



- ❖ The benchmark 6.54% bond maturing in 2032 ended at 97.47 rupees, yielding 6.90%, the highest level since Jun. 26, 2019, against 97.85 rupees, yielding 6.84%, on Mar. 31.
- ❖ India will borrow a gross 8.45 trillion rupees from the local debt market in the first six months of this financial year. The debt sales in April-September will account for 59% of the Govt's full fiscal-year gross borrowing of 14.31 trillion rupees, which will help it finance the budget deficit of 6.4% of gross domestic product.
- ❖ The government will sell bonds in 26 auctions during April-September, with weekly auction sizes ranging from 320 billion rupees to 330 billion rupees. The government will borrow 2.99 trillion rupees, or over 35%, through 10-year and 14-year papers, which led to additional selling pressure.
- ❖ Market participants will now shift focus on the monetary policy decision due on Friday with the spotlight being on the RBI's intention of absorbing supply though debt purchases.
- ❖ The benchmark Brent oil contract was 0.3% down at \$103.55 per barrel.
- ❖ Meanwhile, India's forex reserves have declined in the six months to March due to the revaluation of foreign-currency assets and market intervention by the RBI to smoothen exchange rate volatility.
- ❖ The Indian rupee surged to a five-week high versus the dollar, as a surge in local shares following the announcement of the merger proposal of two domestic financial giants bolstered bets of a reversal in fund outflows from the nation's risk assets. The rupee gained for the sixth straight day, its longest rising streak since late December, to close at 75.54 a dollar the highest since Feb. 28 and compared with 75.79 Mar. 31.
- ❖ Repo: The weighted average call rates in the interbank segment increased to 3.56% vs 3.30% as on previous day while that in the TREP segment increased to 3.64% vs 3.38% as on previous day.

## Market Observations

### G-sec

- Bond yields rose in the first trading session of the new fiscal year, with the benchmark yield rising over 5 BPS for the second session, as the debt supply schedule for the first half of the year disappointed investors.
- Yield on 6 year dated SDL moved up by 8-10 BPS as there was bulk selling by Private Bank.

### Corporate Bonds

- Yields are expected to remain in a narrow range until the MPC decision due on Friday. We expect rates to be left unchanged with an upward revision in its inflation numbers.
- Activity was seen in the 2022-2025 segment.

### CP/CD

- Manufacturing CP levels were 10 BPS higher across.
- Demand was seen across all maturities in CP and CD.
- Liquidity is expected to widen this week as Banks will have surplus cash in the beginning of the FY.

GOI Yield	4-Apr	31-Mar	28-Mar	4-Mar
1 Year	4.540	4.560	4.570	4.600
5 Year	6.162	6.101	6.112	6.113
10 Year	6.898	6.843	6.836	6.840

AAA Brnk	4-Apr	31-Mar	28-Mar	4-Mar
1 Year	5.00	5.00	5.00	5.05
5 Year	6.40	6.35	6.40	6.40
10 Year	7.08	7.05	7.10	7.07

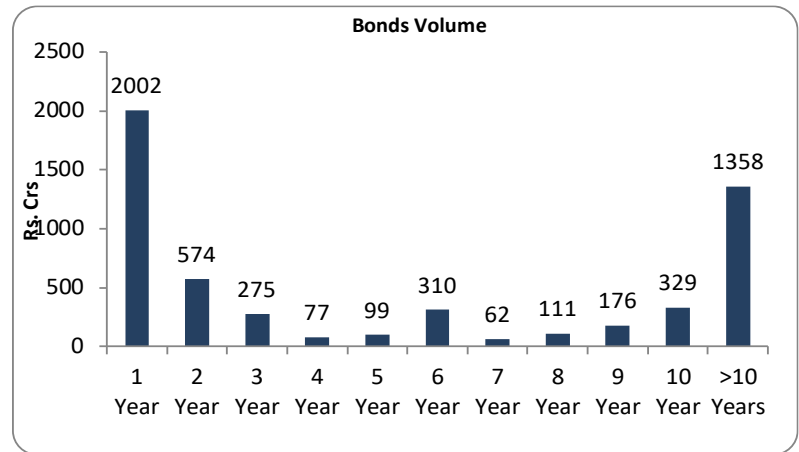
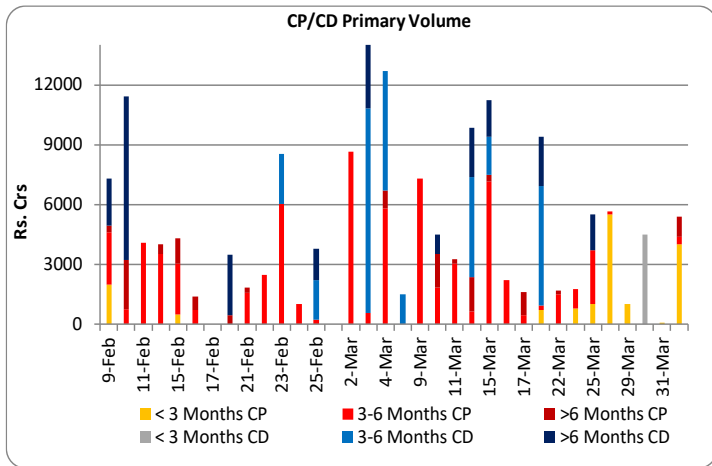
CD	4-Apr	31-Mar	28-Mar	4-Mar
3 Month	3.70	4.00	3.90	3.95
6 Month	4.35	4.70	4.65	4.46
1 Year	4.75	5.00	4.95	4.86

