 |



CP/CD Primary Volume



Bonds Volume



| 10 Year Benchmarks | 1-Jul | 28-Jun | 24-Jun | 3-Jun |
|--------------------|-------|--------|--------|-------|
| India | 7.02 | 7.01 | 6.97 | 6.95 |
| US | 4.41 | 4.34 | 4.25 | 4.40 |
| South Korea | 3.31 | 3.28 | 3.27 | 3.54 |
| Russia | 15.11 | 15.11 | 15.11 | 15.08 |
| Brazil | 12.33 | 12.33 | 11.96 | 11.87 |
| Germany | 2.57 | 2.49 | 2.42 | 2.59 |
| China | 2.24 | 2.21 | 2.26 | 2.31 |

| Top Traded Securities | Volume | 26-Jun | 25-Jun | 19-Jun | 27-May |
|-----------------------|--------|--------|--------|--------|--------|
| 7.26 2033 | 125 | 7.06 | 7.04 | 7.04 | 7.06 |
| 7.06 2028 | 175 | 7.01 | 6.99 | 6.98 | 7.03 |
| 7.62 2039 | - | 7.05 | 7.04 | 7.06 | 7.06 |
| 7.30 2053 | 470 | 7.05 | 7.04 | 7.05 | 7.12 |
| 6.64 2035 | 45 | 7.06 | 7.05 | 7.04 | 7.06 |
| 7.40 2035 | 5 | 7.08 | 7.04 | 7.01 | 7.05 |

| DEBT | | | |
|-----------|----------------|-------------|----------------|
| MF | Gross Purchase | Gross Sales | Net Investment |
| 27-Jun-24 | 35749 | 41767 | -6018 |

| EQUITY | | |
|----------------|-------------|----------------|
| Gross Purchase | Gross Sales | Net Investment |
| 5611 | 4660 | 950 |

| TOTAL (Rs.Crs) | | |
|----------------|-------------|----------------|
| Gross Purchase | Gross Sales | Net Investment |
| 41360 | 46428 | -5068 |

