



Indian government bond yields ended steady on Friday, due to the lack of fresh triggers, with the focus now shifting to key U.S. jobs data to gauge the Federal Reserve's interest rate trajectory.

The benchmark 10-year yield ended at 7.1470%, following its previous close of 7.1598%. The yield ended 4 basis points (bps) lower this week, similar to last week's fall.

U.S. treasury yields slipped on Thursday, with investors continuing to digest the Fed's less-than-hawkish stance on monetary policy that suggested rate cuts were very much on the table even though inflation remained stubbornly above its 2% target.

The probability of a rate cut in September has now risen to 61% from under 50% earlier in the week, while investors now expect around 40 bps of rate cuts in 2024, up from around 35 bps earlier this week.

The RBI kept the lending rate steady at 6.50% for the seventh consecutive meeting in April and the market expects rate cuts only in early 2025.

Earlier in the day, Government of India raised 280 billion rupees (\$3.36 billion) through a sale of bonds and the cut-offs were in line with market expectations.

Traders will continue to keep an eye on activity from foreign investors over the coming days after they posted their biggest monthly sale in four years in April.

The Indian rupee strengthened 0.06% to 83.43 per U.S. dollar aided by a rise in its Asian peers but dollar demand from state-run banks limited the currency's gains.

Repo: The weighted average call rates in the interbank segment increased to 6.69% vs 6.68% as on the previous day while that the TREP segment decreased to 6.67% vs 6.70% as on the previous day.

### Market Observations

#### G-sec

- Demand was seen in 2026 maturity SDLs by private banks and MFs @7.35 centric levels. Major sellers were foreign banks.
- G-sec cut off was in line with market expectation. Demand was seen in 30 and 40-year G-sec @7.26 and 7.28 yield respectively.

#### Corporate Bonds

- Major activity was seen in the MMY segment and in the 2026-2028 segment.
- Mutual funds were active counterparties on buying as well as selling side whereas insurance companies were active on the selling side.

#### CP/CD

- Activity was seen in the shorter to 3-month segment.

GOI Yield	3-May	2-May	26-Apr	3-Apr
1 Year	7.080	7.070	7.065	7.030
5 Year	7.154	7.162	7.187	7.084
10 Year	7.147	7.160	7.187	7.103

AAA Bmk	3-May	2-May	26-Apr	3-Apr
1 Year	7.75	7.75	7.70	7.72
5 Year	7.73	7.73	7.76	7.64
10 Year	7.55	7.55	7.58	7.50

CD	3-May	2-May	26-Apr	3-Apr
3 Month	7.20	7.25	7.20	7.35
6 Month	7.45	7.45	7.40	7.50
1 Year	7.65	7.65	7.60	7.60

CP	3-May	2-May	26-Apr	3-Apr
3 Month	7.30	7.35	7.30	7.45
6 Month	7.55	7.55	7.50	7.60
1 Year	7.75	7.75	7.70	7.70

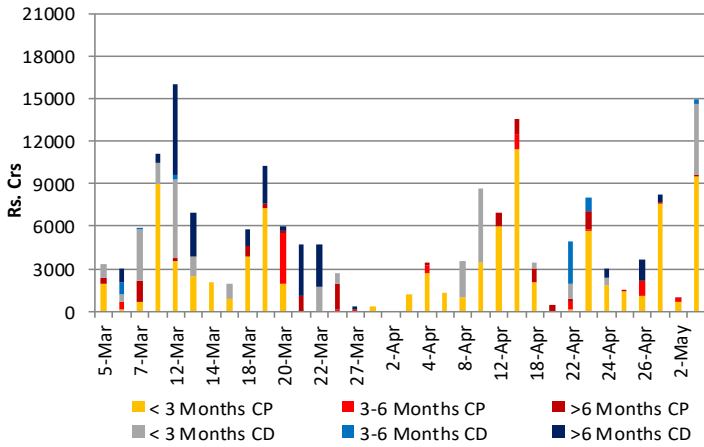
OIS Rate	3-May	2-May	26-Apr	3-Apr
1 Year	6.85	6.86	6.89	6.79
2 Year	6.54	6.61	6.65	6.50
3 Year	6.53	6.58	6.62	6.46
5 Year	6.51	6.55	6.61	6.42

	3-May	2-May	26-Apr	3-Apr
Sensex	73,878	74,611	73,730	73,877
Nifty	22,476	22,648	22,420	22,435
USD/INR	83.42	83.47	83.34	83.44
Gold (USD)	2,297	2,303	2,338	2,299
Oil (USD)	84.06	83.67	89.50	89.35

