



INDIA

Indian government bond yields ended steady on Friday as market participants awaited crucial inflation readings in the United States later in the day, followed by India's retail inflation data on Friday.

The benchmark 10-year yield ended at 6.9832%, following its previous close at 6.9754%.

U.S. inflation likely rose 0.1% month-on-month, while consumer prices for 12 months to June are expected to have risen 3.1% as per market participants.

On Wednesday, the Federal Reserve Chair Jerome Powell said he was not yet ready to declare victory over inflation but felt that the economy is on a stable path to steady prices and continued low unemployment rates. This led the 10-year U.S. yield to consolidate around the 4.30% handle.

The probability of a 25-basis-point rate cut in September stayed around 75%, and expectations of cumulative cuts of 50 bps in 2024 remained intact.

Post U.S. data, attention will turn to India's consumer inflation data and fresh debt supply at the weekly auction, both due on Friday.

India's retail inflation is estimated to increase in June, snapping five months of declines, largely because of a jump in vegetable prices. Inflation is forecasted to increase by 4.80% year-on-year, up from 4.75% in May.

The Indian rupee weakened 0.05% versus the U.S. dollar, and quoted at 83.56 per dollar, pressured by dollar demand from state-run banks and importers, although most of its Asian peers gained ahead of a key U.S. inflation report.

Repo: The weighted average call rates in the interbank segment remained the same at 6.47% vs 6.47% as on the previous day while that the TREP segment decreased to 6.38% vs 6.40% as on the previous day.

**Market Observations**

**G-sec**

- Demand was seen in 2025 / 2026 / 2027 maturity SDLs by PDs and nationalized banks @7.12 / 7.14 / 7.15 levels respectively.
- Demand was seen in 2030 to 2033 illiquid G-sec by private and foreign banks @6.99 to 7.02 levels respectively.

**Corporate Bonds**

- Major Activity was seen in the 2025-2027 segment.
- Banks were active on the selling side and mutual funds were active on the buying side in the 2027 maturity papers.

**CP/CD**

- Activity was seen across all segments.

| GOI Yield | 11-Jul | 10-Jul | 4-Jul | 11-Jun |
|-----------|--------|--------|-------|--------|
| 1 Year    | 6.890  | 6.900  | 6.935 | 7.000  |
| 5 Year    | 6.967  | 6.963  | 6.985 | 7.016  |
| 10 Year   | 6.983  | 6.975  | 6.999 | 7.014  |

| AAA Bmk | 11-Jul | 10-Jul | 4-Jul | 11-Jun |
|---------|--------|--------|-------|--------|
| 1 Year  | 7.72   | 7.72   | 7.72  | 7.78   |
| 5 Year  | 7.63   | 7.63   | 7.64  | 7.65   |
| 10 Year | 7.53   | 7.53   | 7.52  | 7.55   |

| CD      | 11-Jul | 10-Jul | 4-Jul | 11-Jun |
|---------|--------|--------|-------|--------|
| 3 Month | 7.12   | 7.12   | 7.15  | 7.10   |
| 6 Month | 7.40   | 7.40   | 7.35  | 7.45   |
| 1 Year  | 7.61   | 7.61   | 7.60  | 7.70   |

| CP      | 11-Jul | 10-Jul | 4-Jul | 11-Jun |
|---------|--------|--------|-------|--------|
| 3 Month | 7.20   | 7.20   | 7.25  | 7.15   |
| 6 Month | 7.50   | 7.50   | 7.45  | 7.55   |
| 1 Year  | 7.70   | 7.70   | 7.70  | 7.80   |

