



# BONDWATCH

Daily

April 19, 2024

INDIA

Indian government bond yields settled higher for the third straight week as escalating tensions in the Middle East and worries around the timing of U.S. rate cuts pressured investor sentiment.

The yield on the benchmark Indian 10-year note ended at 7.2278% on Friday, after closing at 7.1905% in the previous session. The yield ended the week 5 basis points (bps) higher compared to a rise of 6 bps last week.

The 10-year bond yield ended at a three-month high on the day, tracking a rebound in oil prices, which jumped in reaction to reports that Israeli missiles had struck a site in Iran.

Meanwhile, U.S. yields are expected to end the week higher as investors weighed steady labor market data amid uncertainty around the Fed's timeline for rate cuts.

Fed officials have cited continued strength in the U.S. labor market is a reason to delay cutting rates to avoid a reacceleration of inflation.

Markets are now pricing in a total of 42 bps of U.S. rate cuts by the end of this year, down from more than 160 bps of cuts expected in January, with the first reduction anticipated in September.

Oil slipped on Friday following an earlier price spike of more than \$3 after Iran played down reported Israeli attacks on its soil

The Indian rupee strengthened 0.08% versus the U.S. dollar, and quoted at 83.47 per dollar, despite weakness across regional peers, helped by possible intervention from the Reserve Bank of India (RBI) and dollar sales from foreign banks.

Repo: The weighted average call rates in the interbank segment increased to 6.53% vs 6.47% as on the previous day while that the TREP segment remained the same at 6.38% vs 6.38% as on the previous day.

## Market Observations

### G-sec

- Demand was seen in illiquid 2027 G-sec and 2031-2033 maturity G-sec at higher levels.
- Demand was seen in 2038 and above segment from pension funds.
- Demand was also seen in 2029 to 2031 SDLs @7.53 levels. Major buyers were banks and major sellers were Pension Funds and corporates.

### Corporate Bonds

- Activity was seen in the MMY segment and in the 2026-2029 segment.
- Banks and pension funds were active in the longer segment in the

### CP/CD

- Activity was seen in the 1 to 3-month segments.

GOI Yield	19-Apr	18-Apr	12-Apr	20-Mar
1 Year	7.050	7.050	7.030	7.075
5 Year	7.231	7.196	7.164	7.096
10 Year	7.228	7.191	7.179	7.092

AAA Bmk	19-Apr	18-Apr	12-Apr	20-Mar
1 Year	7.68	7.70	7.70	7.87
5 Year	7.77	7.69	7.69	7.61
10 Year	7.58	7.55	7.55	7.53

CD	19-Apr	18-Apr	12-Apr	20-Mar
3 Month	7.15	7.10	7.20	7.60
6 Month	7.35	7.35	7.35	7.75
1 Year	7.60	7.50	7.50	7.65

CP	19-Apr	18-Apr	12-Apr	20-Mar
3 Month	7.25	7.25	7.35	7.80
6 Month	7.45	7.45	7.45	7.90
1 Year	7.70	7.60	7.60	7.85

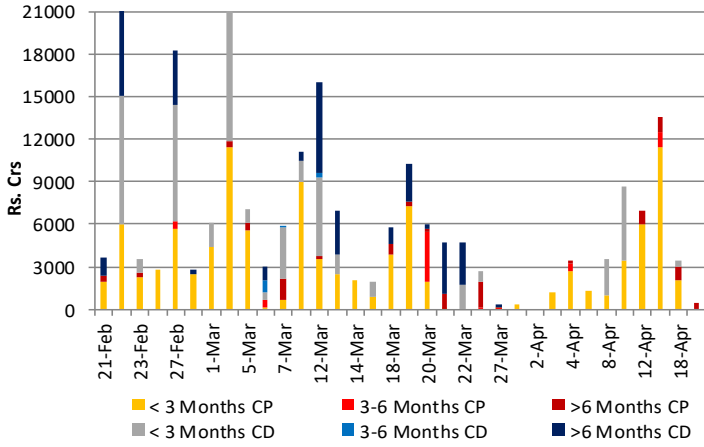
OIS Rate	19-Apr	18-Apr	12-Apr	20-Mar
1 Year	6.90	6.86	6.86	6.78
2 Year	6.69	6.63	6.63	6.49
3 Year	6.64	6.59	6.58	6.44
5 Year	6.61	6.55	6.55	6.39

