



BONDWATCH

Daily

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INDIA

Indian government bond yields edged lower on Thursday, tracking easing oil prices, and as underlying sentiment remains upbeat as the federal budget did not present any negative triggers.

The benchmark 10-year yield ended at 6.9512%, following its previous close of 6.9634%.

India lowered its fiscal deficit target for the current financial year to 4.9% of GDP, while reducing gross borrowing marginally to 14.01 trillion rupees. The government aims to manage its cash position by tweaking treasury bill sales, if needed, instead of resorting to changes to the bond auction schedule.

Finance Secretary T.V. Somanathan said that the government plans to move away from targeting a particular level of fiscal deficit after 2025-26 and will use a ratio of government debt-to-GDP as the anchor for fiscal policy.

India's retail inflation accelerated for the first time in five months in June, with the reading at 5.08%. The RBI has hinted that rate cuts will start only once inflation meets the central bank's 4% target on a sustainable basis.

Meanwhile, oil prices eased on Thursday on concerns of weak Chinese demand and expectations of an approaching ceasefire deal in the Middle East.

The Indian rupee strengthened 0.02% versus the U.S. dollar, and quoted at 83.6975 as a rally in the Chinese yuan and likely intervention from the Reserve Bank of India supported the local currency.

Repo: The weighted average call rates in the interbank segment decreased to 6.56% vs 6.68% as on the previous day while that the TREP segment decreased to 6.45% vs 6.62% as on the previous day.

GOI Yield	25-Jul	24-Jul	18-Jul	26-Jun
1 Year	6.820	6.830	6.850	6.940
5 Year	6.864	6.897	6.915	7.007
10 Year	6.951	6.963	6.967	7.000

AAA Bmk	25-Jul	24-Jul	18-Jul	26-Jun
1 Year	7.68	7.70	7.70	7.72
5 Year	7.55	7.57	7.60	7.65
10 Year	7.50	7.50	7.50	7.53

CD	25-Jul	24-Jul	18-Jul	26-Jun
3 Month	7.15	7.15	7.12	7.20
6 Month	7.43	7.43	7.43	7.58
1 Year	7.63	7.63	7.63	7.70

CP	25-Jul	24-Jul	18-Jul	26-Jun
3 Month	7.20	7.20	7.17	7.30
6 Month	7.47	7.47	7.47	7.65
1 Year	7.68	7.68	7.68	7.80

OIS Rate	25-Jul	24-Jul	18-Jul	26-Jun
1 Year	6.67	6.69	6.71	6.80
2 Year	6.37	6.39	6.40	6.55
3 Year	6.34	6.30	6.31	6.47
5 Year	6.23	6.26	6.28	6.41

	25-Jul	24-Jul	18-Jul	26-Jun
Sensex	80,040	80,149	81,343	78,674
Nifty	24,406	24,414	24,801	23,869
USD/INR	83.70	83.72	83.65	83.57
Gold (USD)	2,373	2,398	2,445	2,298
Oil (USD)	80.60	81.71	85.11	85.25

NDF	25-Jul	24-Jul	18-Jul	26-Jun
3 Month	83.98	83.95	83.90	83.75
1 Year	85.21	85.19	85.08	84.89
2 Year	87.11	87.20	87.04	86.83
3 Year	90.48	89.99	90.06	89.69

Market Observations

G-sec

- Huge buying demand was seen in 2035 to 2039 SDLs by PDs at 7.34 centric levels.
- Demand was visible up to 3-year G-sec by corporates and private banks at 6.86% & 6.87% levels.

Corporate Bonds

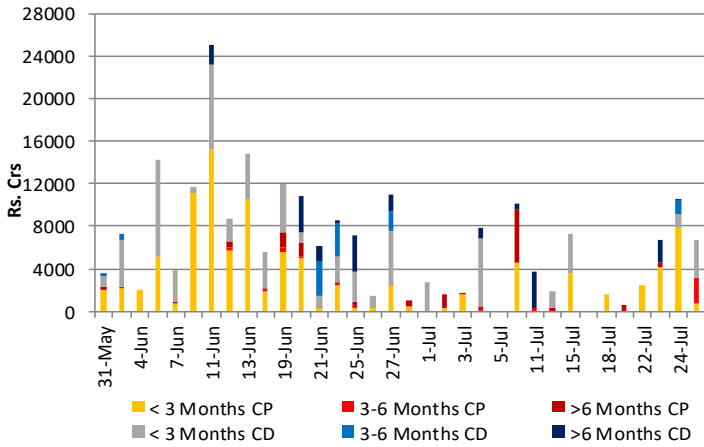
- Major Activity was seen in the 2025-2029 segment.
- Mutual funds were active on the buying as well as selling side whereas banks were active on the selling side.
- Banks and life insurance companies were active in the longer segment.