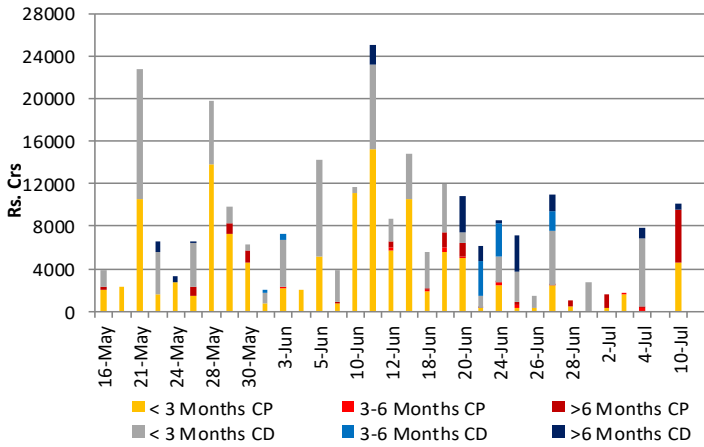
| OIS Rate | 11-Jul | 10-Jul | 4-Jul | 11-Jun |
|----------|--------|--------|-------|--------|
| 1 Year   | 6.74   | 6.75   | 6.78  | 6.78   |
| 2 Year   | 6.47   | 6.48   | 6.53  | 6.48   |
| 3 Year   | 6.40   | 6.41   | 6.47  | 6.41   |
| 5 Year   | 6.35   | 6.36   | 6.43  | 6.35   |

|            | 11-Jul | 10-Jul | 4-Jul  | 11-Jun |
|------------|--------|--------|--------|--------|
| Sensex     | 79,897 | 79,925 | 80,050 | 76,457 |
| Nifty      | 24,316 | 24,324 | 24,302 | 23,265 |
| USD/INR    | 83.56  | 83.52  | 83.49  | 83.57  |
| Gold (USD) | 2,382  | 2,371  | 2,356  | 2,316  |
| Oil (USD)  | 85.39  | 85.08  | 87.43  | 81.92  |

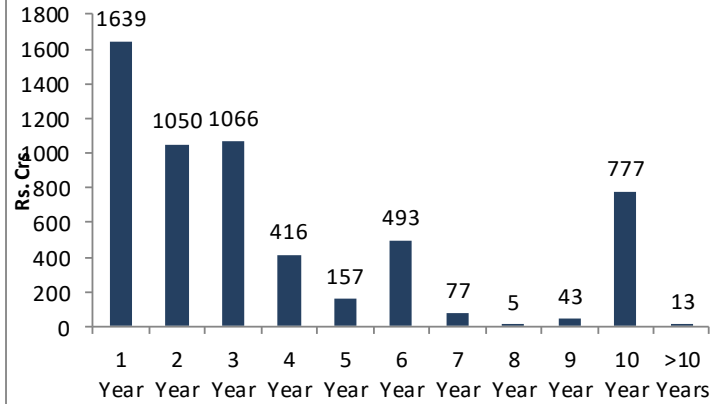
| NDF     | 11-Jul | 10-Jul | 4-Jul | 11-Jun |
|---------|--------|--------|-------|--------|
| 3 Month | 83.77  | 83.74  | 83.73 | 83.85  |
| 1 Year  | 84.86  | 84.83  | 84.81 | 84.89  |
| 2 Year  | 86.98  | 86.98  | 86.93 | 86.97  |
| 3 Year  | 89.85  | 89.58  | 89.53 | 89.54  |



CP/CD Primary Volume



Bonds Volume (prev.)



| 10 Year Benchmarks | 11-Jul | 10-Jul | 4-Jul | 11-Jun |
|--------------------|--------|--------|-------|--------|
| India              | 6.98   | 6.98   | 7.00  | 7.01   |
| US                 | 4.28   | 4.28   | 4.35  | 4.40   |
| South Korea        | 3.23   | 3.20   | 3.25  | 3.43   |
| Russia             | 15.11  | 15.11  | 15.11 | 14.98  |
| Brazil             | 11.71  | 11.71  | 12.07 | 11.98  |
| Germany            | 2.55   | 2.54   | 2.59  | 2.62   |
| China              | 2.27   | 2.27   | 2.22  | 2.31   |

| Top Traded Securities | Volume | 11-Jul | 10-Jul | 4-Jul | 11-Jun |
|-----------------------|--------|--------|--------|-------|--------|
| 7.26 2033             | 250    | 7.04   | 7.04   | 7.05  | 7.08   |
| 7.06 2028             | 155    | 6.97   | 6.96   | 6.98  | 7.02   |
| 7.62 2039             | 10     | 0.00   | 7.04   | 7.05  | 7.09   |
| 7.30 2053             | 800    | 7.07   | 7.06   | 7.06  | 7.12   |
| 6.64 2035             | 90     | 7.06   | 7.05   | 7.05  | 7.08   |
| 7.40 2035             | 65     | 7.06   | 7.06   | 7.08  | 7.07   |

| MF        | DEBT           |             |                |
|-----------|----------------|-------------|----------------|
|           | Gross Purchase | Gross Sales | Net Investment |
| 10-Jul-24 | 7835           | 6855        | 980            |

| EQUITY | Gross Purchase | Gross Sales | Net Investment |
|--------|----------------|-------------|----------------|
|        | 2940           | 2647        | 293            |

| TOTAL (Rs.Crs) |             |                |
|----------------|-------------|----------------|
| Gross Purchase | Gross Sales | Net Investment |
| 10775          | 9502        | 1273           |