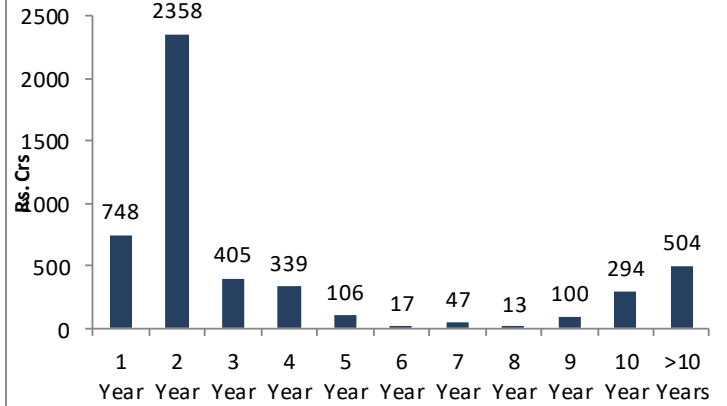
NDF	3-May	2-May	26-Apr	3-Apr
3 Month	83.69	83.65	83.66	83.63
1 Year	84.87	84.77	84.77	84.84
2 Year	86.84	86.77	86.72	86.91
3 Year	89.19	89.12	89.07	89.39



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	3-May	2-May	26-Apr	3-Apr
India	7.15	7.16	7.20	7.10
US	4.56	4.57	4.67	4.36
South Korea	3.61	3.64	3.71	3.45
Russia	14.55	14.53	14.46	14.05
Brazil	11.58	11.58	11.63	11.20
Germany	2.53	2.55	2.57	2.40
China	2.31	2.31	2.21	2.29

Top Traded Securities	Volume	23-Apr	22-Apr	16-Apr	22-Mar
7.26 2033	25	7.19	7.22	7.20	7.11
7.06 2028	110	7.18	7.19	7.18	7.11
7.62 2039	-	7.21	7.22	7.24	7.12
7.30 2053	480	7.26	7.28	7.28	7.16
6.64 2035	410	7.23	7.20	7.21	7.14
7.40 2035	-	7.22	7.16	7.21	7.14

