



INDIA

India's bond yields declined on Wednesday, with the benchmark bond yield settling at a seven-week low, tracking a decline in U.S. Treasury yields ahead of the closely-watched consumer price inflation report.

The benchmark 10-year yield ended at 7.0821%, the lowest since March 28. It closed at 7.1067% on Tuesday.

U.S. yields fell overnight and stayed lower during Asia hours, aided by Federal Reserve Chair Jerome Powell's remarks that he expects inflation to fall in coming months. The 10-year yield was below 4.45%, while bets of a 25 basis point rate cut in September rose to 67% from 61% a day before.

The U.S. CPI is due after Indian market hours and market participants expect the core inflation to rise by 0.3% in April, down from 0.4% in March, for an annual gain of 3.6%, down from 3.8%.

Meanwhile, India's annual retail inflation rate eased slightly in April and stood at 4.83% down from 4.85% in March, partly due to lower fuel prices, although food prices remained elevated.

The government also announced its second bond buyback in two weeks as it aims to buy bonds worth up to 600 billion rupees (\$7.19 billion) on Thursday to ease banking system liquidity, which has remained in deficit since the beginning of this month.

Oil prices settled lower on Tuesday, after U.S. data stoked concerns that interest rates may stay high, but potential risks to supply from Mideast tensions put a floor under prices.

The Indian rupee strengthened 0.02% versus the U.S. dollar, and quoted at 83.51 per dollar, as traders awaited U.S. consumer inflation data for clues on when the Federal Reserve may kick off rate cuts.

Repo: The weighted average call rates in the interbank segment decreased to 6.48% vs 6.70% as on the previous day while that the TREP segment decreased to 6.29% vs 6.52% as on the previous day.

Market Observations

G-sec

- Selling was seen in 2031 G-sec @7.1150 levels size. Major sellers were private banks.
- Demand was seen 2026 G-sec @7.0650 levels which was traded between foreign banks.

Corporate Bonds

- Major activity was seen in the MMY segment and the 2025-2028 segment.
- Banks were active on the selling side and mutual funds were active on the buying as well as selling side.

CP/CD

- Major activity was seen in the 1 to 2-month segment.

GOI Yield	15-May	14-May	8-May	15-Apr
1 Year	7.055	7.040	7.075	7.020
5 Year	7.078	7.092	7.116	7.159
10 Year	7.082	7.107	7.134	7.178

AAA Bmk	15-May	14-May	8-May	15-Apr
1 Year	7.65	7.65	7.72	7.70
5 Year	7.67	7.70	7.71	7.69
10 Year	7.58	7.58	7.55	7.55

CD	15-May	14-May	8-May	15-Apr
3 Month	7.25	7.25	7.30	7.20
6 Month	7.40	7.45	7.50	7.35
1 Year	7.70	7.70	7.70	7.50

CP	15-May	14-May	8-May	15-Apr
3 Month	7.45	7.45	7.40	7.35
6 Month	7.50	7.60	7.60	7.45
1 Year	7.75	7.75	7.80	7.60

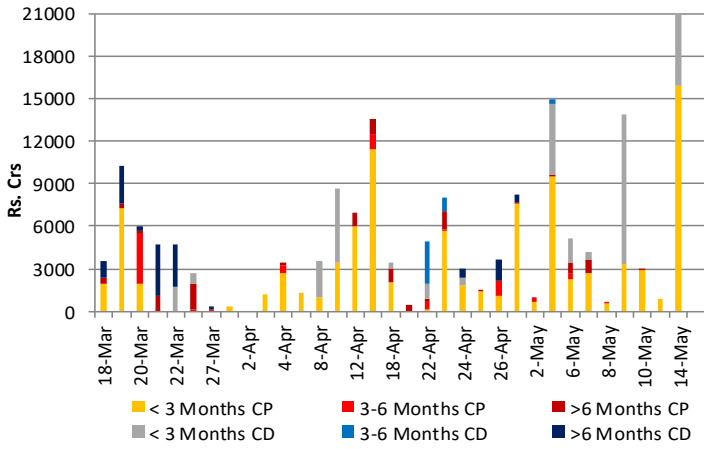
OIS Rate	15-May	14-May	8-May	15-Apr
1 Year	6.80	6.81	6.83	6.85
2 Year	6.52	6.54	6.58	6.61
3 Year	6.47	6.49	6.53	6.59
5 Year	6.43	6.46	6.51	6.54

	15-May	14-May	8-May	15-Apr
Sensex	72,987	73,105	73,466	73,400
Nifty	22,201	22,218	22,303	22,273
USD/INR	83.50	83.51	83.52	83.45
Gold (USD)	2,363	2,358	2,309	2,383
Oil (USD)	81.92	82.38	83.58	90.10

