



INDIA

Indian government bond yields fell on Tuesday as Indian Government is set to keep injecting cash into the banking system in the coming weeks, following a reduction in supply of Treasury bills.

The 7.18% 2033 bond yield ended at 7.0783%, following its previous close of 7.0925%. The 10-year 7.10% 2034 bond yield ended at 7.0351% after ending at 7.0465%.

The Indian Government also bought back bonds worth 52.66 billion rupees (\$632.31 million), against a planned amount of 600 billion rupees - the third such buyback of securities in as many weeks.

India's federal government spending is expected to remain slow for a few more months, potentially prompting further cash infusions into the banking system.

Money market rates moved lower by around 10 basis points (bps) on Tuesday and market participants expect a further drop in yields over the next few weeks.

Meanwhile, the 10-year U.S. yield rose to 4.45 levels as market participants now expect rate cuts of 41 basis points in 2024.

Oil prices dropped by more than \$1 on Tuesday, extending losses on investor expectations that lingering U.S. inflation could keep interest rates higher for longer, depressing consumer and industrial demand.

The Indian rupee strengthened 0.04% versus the U.S. dollar, and quoted at 83.31 per dollar, with traders broadly expecting the rupee to see range bound price action ahead of the outcome of India's national elections.

Repo: The weighted average call rates in the interbank segment increased to 6.76% vs 6.10% as on the previous day while that the TREP segment increased to 6.72% vs 6.71% as on the previous day.

Market Observations

G-sec

- Selling was seen in 2029 G-sec by foreign bank @7.0650 centric levels.
- Selling was seen in 12 to 15-year SDLs @7.43 centric levels. Major sellers were Mutual funds.

Corporate Bonds

- Activity was seen in the MMY segment and 2025-2027 segment.
- Mutual funds and banks were active participants with banks mostly being sellers.

CP/CD

- Major activity was seen in the 3-month segment.

GOI Yield	21-May	17-May	14-May	23-Apr
1 Year	7.040	7.050	7.040	7.025
5 Year	7.047	7.079	7.092	7.169
10 Year	7.078	7.095	7.107	7.164

AAA Bmk	21-May	17-May	14-May	23-Apr
1 Year	7.70	7.70	7.65	7.68
5 Year	7.60	7.64	7.70	7.77
10 Year	7.55	7.55	7.58	7.58

CD	21-May	17-May	14-May	23-Apr
3 Month	7.15	7.25	7.25	7.15
6 Month	7.40	7.45	7.45	7.35
1 Year	7.65	7.65	7.70	7.60

CP	21-May	17-May	14-May	23-Apr
3 Month	7.25	7.45	7.45	7.25
6 Month	7.55	7.55	7.60	7.45
1 Year	7.75	7.75	7.75	7.70

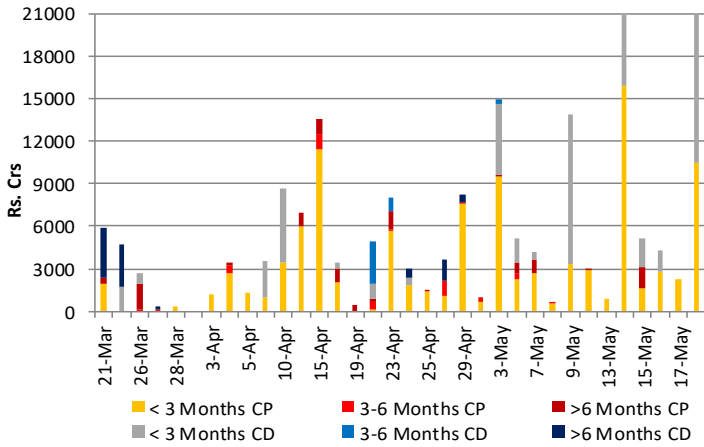
OIS Rate	21-May	17-May	14-May	23-Apr
1 Year	6.79	6.80	6.81	6.87
2 Year	6.50	6.51	6.54	6.64
3 Year	6.44	6.46	6.49	6.60
5 Year	6.39	6.41	6.46	6.58

	21-May	17-May	14-May	23-Apr
Sensex	73,953	73,917	73,105	73,738
Nifty	22,529	22,466	22,218	22,368
USD/INR	83.31	83.34	83.51	83.34
Gold (USD)	2,420	2,415	2,358	2,322
Oil (USD)	82.47	83.98	82.38	88.42

