



Indian government bond yields ended little changed on Tuesday as the government's reduction in gross borrowing for the current financial year, announced in the budget, fell short of market expectation.

The benchmark 10-year yield ended at 6.9695%, following its previous close of 6.9663%.

The reduction in the government's fiscal deficit target briefly boosted investor sentiment, pushing the benchmark bond yield to the lowest since April 2022 at 6.9260% earlier in the session. The government aims to reduce its fiscal deficit to 4.9% of gross domestic product, down from 5.1% in the interim budget.

The Indian government lowered its planned gross market borrowing by 120 billion rupees (\$1.43 billion) for the financial year ending March 2025. Market participants were expecting a reduction of around 500 billion rupees amid strong revenues and a healthy cash position. However, an aggressive reduction in government debt would benefit its sovereign rating profile.

Market participants do not expect the benchmark bond yield to break the key 7.02% level on the upside, and continue to trade in a narrow range.

Oil prices remained range bound on Tuesday as the probability of a rate cut in September by the Federal Reserve has increased, following the ECB meeting in last week.

The Indian rupee weakened 0.03% versus the U.S. dollar, and quoted at 83.6875 per dollar as the government raising tax rates on capital gains from equity investments and on equity derivatives trades hurt market sentiment.

Repo: The weighted average call rates in the interbank segment increased to 6.67% vs 6.60% as on the previous day while that the TREP segment increased to 6.67% vs 6.59% as on the previous day.

Market Observations

G-sec

- Selling was seen in 10 years above SDLs by PDs at 7.34% centric levels with very timid demand in market.
- Buying was seen in shorter maturity 2026 to 2028 SDLs by PDs at 7.10% to 7.15% levels.

Corporate Bonds

- Major Activity was seen in the 2025-2029 segment.
- Mutual funds were active on the buying as well as selling side in the active segment.

CP/CD

- Activity was seen in the 3-month segment.

GOI Yield	23-Jul	22-Jul	16-Jul	24-Jun
1 Year	6.820	6.860	6.880	6.930
5 Year	6.909	6.922	6.915	6.983
10 Year	6.970	6.966	6.963	6.974

AAA Bmk	23-Jul	22-Jul	16-Jul	24-Jun
1 Year	7.70	7.70	7.70	7.72
5 Year	7.61	7.60	7.60	7.65
10 Year	7.50	7.50	7.50	7.53

CD	23-Jul	22-Jul	16-Jul	24-Jun
3 Month	7.15	7.12	7.14	7.13
6 Month	7.43	7.43	7.45	7.52
1 Year	7.63	7.63	7.61	7.70

CP	23-Jul	22-Jul	16-Jul	24-Jun
3 Month	7.20	7.17	7.20	7.23
6 Month	7.47	7.47	7.50	7.62
1 Year	7.68	7.68	7.70	7.80

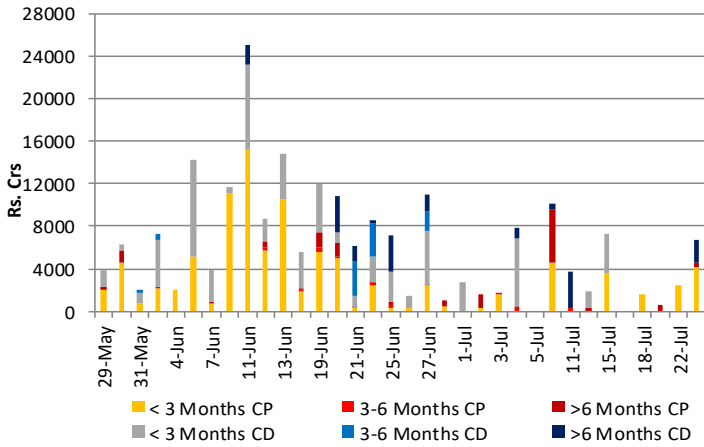
OIS Rate	23-Jul	22-Jul	16-Jul	24-Jun
1 Year	6.71	6.72	6.72	6.78
2 Year	6.42	6.44	6.43	6.50
3 Year	6.33	6.35	6.36	6.45
5 Year	6.28	6.31	6.31	6.35

	23-Jul	22-Jul	16-Jul	24-Jun
Sensex	80,429	80,502	80,717	77,341
Nifty	24,479	24,509	24,613	23,538
USD/INR	83.69	83.66	83.58	83.46
Gold (USD)	2,411	2,398	2,469	2,333
Oil (USD)	82.27	82.40	83.73	86.01