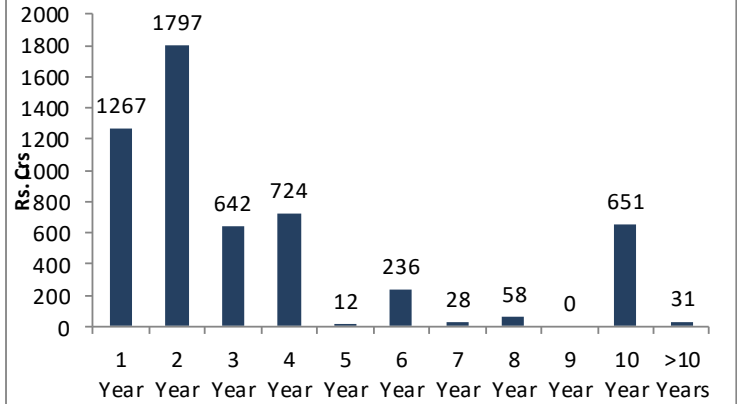
NDF	15-May	14-May	8-May	15-Apr
3 Month	83.73	83.74	83.74	83.73
1 Year	84.92	84.87	84.91	84.82
2 Year	87.01	86.95	86.99	86.83
3 Year	89.65	89.42	89.34	89.28



CP/CD Primary Volume



Bonds Volume (prev.)



10 Year Benchmarks	15-May	14-May	8-May	15-Apr
India	7.08	7.11	7.14	7.18
US	4.41	4.45	4.49	4.63
South Korea	3.55	3.55	3.53	3.56
Russia	15.01	15.02	14.70	14.32
Brazil	11.66	11.66	11.55	11.60
Germany	2.47	2.54	2.46	2.43
China	2.30	2.29	2.30	2.28

Top Traded Securities	Volume	14-May	13-May	7-May	13-Apr
7.26 2033	30	7.13	7.13	7.15	#N/A
7.06 2028	475	7.10	7.11	7.12	#N/A
7.62 2039	-	7.15	7.15	7.18	0.00
7.30 2053	755	7.18	7.20	7.23	#N/A
6.64 2035	20	7.17	7.14	7.18	#N/A
7.40 2035	120	7.16	7.16	7.16	0.00