CP/CD

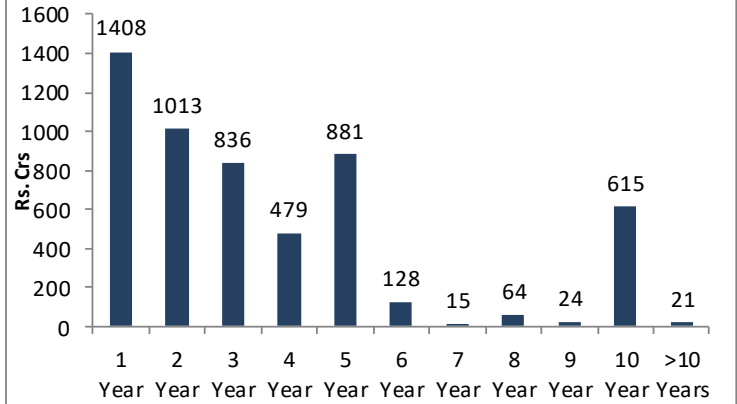
- Activity was seen up to the 3-month segment.



CP/CD Primary Volume



Bonds Volume (prev.)



10 Year Benchmarks	25-Jul	24-Jul	18-Jul	26-Jun
India	6.95	6.96	6.97	7.00
US	4.23	4.29	4.19	4.32
South Korea	3.15	3.13	3.15	3.29
Russia	15.11	15.11	15.11	15.11
Brazil	12.17	12.17	12.06	12.11
Germany	2.40	2.44	2.41	2.45
China	2.22	2.23	2.27	2.23

Top Traded Securities	Volume	19-Jul	18-Jul	12-Jul	19-Jun
7.26 2033	1,320	7.02	7.02	7.04	7.04
7.06 2028	560	6.91	6.91	6.96	6.98
7.62 2039	60	7.04	7.04	7.03	7.06
7.30 2053	1,095	7.04	7.05	7.07	7.05
6.64 2035	110	7.03	7.03	7.05	7.04
7.40 2035	520	7.03	7.03	7.06	7.01