	19-Apr	18-Apr	12-Apr	20-Mar
Sensex	73,088	72,489	74,245	72,102
Nifty	22,147	21,996	22,519	21,839
USD/INR	83.47	83.54	83.41	83.16
Gold (USD)	2,379	2,378	2,343	2,186
Oil (USD)	86.27	87.11	90.45	85.95

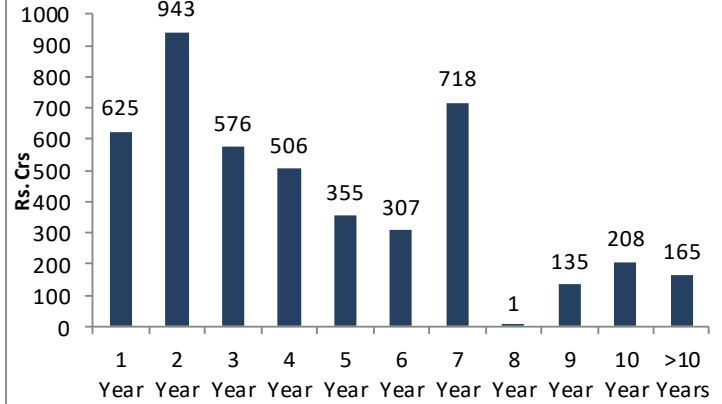
NDF	19-Apr	18-Apr	12-Apr	20-Mar
3 Month	83.70	83.80	83.80	83.21
1 Year	84.89	84.92	84.91	84.41
2 Year	87.13	86.97	86.93	86.47
3 Year	89.54	89.42	89.38	88.94



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	19-Apr	18-Apr	12-Apr	20-Mar
India	7.23	7.18	7.18	7.10
US	4.60	4.65	4.50	4.27
South Korea	3.58	3.56	3.54	3.46
Russia	14.04	14.23	14.33	13.92
Brazil	11.55	11.55	11.43	10.90
Germany	2.48	2.49	2.36	2.44
China	2.26	2.26	2.28	2.31

Top Traded Securities	Volume	28-Mar	27-Mar	21-Mar	28-Feb
7.26 2033	75	7.08	7.11	7.09	7.09
7.06 2028	2,240	7.06	7.10	7.07	7.06
7.62 2039	-	7.09	7.11	7.09	7.10
7.30 2053	495	7.12	7.16	7.14	7.15
6.64 2035	45	7.10	7.13	7.14	7.12
7.40 2035	310	7.08	7.15	7.14	7.12