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
2-May-24	11955	10127	1828

EQUITY	Gross Purchase	Gross Sales	Net Investment
	4367	6222	-1855

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
16323	16349	-26

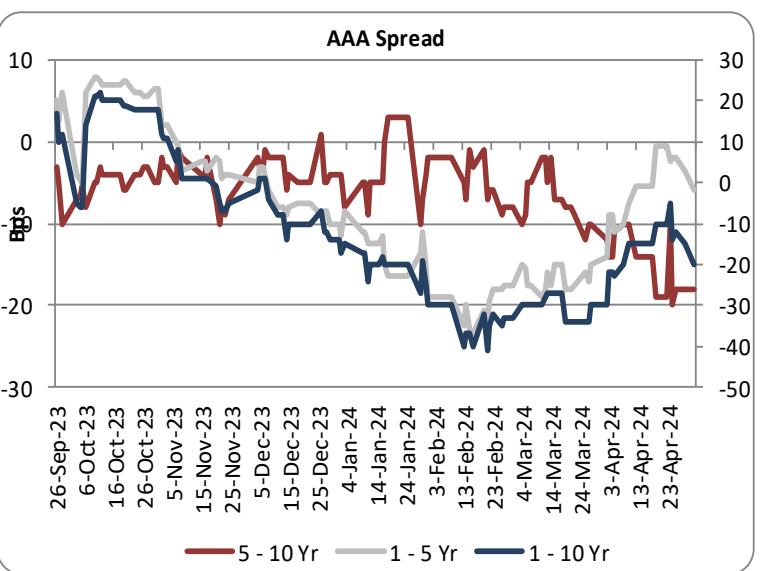
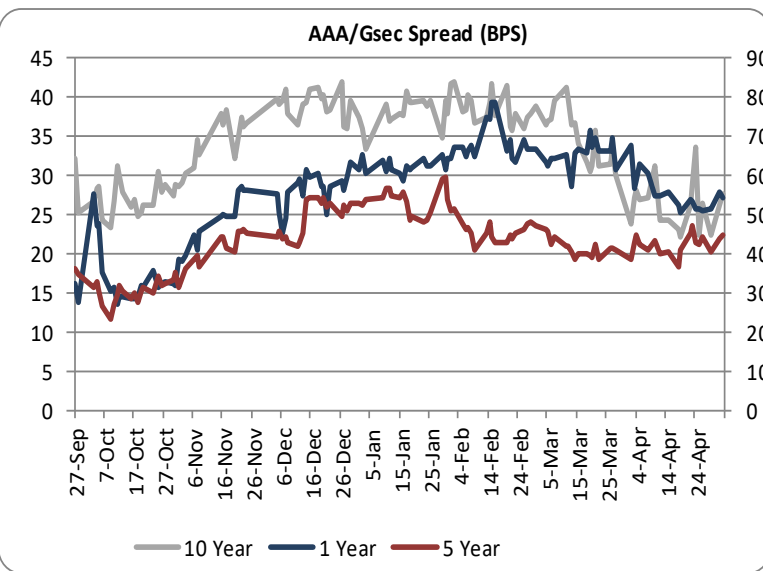
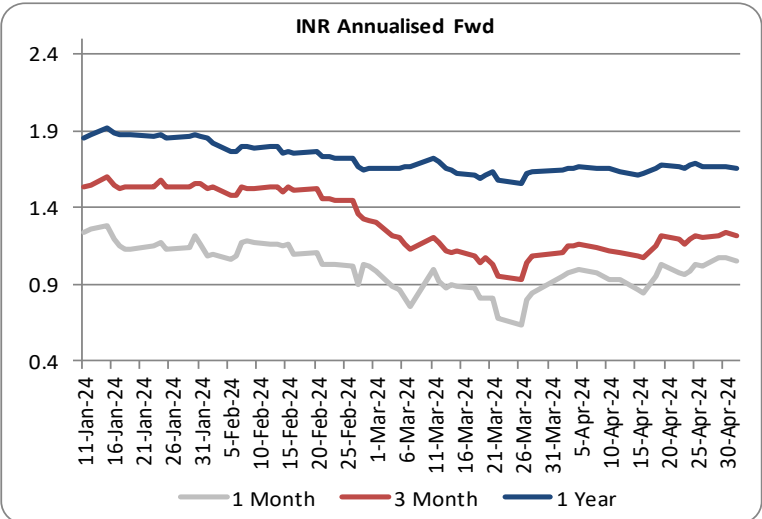
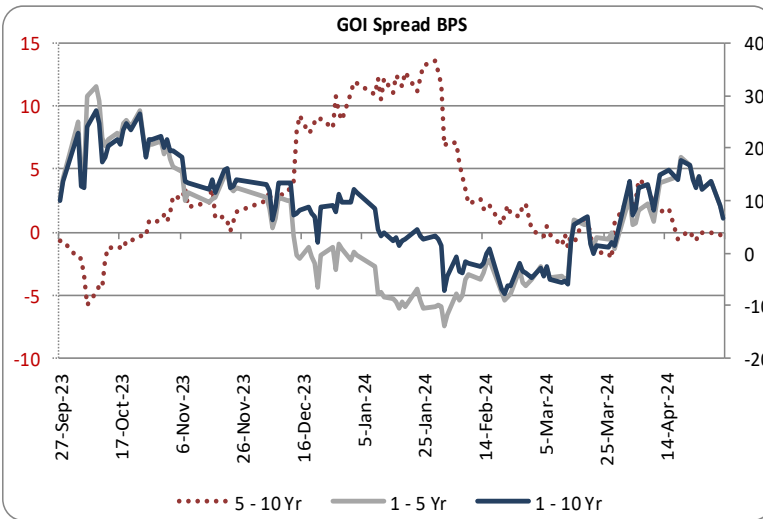
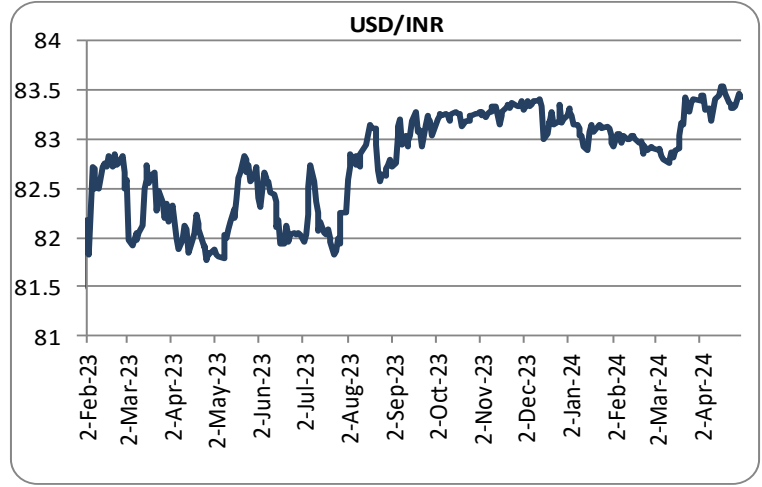
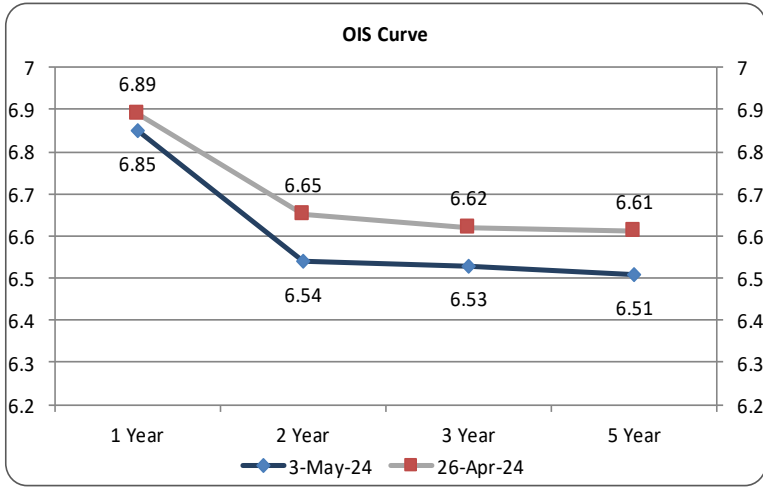
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
3-May-24	681	2139	-1459