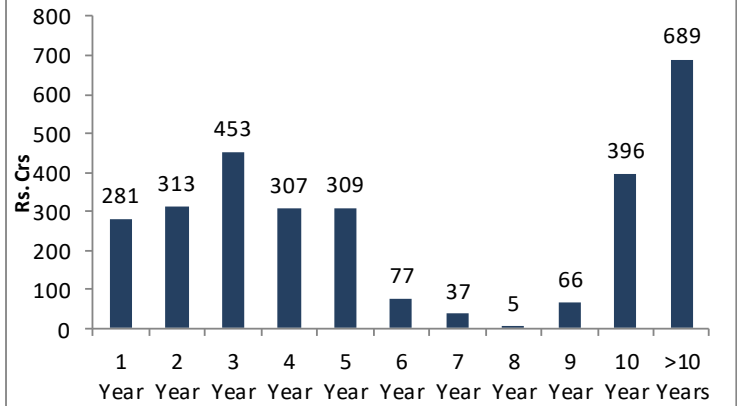
NDF	23-Jul	22-Jul	16-Jul	24-Jun
3 Month	83.95	83.90	83.77	83.54
1 Year	85.17	85.10	84.96	84.76
2 Year	87.08	87.04	87.07	86.91
3 Year	90.36	89.99	90.28	89.35



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	23-Jul	22-Jul	16-Jul	24-Jun
India	6.97	6.97	6.97	6.97
US	4.23	4.26	4.17	4.25
South Korea	3.17	3.17	3.16	3.27
Russia	15.11	15.11	15.11	15.11
Brazil	12.02	12.02	11.83	11.96
Germany	2.45	2.48	2.43	2.42
China	2.24	2.25	2.27	2.26

Top Traded Securities	Volume	19-Jul	18-Jul	12-Jul	19-Jun
7.26 2033	810	7.02	7.02	7.04	7.04
7.06 2028	375	6.91	6.91	6.96	6.98
7.62 2039	-	7.04	7.04	7.03	7.06
7.30 2053	1,090	7.04	7.05	7.07	7.05
6.64 2035	5	7.03	7.03	7.05	7.04
7.40 2035	5	7.03	7.03	7.06	7.01