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
18-Apr-24	1153	887	266

EQUITY	Gross Purchase	Gross Sales	Net Investment
	1652	722	929

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
2804	1609	1195

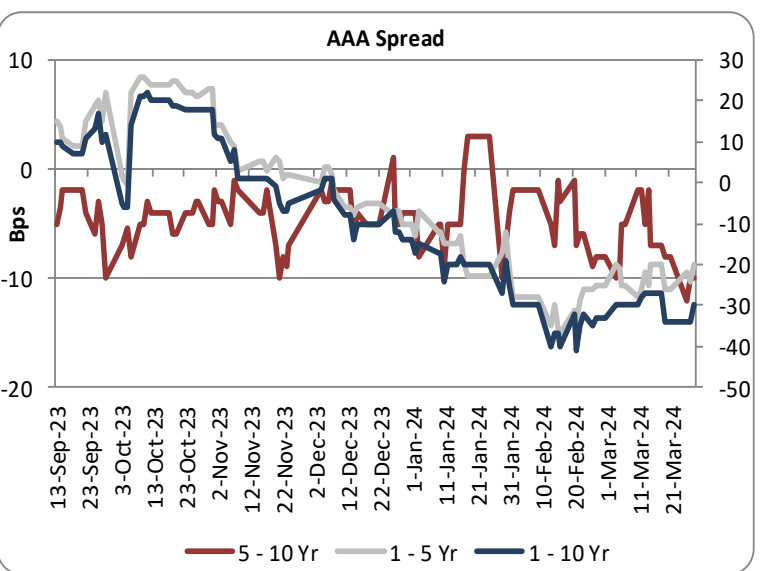
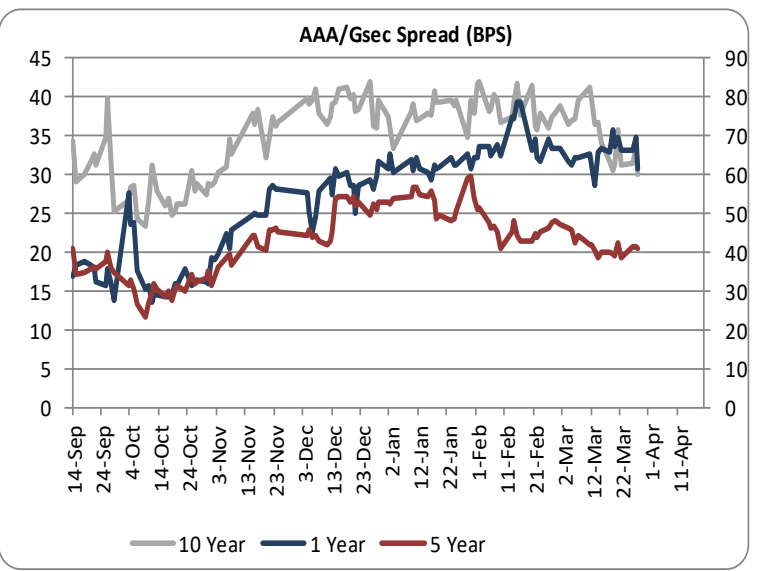
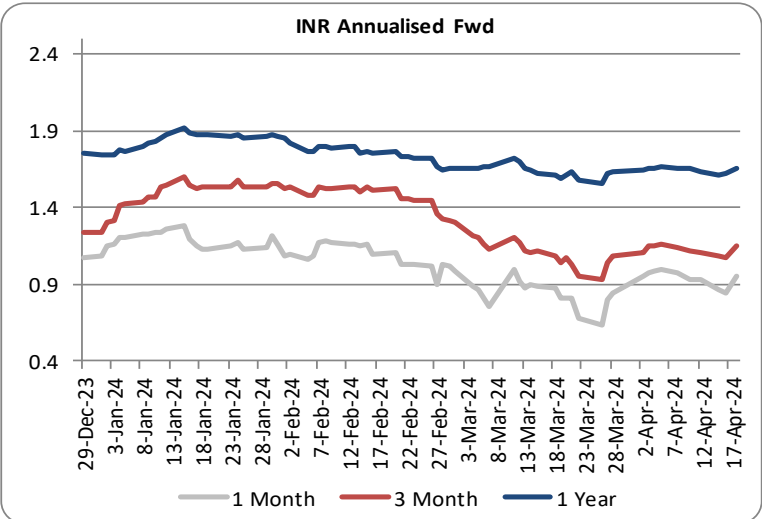
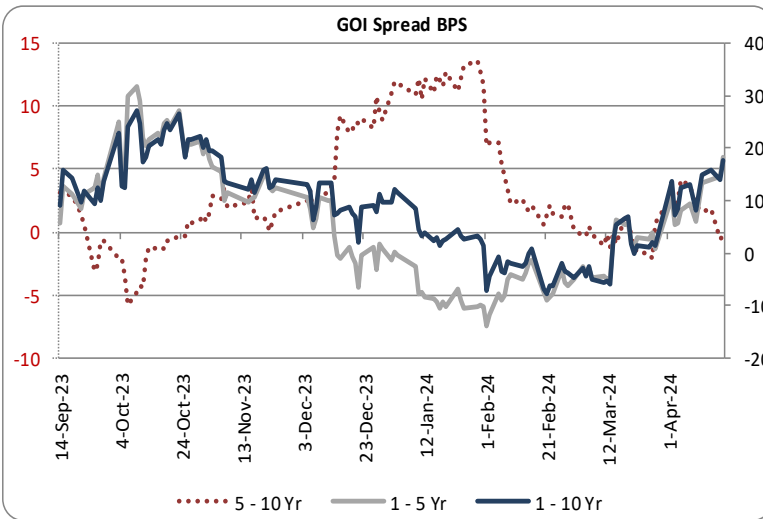
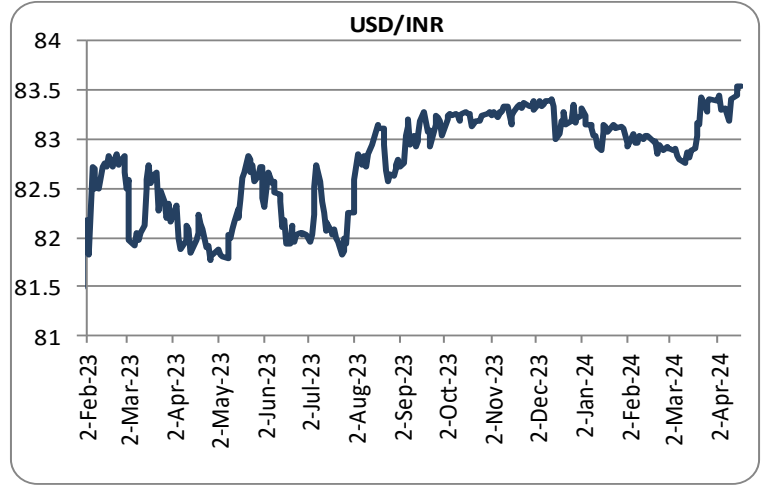
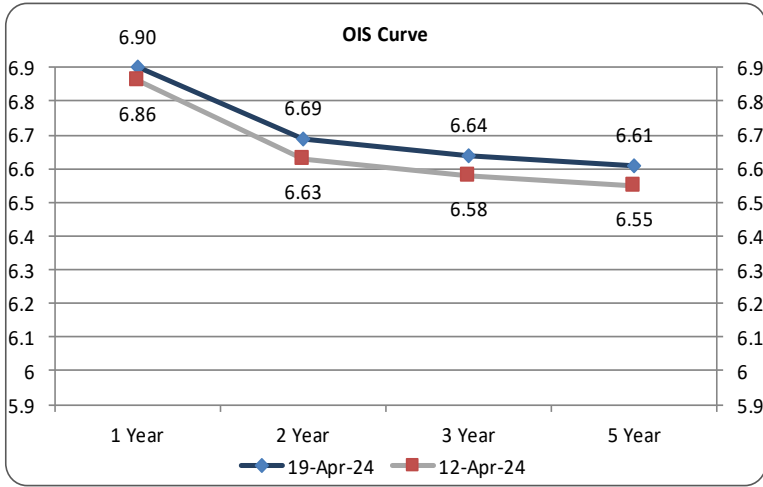
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
19-Apr-24	1742	4324	-2582