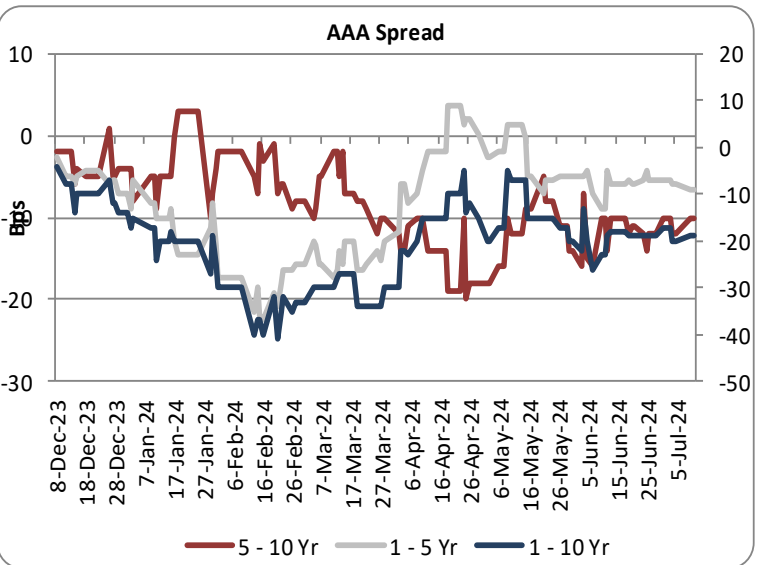
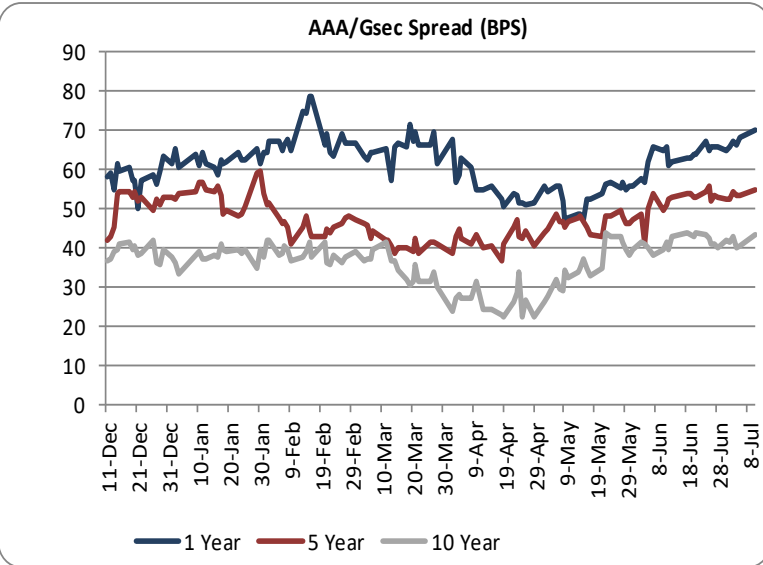
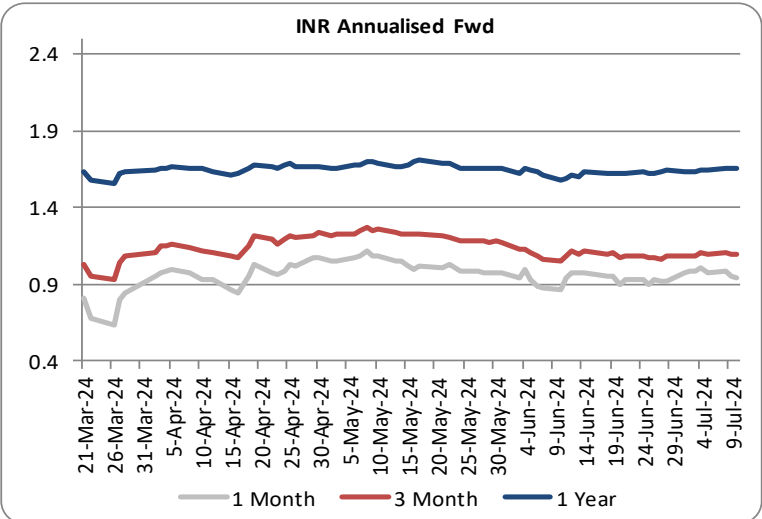
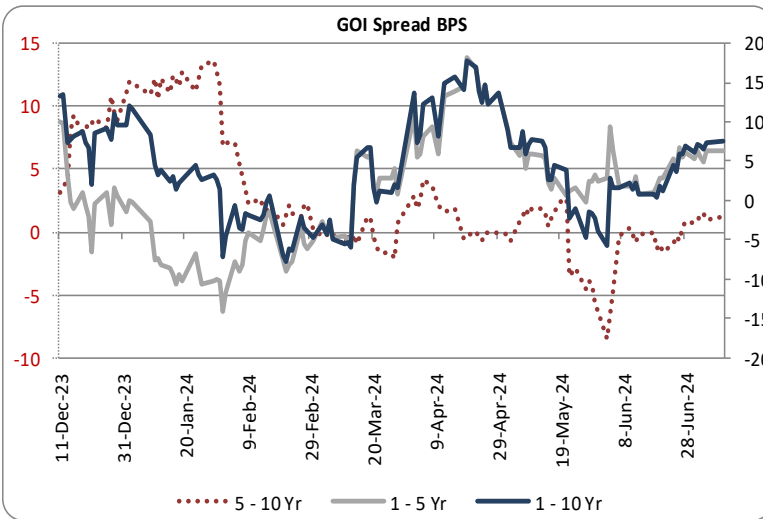
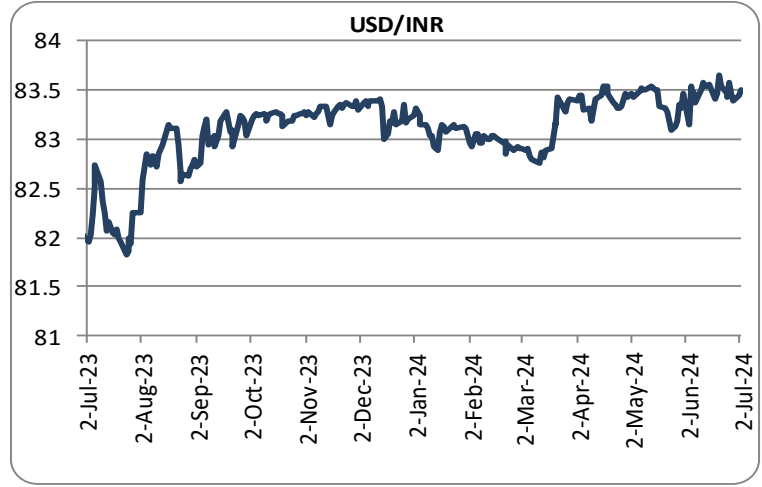
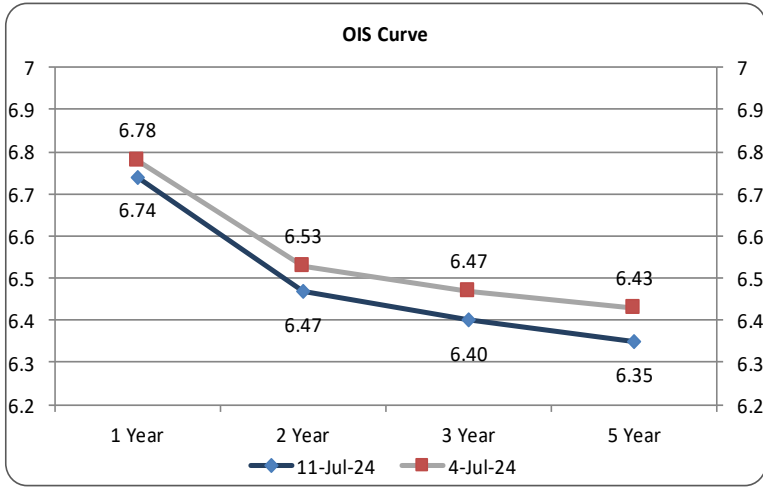
| FII       | DEBT           |             |                |
|-----------|----------------|-------------|----------------|
|           | Gross Purchase | Gross Sales | Net Investment |
| 11-Jul-24 | 1226           | 577         | 649            |