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
19-Jul-24	341	370	-29

EQUITY	Gross Purchase	Gross Sales	Net Investment
	196	596	-400

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
538	966	-428

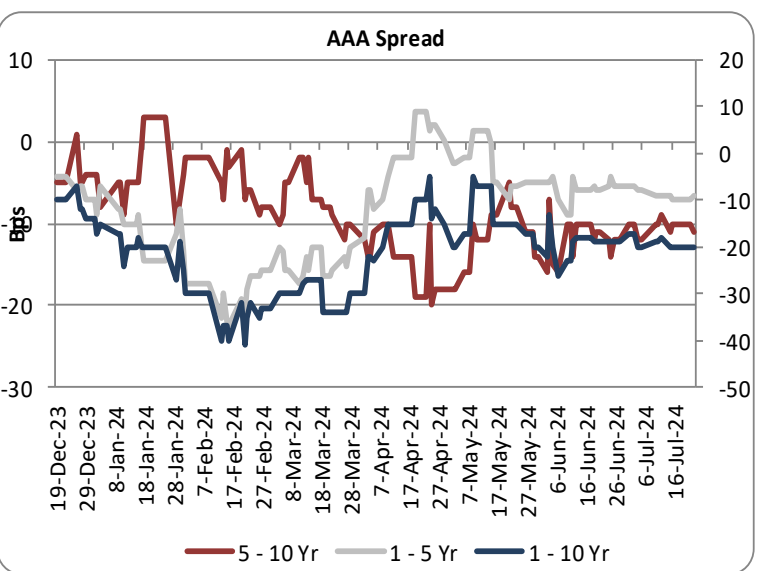
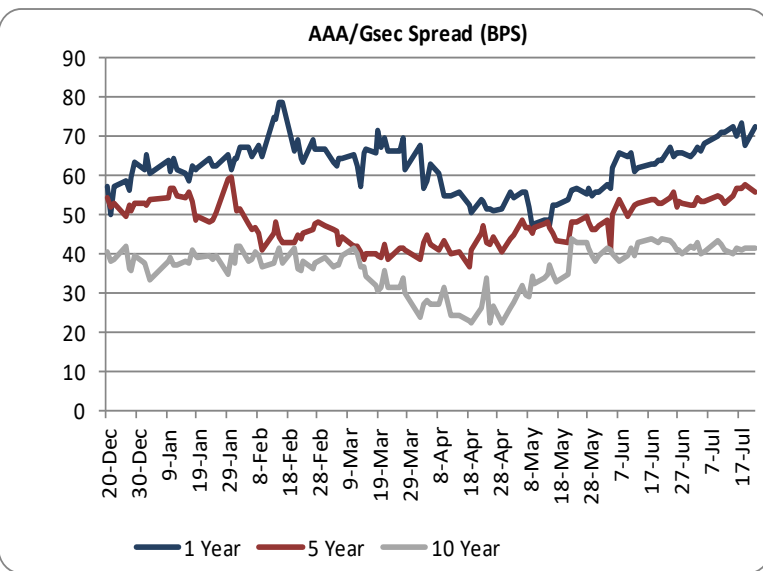
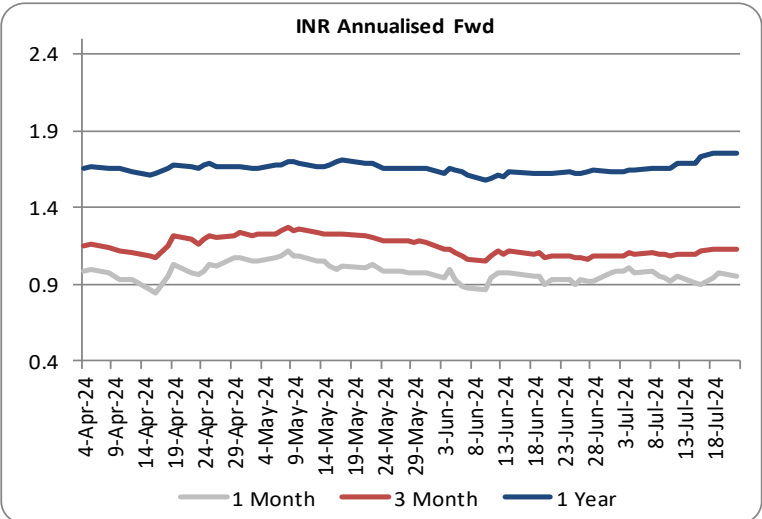
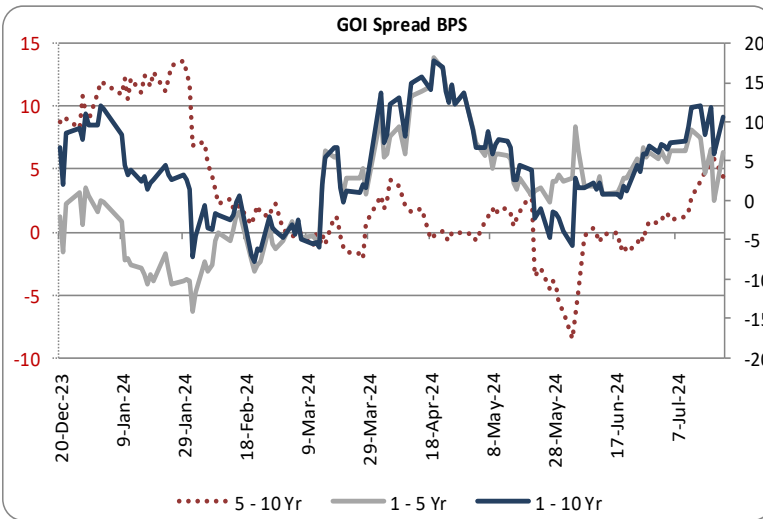
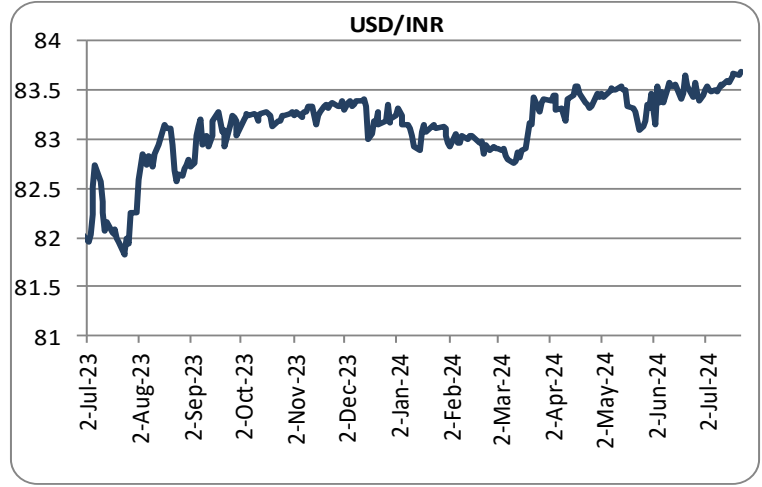
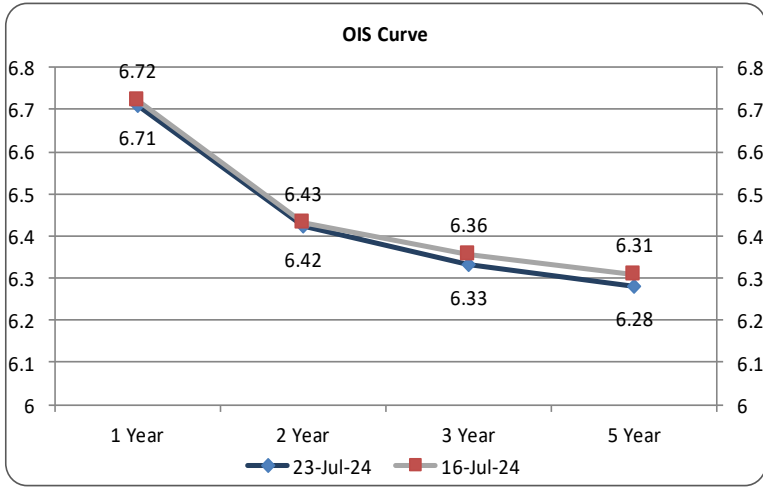
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
23-Jul-24	2375	2339	36