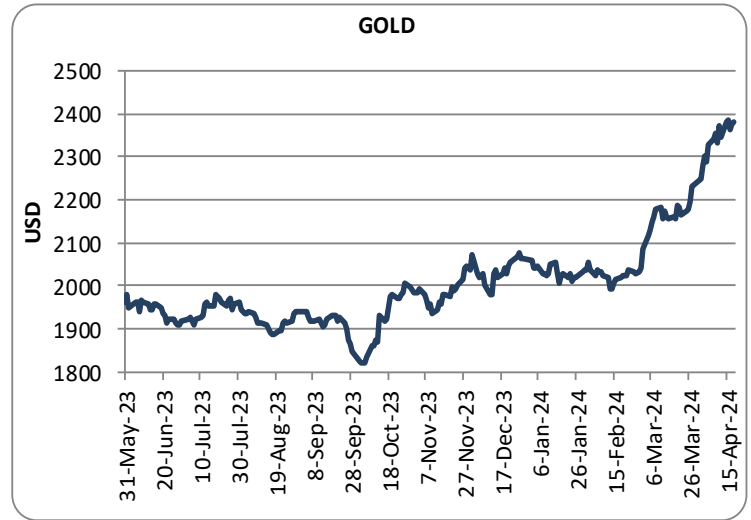
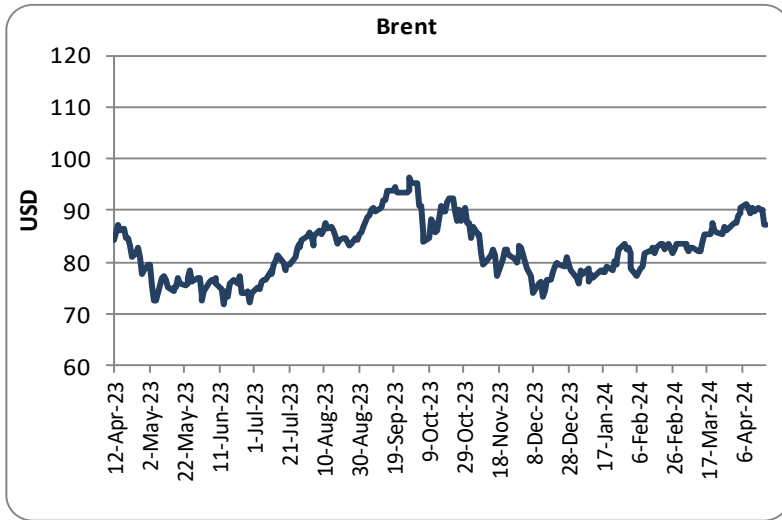
EQUITY	Gross Purchase	Gross Sales	Net Investment
	18545	22708	-4163