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
23-Jul-24	9338	8796	542

EQUITY	Gross Purchase	Gross Sales	Net Investment
	2259	2199	60

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
11597	10995	602

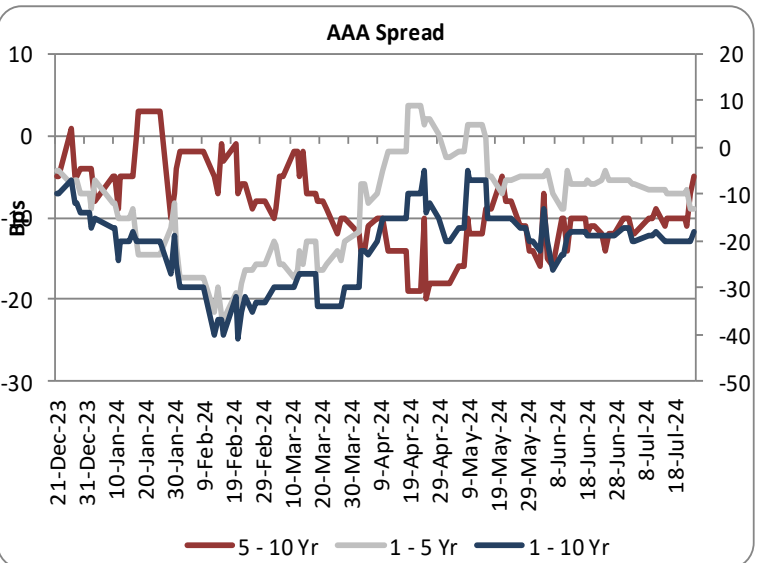
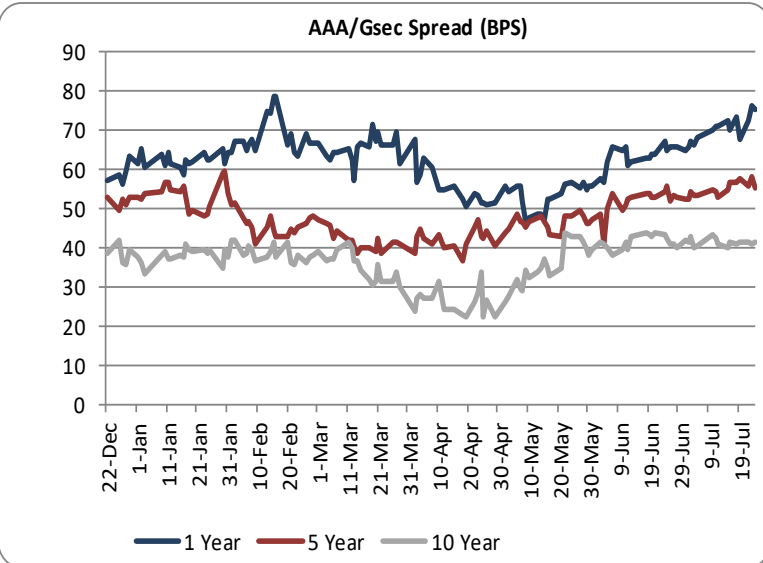
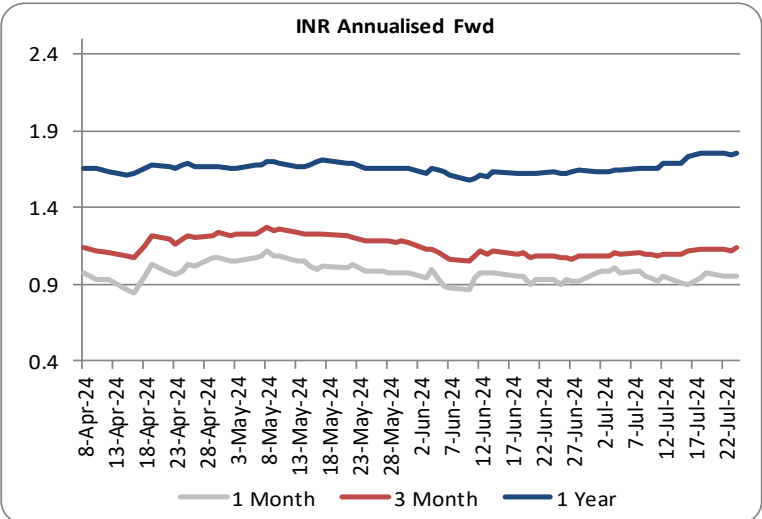
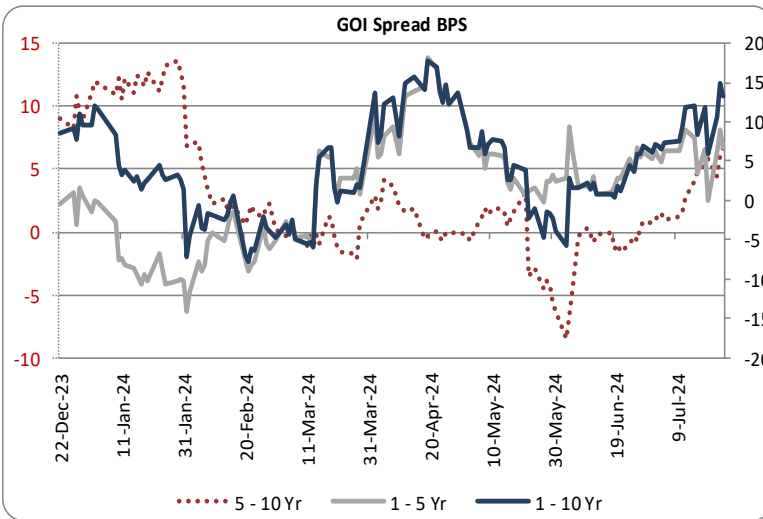
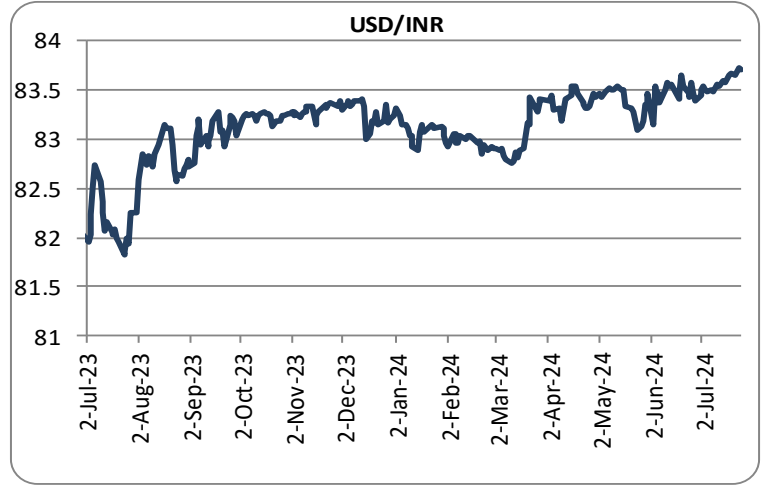
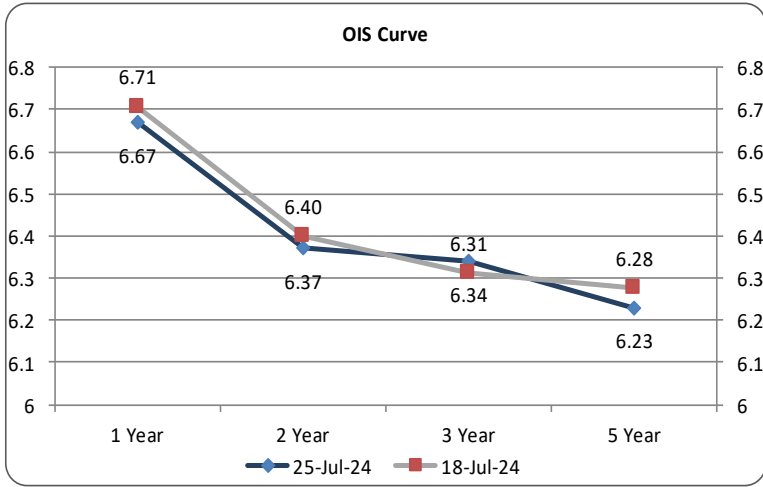
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
25-Jul-24	1847	1663	184