CP	4-Apr	31-Mar	28-Mar	4-Mar
3 Month	4.30	4.50	4.45	4.10
6 Month	4.65	5.05	5.00	4.66
1 Year	5.10	5.40	5.35	5.16

OIS Rate	4-Apr	31-Mar	28-Mar	4-Mar
1 Year	4.51	4.48	4.55	4.40
2 Year	5.12	5.07	5.17	4.94
3 Year	5.54	5.49	5.59	5.37
5 Year	6.03	5.97	6.08	5.79

	4-Apr	31-Mar	28-Mar	4-Mar
Sensex	60,612	58,569	57,593	54,334
Nifty	18,053	17,465	17,222	16,245
USD/INR	75.54	75.79	76.16	76.16
Gold (USD)	1,930	1,937	1,923	1,968
Oil (USD)	104.64	107.91	112.48	118.11

NDF	4-Apr	31-Mar	28-Mar	4-Mar
3 Month	76.26	76.37	76.82	77.35
1 Year	78.52	78.63	79.00	79.60
2 Year	82.52	82.04	82.01	83.07
3 Year	84.52	85.17	85.08	86.80



10 Year Benchmarks	4-Apr	31-Mar	28-Mar	4-Mar
India	6.90	6.84	6.84	6.81
US	2.39	2.35	2.47	1.74
South Korea	3.07	2.97	3.03	2.66
Russia	11.65	11.10	13.61	12.46
Brazil	11.02	11.64	11.69	11.42
Germany	0.49	0.55	0.58	-0.10
China	2.82	2.82	2.81	2.83

Top Traded Securities	Volume	4-Apr	31-Mar	28-Mar	4-Mar
5.15 GOI 2025	975	5.87	5.84	5.89	5.85
5.63 GOI 2026	85	6.06	6.02	6.07	6.03
5.74 GOI 2026	2190	6.16	6.10	6.11	6.11
6.54 GOI 2032	10	6.90	6.84	6.84	6.81
6.64 GOI 2035	5	7.21	7.16	7.15	7.15
6.67 GOI 2035	0	7.19	7.14	7.15	7.12