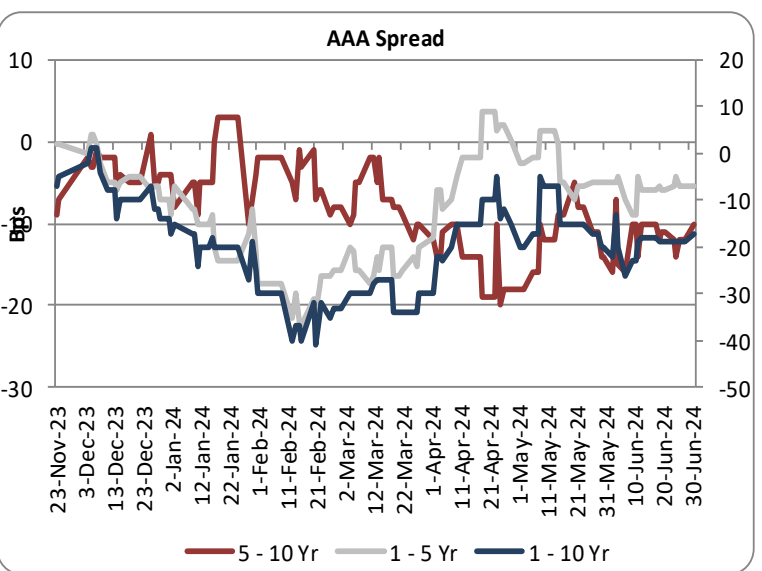
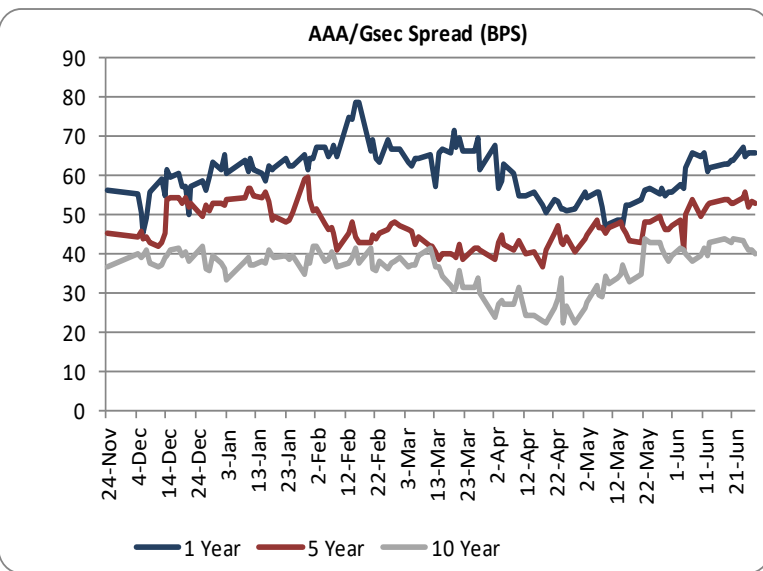
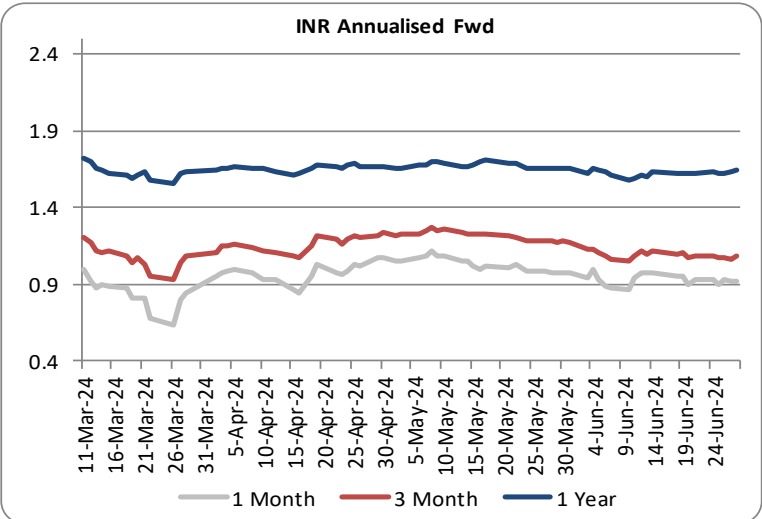
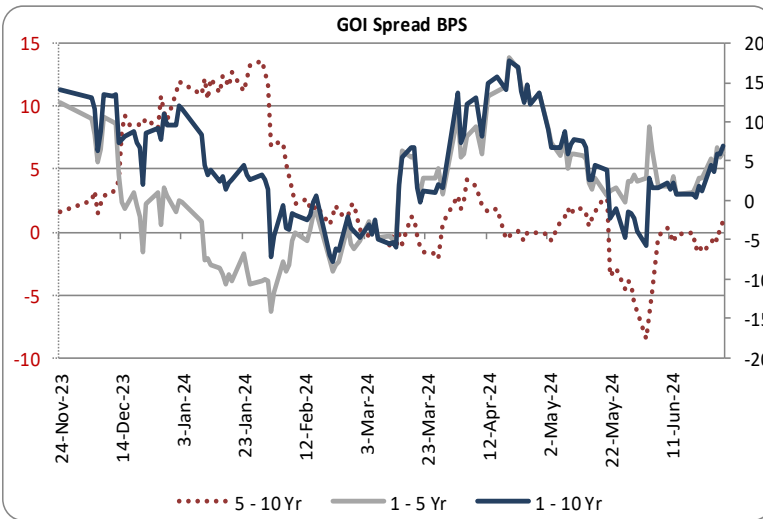
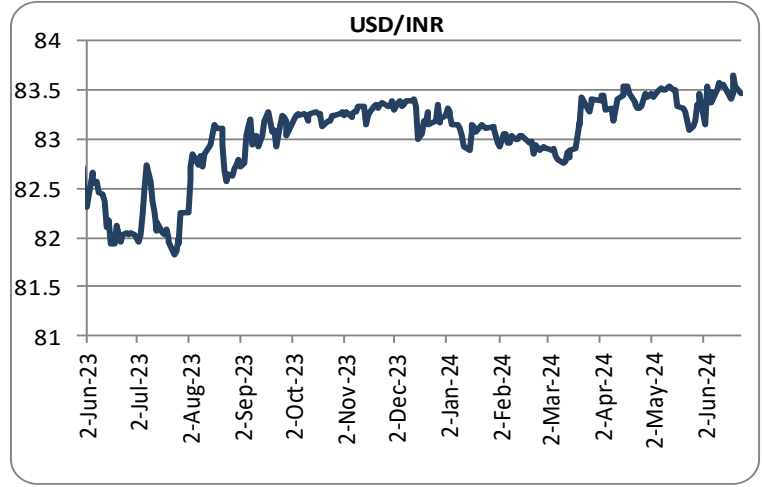
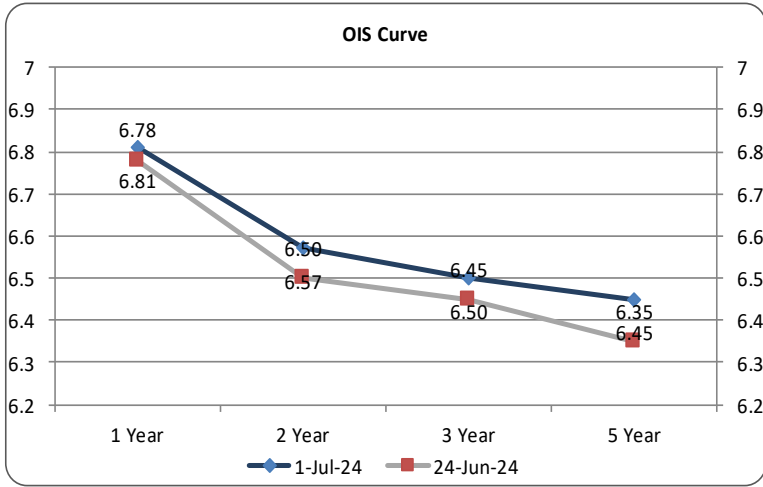
| DEBT | | | |
|----------|----------------|-------------|----------------|
| FII | Gross Purchase | Gross Sales | Net Investment |
| 1-Jul-24 | 5267 | 3060 | 2207 |