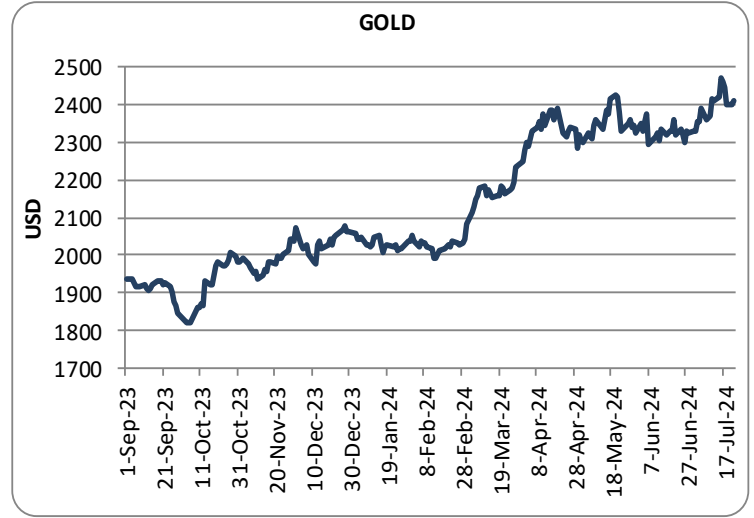
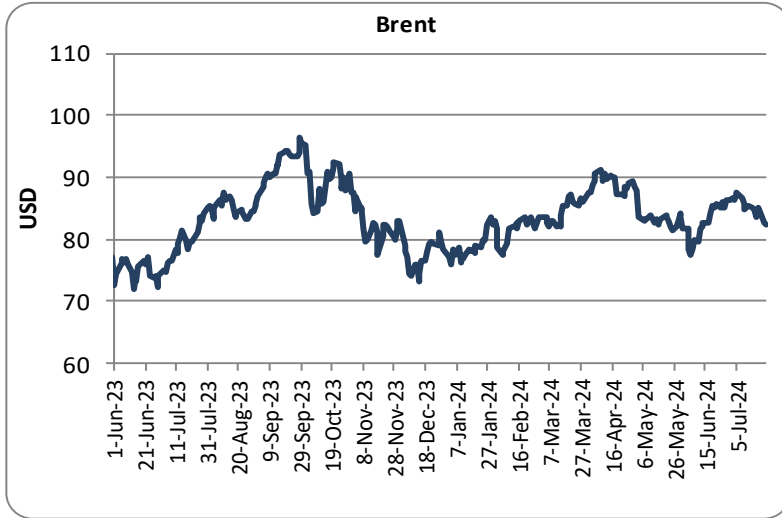
EQUITY	Gross Purchase	Gross Sales	Net Investment
	21445	13099	8347

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
23820	15437	8383

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 (%)	Jun-24	3.4	2.6
CPI (%)	Jun-24	5.1	4.8
IIP (%)	May-24	5.9	5.0
PMI Manufacturing	Jun-24	58.3	57.5
PMI Service	Jun-24	60.5	60.2

Economic Calender	Country	Date	Poll	Prior
CPI	UK	17-Jul-24	0	2
CPI	Euro Zone	17-Jul-24	2.50	2.50
Unemployment Rate	Australia	18-Jul-24	4.00	4.00
Refinancing Rate	Euro Zone	18-Jul-24	4.25	4.25
Retail Sales	UK	19-Jul-24	0.20	1.30
Unemployment Rate	Japan	30-Jul-24	-	2.60
CPI	Germany	30-Jul-24	-	2.20
Industrial Output	South Korea	31-Jul-24	-	3.50





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

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