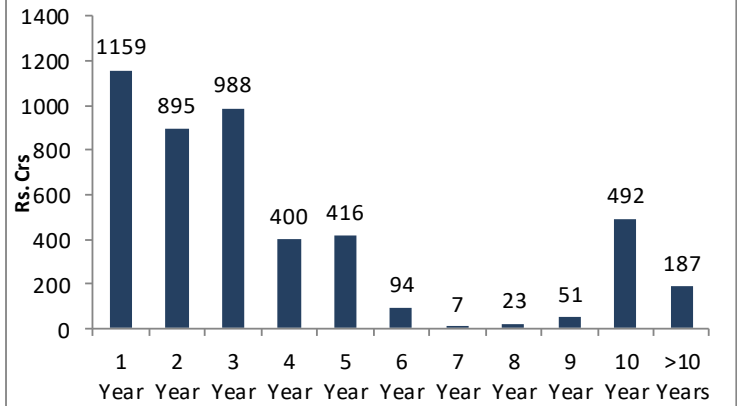
NDF	21-May	17-May	14-May	23-Apr
3 Month	83.59	83.56	83.74	83.54
1 Year	84.74	84.68	84.87	84.65
2 Year	86.81	86.74	86.95	86.65
3 Year	89.30	89.21	89.42	89.10



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	21-May	17-May	14-May	23-Apr
India	7.08	7.10	7.11	7.17
US	4.43	4.42	4.45	4.60
South Korea	3.49	3.46	3.55	3.62
Russia	14.12	15.04	15.02	14.18
Brazil	11.76	11.69	11.66	11.47
Germany	2.52	2.51	2.54	2.51
China	2.31	2.32	2.29	2.24

Top Traded Securities	Volume	17-May	16-May	10-May	16-Apr
7.26 2033	40	7.12	7.10	7.14	7.20
7.06 2028	810	7.08	7.08	7.11	7.18
7.62 2039	-	7.13	7.12	7.17	7.24
7.30 2053	200	7.17	7.16	7.21	7.28
6.64 2035	10	7.14	7.12	7.15	7.21
7.40 2035	50	7.18	7.11	7.18	7.21