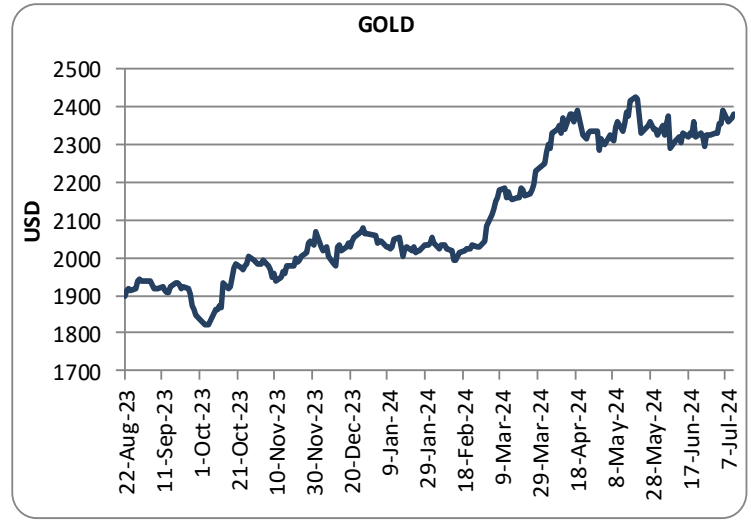
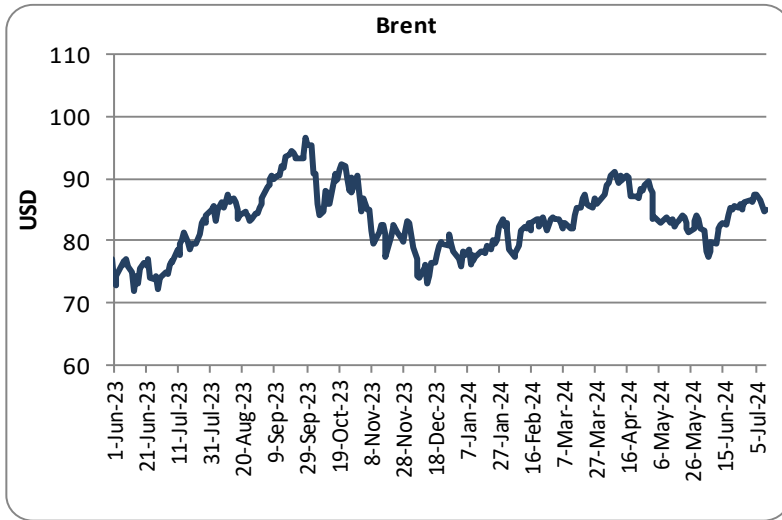
| EQUITY | Gross Purchase | Gross Sales | Net Investment |
|--------|----------------|-------------|----------------|
|        | 18050          | 15866       | 2184           |

| TOTAL (Rs. Crs) |             |                |
|-----------------|-------------|----------------|
| Gross Purchase  | Gross Sales | Net Investment |
| 19275           | 16442       | 2833           |

| 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           | Jun-24 | 60.5   | 60.2  |

| Economic Calender     | Country   | Date      | Poll | Prior  |
|-----------------------|-----------|-----------|------|--------|
| Industrial Output     | UK        | 11-Jul-24 | 0    | -0.4   |
| CPI                   | USA       | 11-Jul-24 | -    | 3.30   |
| Core CPI              | USA       | 11-Jul-24 | -    | 3.40   |
| CPI                   | India     | 12-Jul-24 | 4.80 | 4.75   |
| Industrial Output     | China     | 15-Jul-24 | 5.00 | 5.60   |
| WPI                   | India     | 15-Jul-24 | 3.50 | 2.61   |
| Industrial Production | Euro Zone | 15-Jul-24 | -    | (3.00) |
| CPI                   | UK        | 17-Jul-24 | -    | 2.00   |





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

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