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
13-May-24	10751	6911	3840

EQUITY		
Gross Purchase	Gross Sales	Net Investment
6510	8583	-2073

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
17261	15493	1768

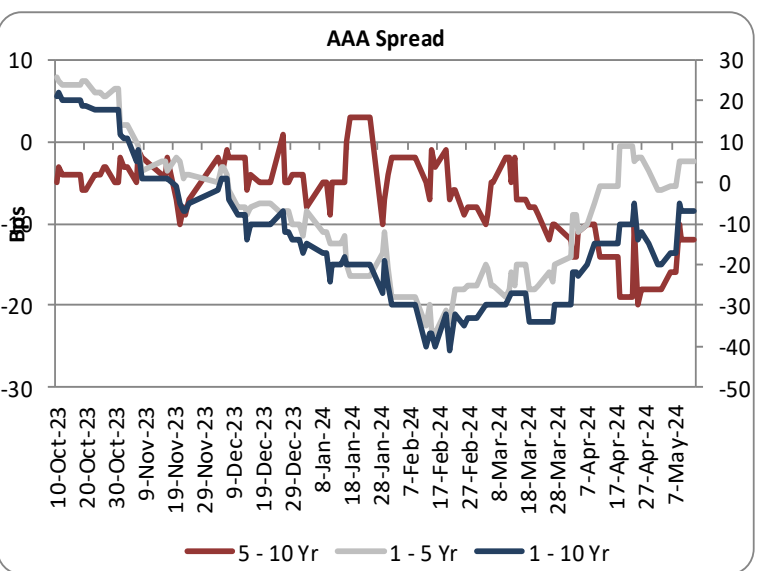
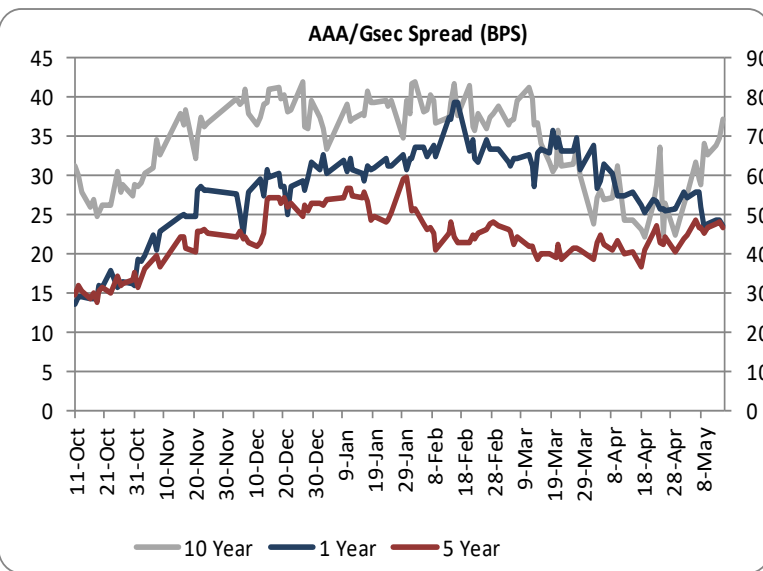
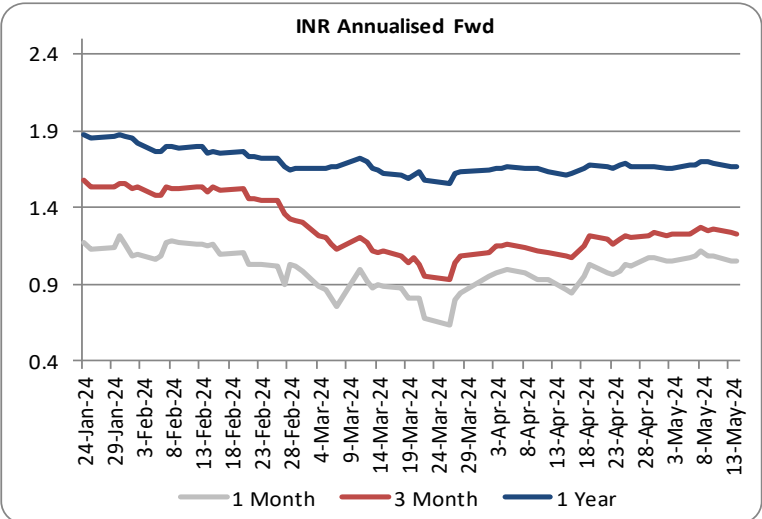
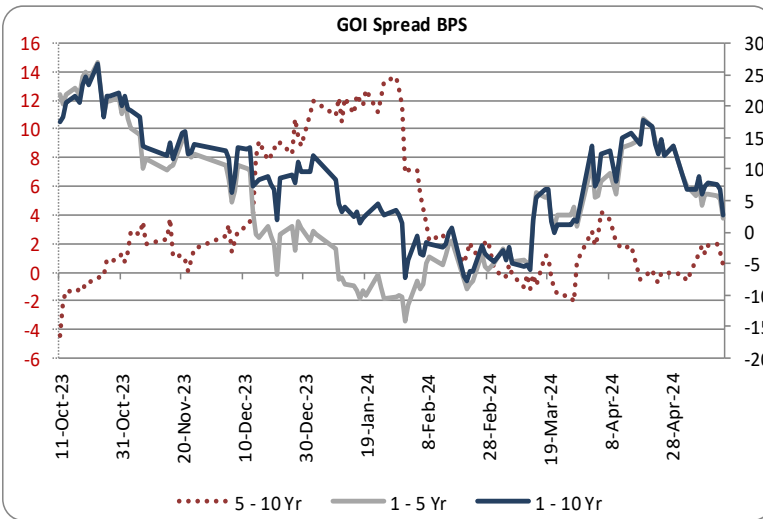
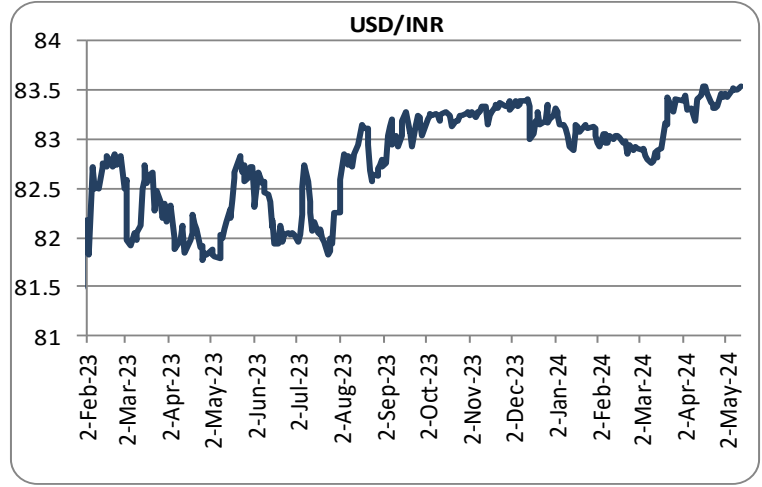
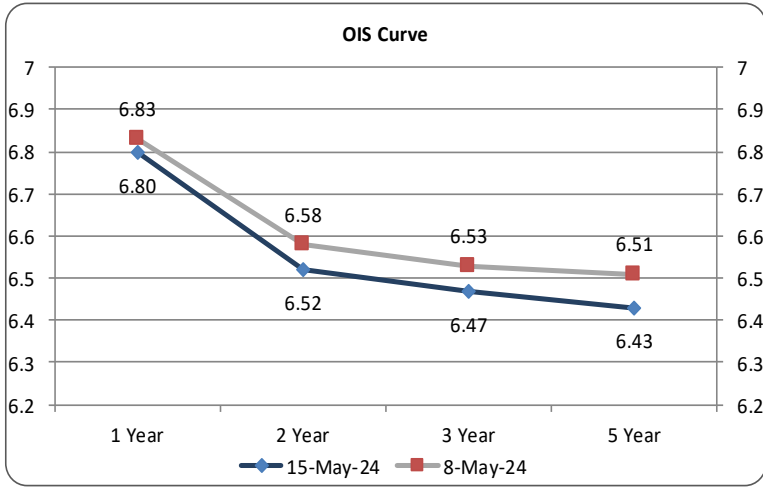
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
15-May-24	934	1015	-81