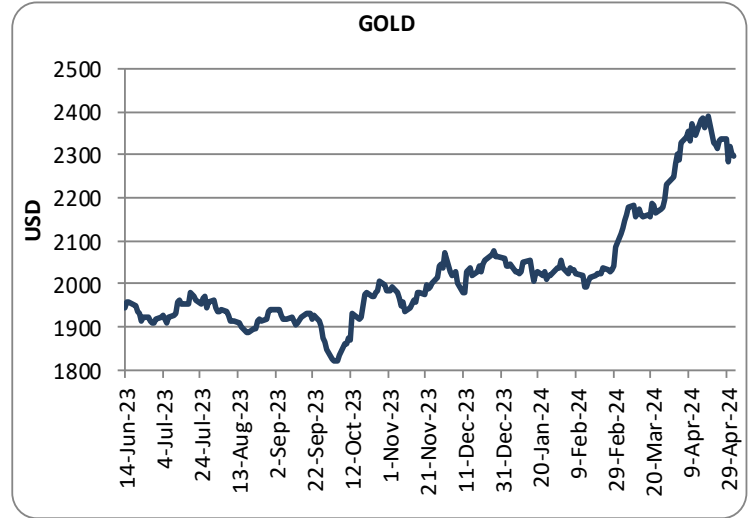
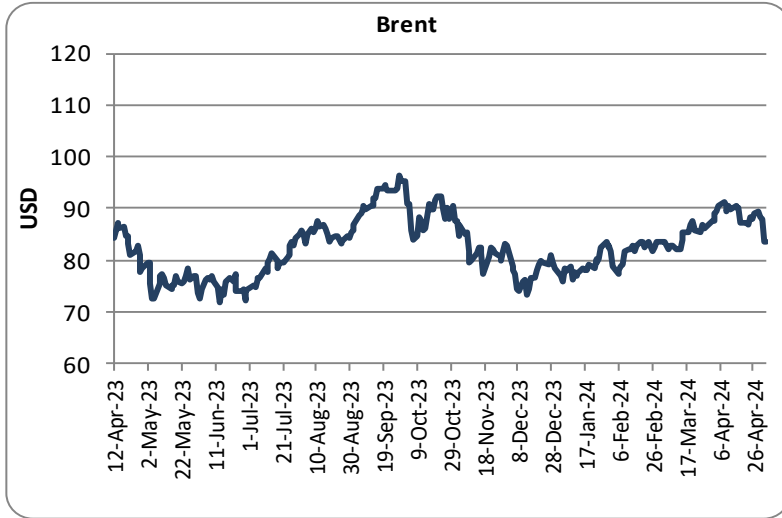
EQUITY	Gross Purchase	Gross Sales	Net Investment
	17121	17816	-695

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
17802	19956	-2154

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	Apr-24	58.8	59.1
PMI Service	Mar-24	61.2	60.6

Economic Calender	Country	Date	Poll	Prior
Unemployment Rate	Euro Zone	3-May-24	6.5	6.5
Unemployment Rate	USA	03-May-24	3.80	3.80
RBA Cash Rate	Australia	07-May-24	4.35	4.35
Industrial Production	Germany	08-May-24	-	(4.76)
BOE Bank Rate	UK	09-May-24	5.25	5.25
GDP YY Q1	UK	10-May-24	-	(0.20)
Industrial Output	India	10-May-24	-	5.70
CPI	China	11-May-24	-	0.10





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

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