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
20287	27032	-6746

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	Mar-24	59.1	56.9
PMI Service	Mar-24	61.2	60.6

Economic Calender	Country	Date	Poll	Prior
Retail Sales	UK	19-Apr-24	1	-0.4
CPI Q1	Australia	24-Apr-24	-	4.10
GDP Advance q1	USA	25-Apr-24	2.10	3.40
CPI	Germany	29-Apr-24	-	2.20
Unemployment Rate	Japan	30-Apr-24	-	2.60
Unemployment Rate	Germany	30-Apr-24	-	5.90
CPI	Euro Zone	30-Apr-24	-	2.40
GDP YY Q1	Euro Zone	30-Apr-24	-	0.10





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

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

The information in this document has been printed based on publicly available information, internal data and other reliable sources believed to be true and is for general guidance only. While every effort is made to ensure the accuracy and completeness of information contained, the company makes no guarantee and assumes no liability for any errors or omissions of the information. No one can use the information as the basis for any claim, demand, or cause of action. Nothing contained in this publication shall constitute an offer to sell/purchase or an invitation/solicitation to do so for any Government Security, Currency, Security, and Equity. LKP Securities Ltd. accepts no liability whatsoever for any loss, howsoever arising, from any use of this document, its contents or otherwise arising in connection therewith.

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

Visit our website - <http://www.lkpsec.com/>