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
31-Mar-22	649	3601	-2952

EQUITY		
Gross Purchase	Gross Sales	Net Investment
895	286	609

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
1544	3887	-2343

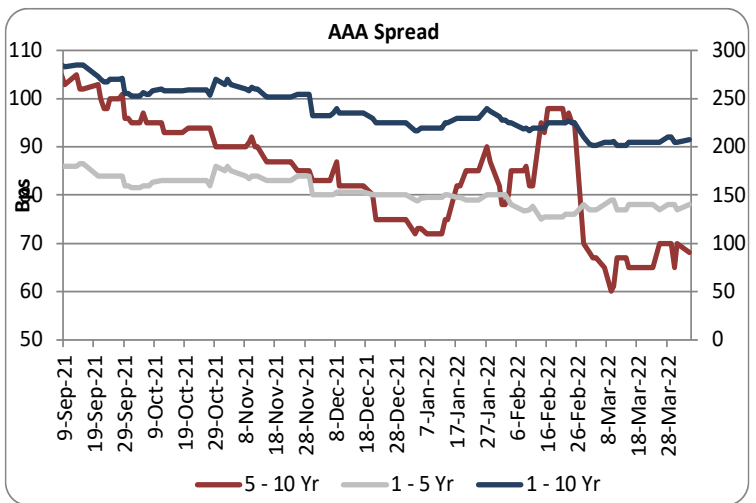
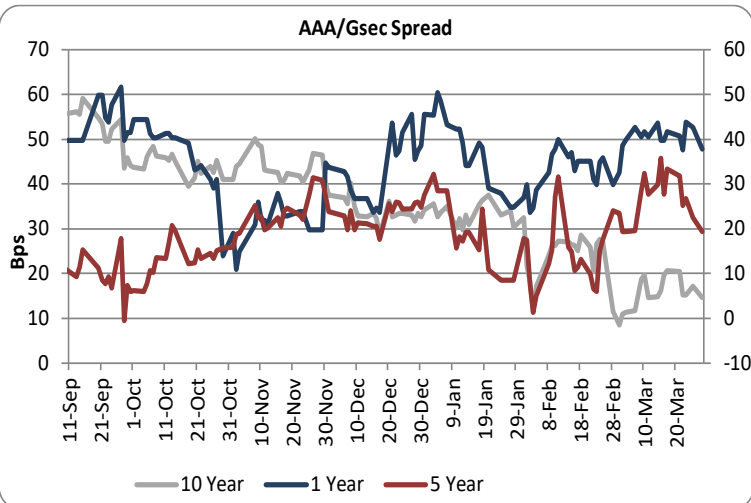
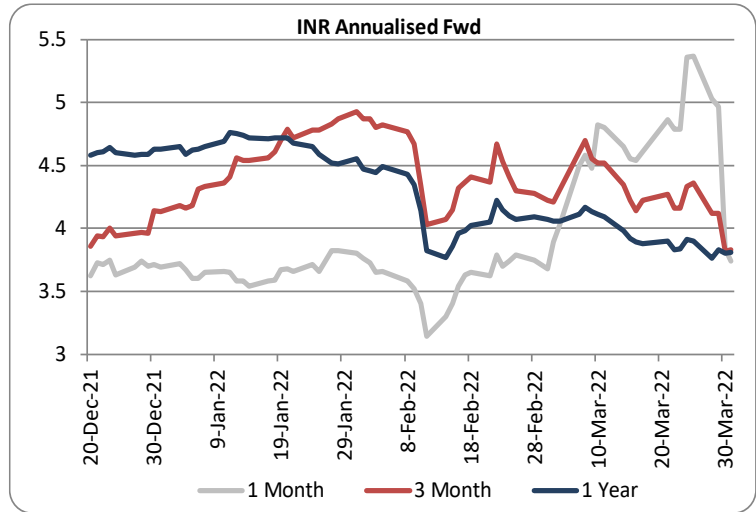
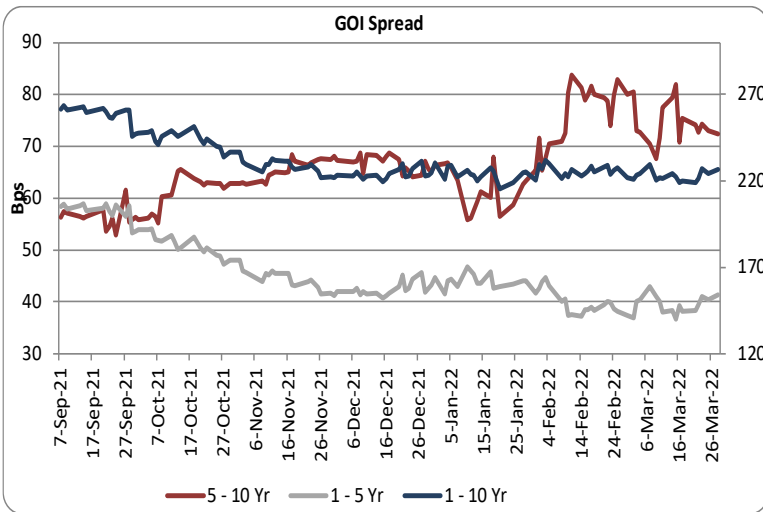
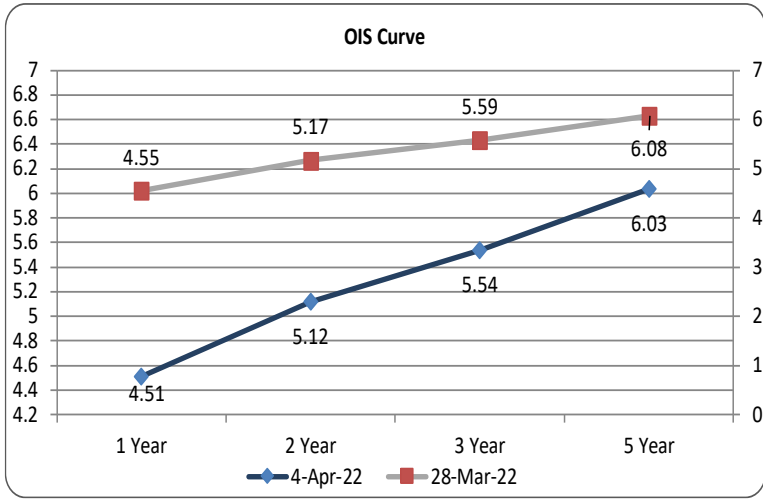
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
4-Apr-22	154	335	-181