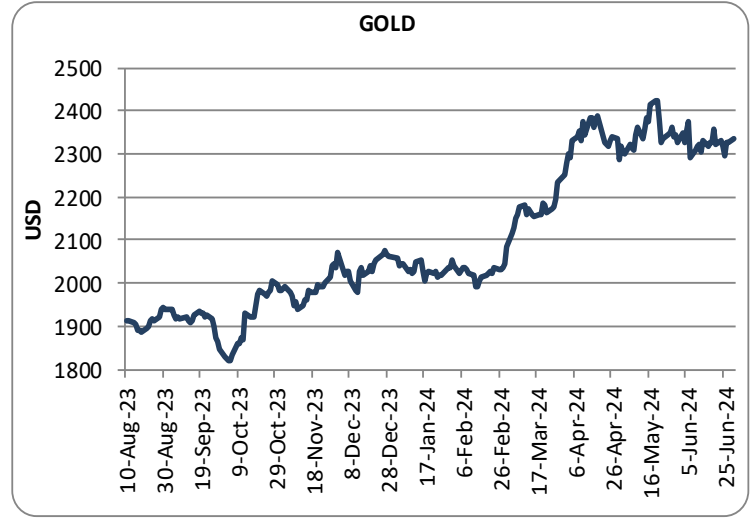
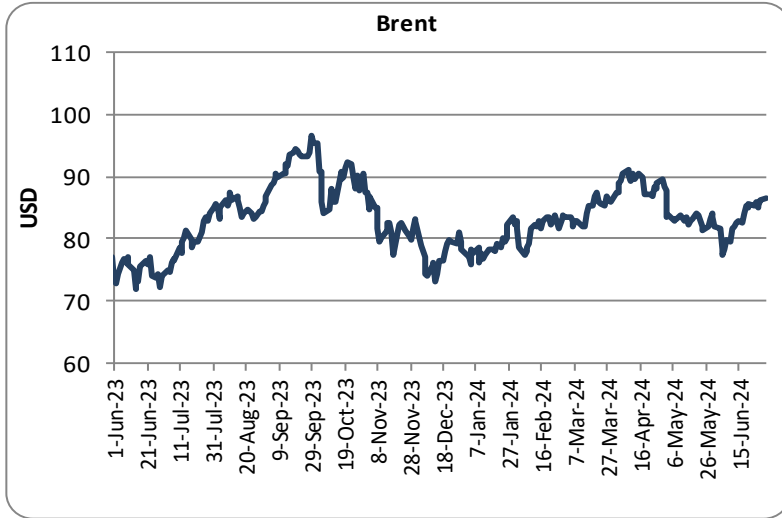
| EQUITY | | |
|----------------|-------------|----------------|
| Gross Purchase | Gross Sales | Net Investment |
| 22819 | 21266 | 1553 |

| TOTAL (Rs. Crs) | | |
|-----------------|-------------|----------------|
| Gross Purchase | Gross Sales | Net Investment |
| 28087 | 24326 | 3761 |

| INDICATORS | PERIOD | ACTUAL | PRIOR |
|-----------------------|--------|--------|-------|
| GDP Quaterly (%) | Mar-24 | 7.8 | 8.4 |
| CAD (\$ Bn) | Mar-24 | 5.7 | -8.7 |
| Trade Deficit (\$ Bn) | Mar-24 | -50.9 | -71.6 |
| WPI (%) | May-24 | 2.6 | 1.3 |
| CPI (%) | May-24 | 4.8 | 4.8 |
| IIP (%) | Apr-24 | 5.0 | 5.4 |
| PMI Manufacturing | Jun-24 | 58.3 | 57.5 |
| PMI Service | May-24 | 60.2 | 60.8 |

| Economic Calender | Country | Date | Poll | Prior |
|-------------------|-----------|-----------|--------|--------|
| CPI | Japan | 2-Jul-24 | 0 | 2.7 |
| CPI | Euro Zone | 02-Jul-24 | - | 2.60 |
| Unemployment Rate | Euro Zone | 02-Jul-24 | - | 6.40 |
| Industrial Output | Brazil | 03-Jul-24 | (1.50) | 8.40 |
| Unemployment Rate | USA | 05-Jul-24 | 4.00 | 4.00 |
| Industrial Output | UK | 11-Jul-24 | - | (0.40) |
| CPI | USA | 11-Jul-24 | - | 3.30 |
| Core CPI | USA | 11-Jul-24 | - | 3.40 |





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

LKP SECURITIES LTD., 203, Embassy Centre, Nariman Point, Mumbai- 400021

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For any queries contact - LKP Securities Ltd. Ph: (91-22) 66306555 Fax: (91-22) 2284 2415 E Mail: FixedIncomeResearch@lkpsec.com

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