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
16-May-24	301	222	78

EQUITY	Gross Purchase	Gross Sales	Net Investment
	730	1197	-466

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
1031	1419	-388

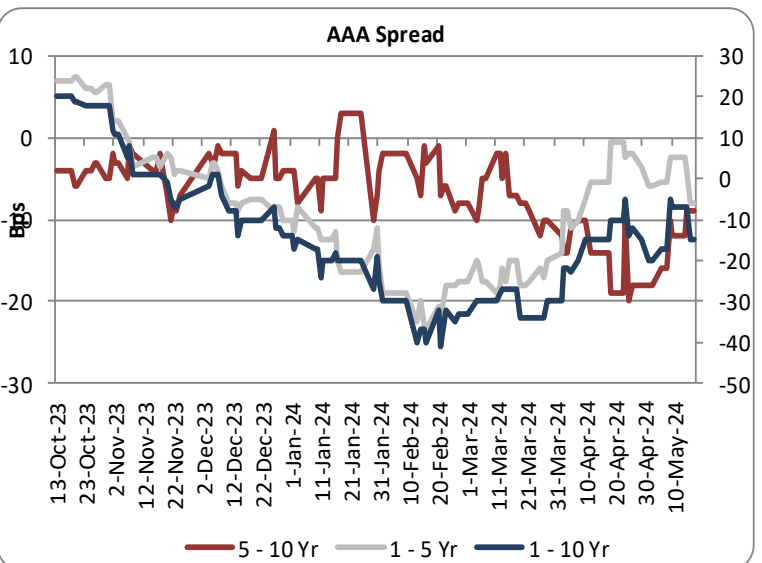
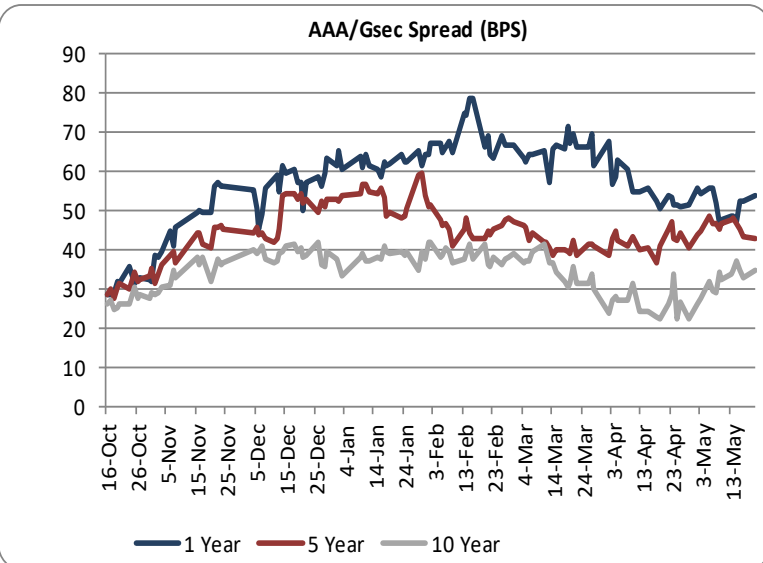
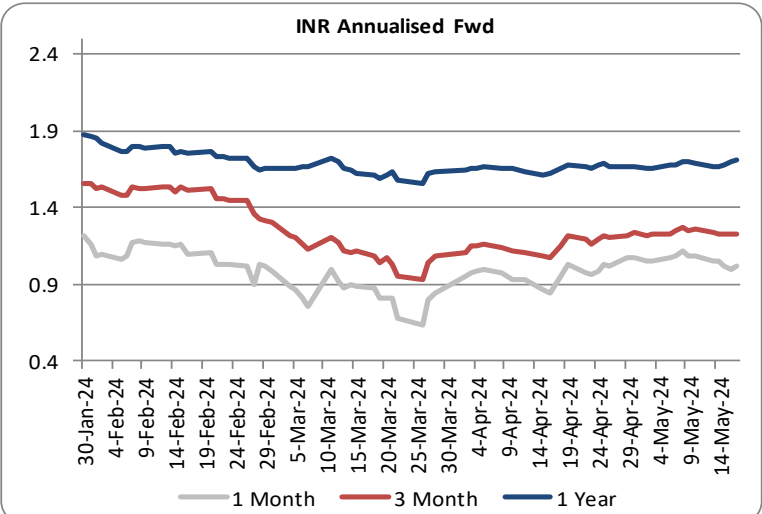
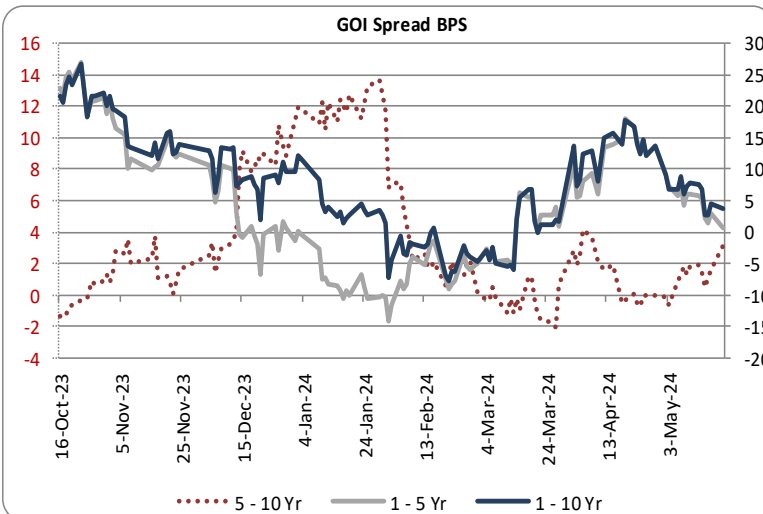
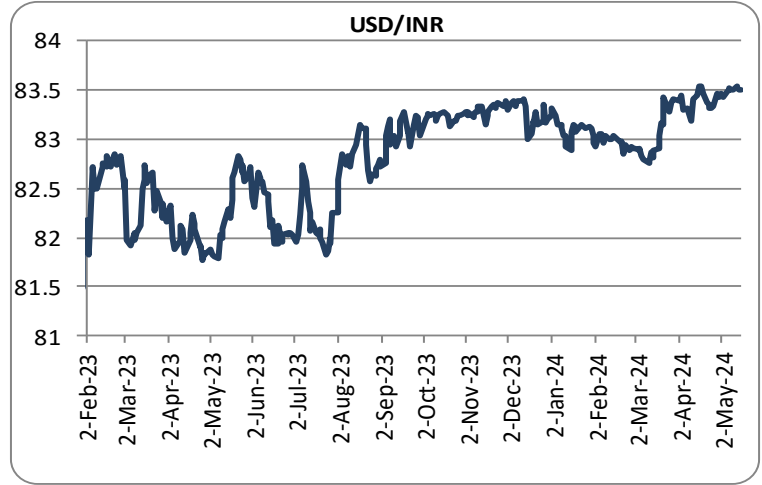
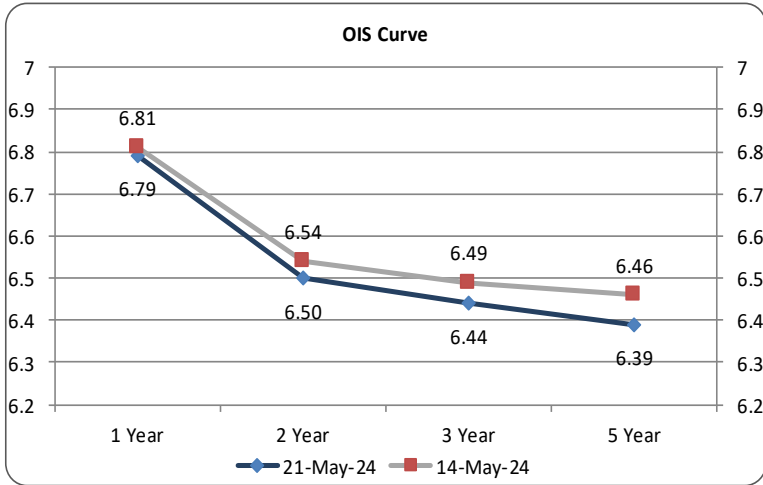
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
21-May-24	1189	291	898