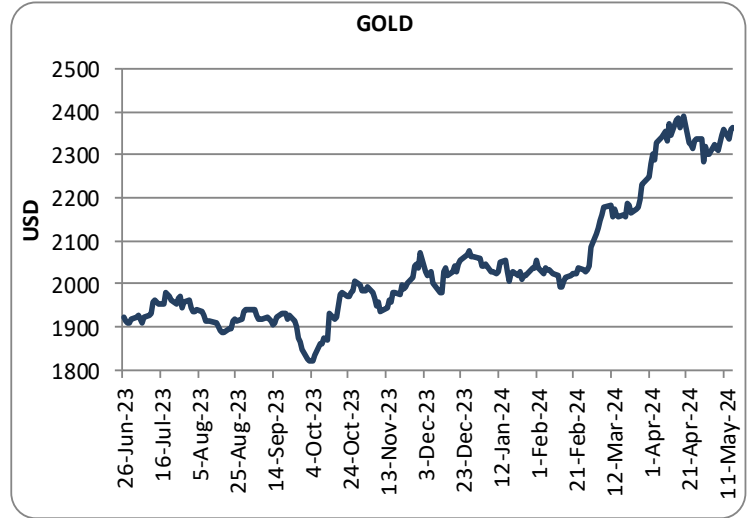
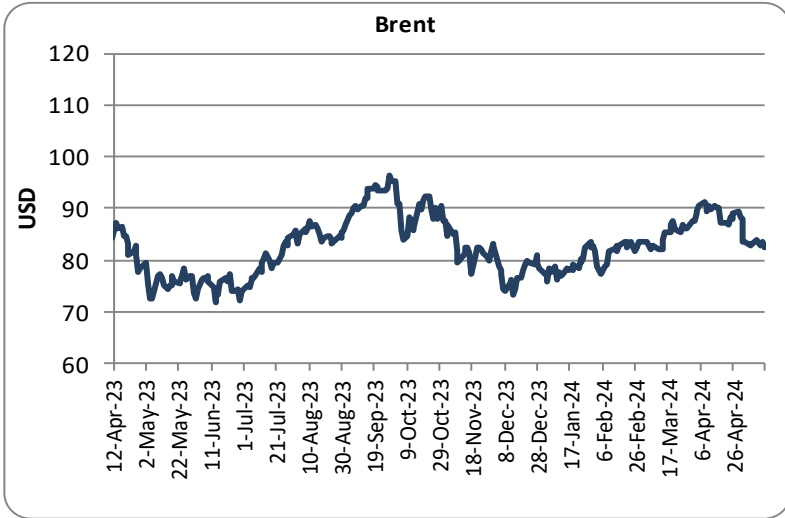
EQUITY		
Gross Purchase	Gross Sales	Net Investment
11483	13996	-2513

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
12417	15012	-2595

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
Industrial Production	Euro Zone	15-May-24	-1.2	-6.4
CPI	USA	15-May-24	3.40	3.50
Unemployment rate	Australia	16-May-24	3.70	3.10
Retail Sales	China	17-May-24	-	(4.76)
CPI	Canada	21-May-24	-	2.90
CPI	Japan	24-May-24	-	2.60
Retail Sales	UK	24-May-24	-	0.80
CPI	Australia	29-May-24	-	3.80





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

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