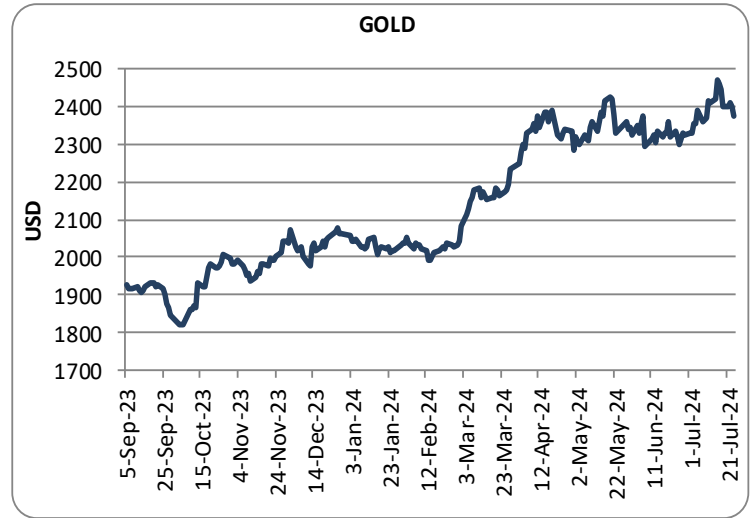
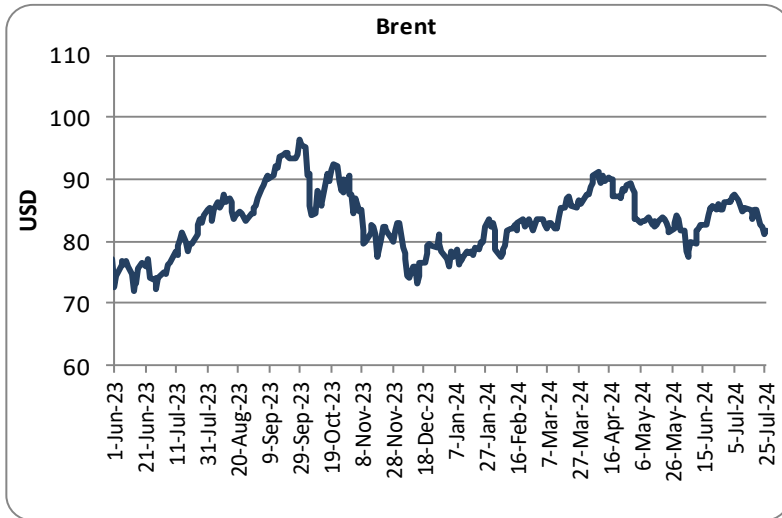
EQUITY	Gross Purchase	Gross Sales	Net Investment
	17143	20651	-3508

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
18990	22315	-3324

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
GDP Advance	USA	25-Jul-24	1.8	1.4
Unemployment Rate	Japan	30-Jul-24	-	2.60
CPI	Germany	30-Jul-24	-	2.20
Retail Sales	Japan	31-Jul-24	-	3.00
CPI	Euro Zone	31-Jul-24	-	2.50
Bank rate	UK	01-Aug-24	-	5.25
Unemployment Rate	USA	02-Aug-24	4.10	4.10
Retail Sales	Euro Zone	06-Aug-24	-	0.30





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

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