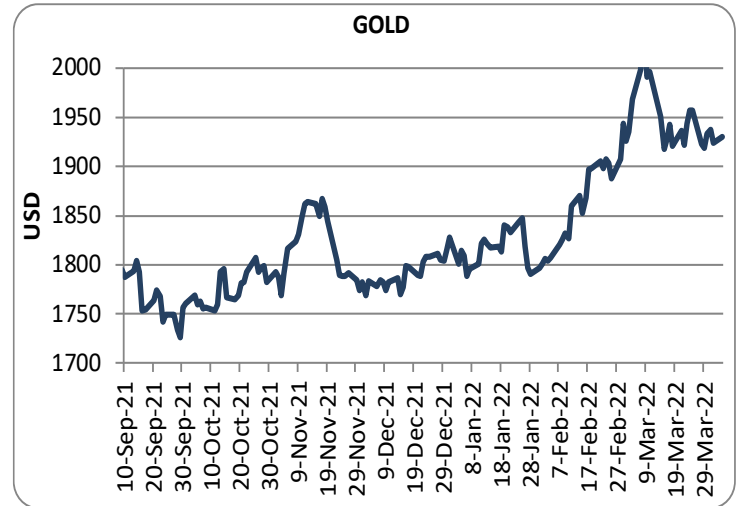
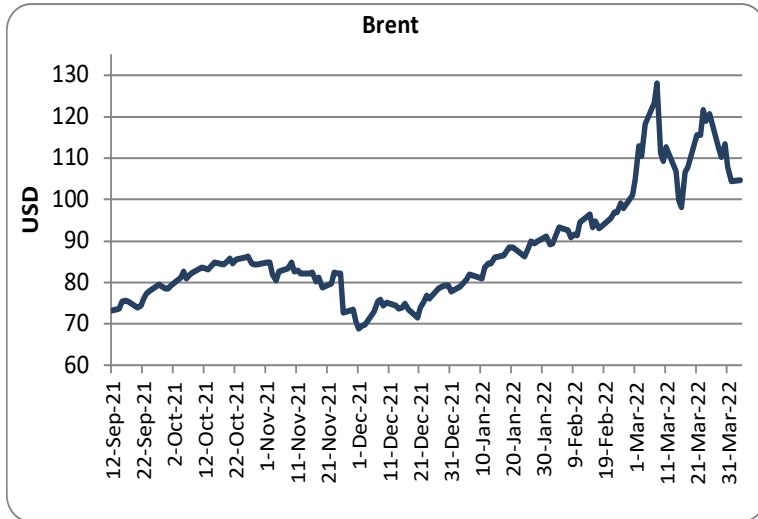
EQUITY		
Gross Purchase	Gross Sales	Net Investment
25364	16686	8677

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
25518	17022	8496

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-21	5.4	8.4
CAD (\$ Bn)	Dec-21	-23.0	-9.9
Trade Deficit (\$ Bn)	Dec-21	-60.4	-44.4
WPI (%)	Feb-22	13.1	13.0
CPI (%)	Feb-22	6.1	6.0
IIP (%)	Jan-22	1.3	0.4
PMI Manufacturing	Mar-22	54	54.9
PMI Service	Feb-22	51.8	51.5

Economic Calender	Country	Date	Poll	Prior
CRR	India	08-Apr-22	-	4.00
Reverse Repo Rate	India	08-Apr-22	-	3.35
Repo Rate	India	08-Apr-22	-	4.00
Retail Sales	Euro Zone	06-Apr-22	-	0.20
Unemployment Rate	UK	12-Apr-22	-	3.90
CPI	USA	12-Apr-22	8.30	7.90
Core CPI	USA	12-Apr-22	6.60	6.40
Exports	China	13-Apr-22	-	16.30





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

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