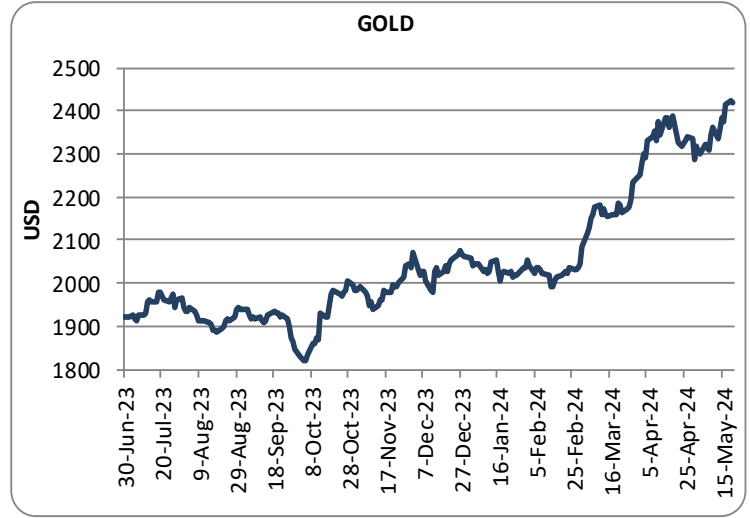
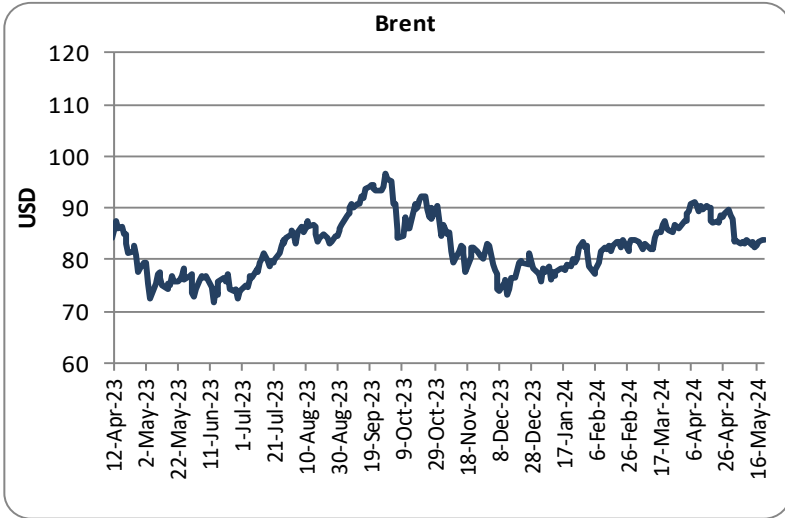
EQUITY	Gross Purchase	Gross Sales	Net Investment
	16399	14218	2181

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
17588	14509	3079

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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