



Indian government bond yields fell for the third consecutive month, a first in two years, with the benchmark bond yield's aggregate fall in the period at its highest in over three years.

The benchmark 7.26% 2033 bond ended at 6.9874% on Wednesday, after closing at 7.0102% in the previous session, in a month that saw it dropping to below 7% for first time in 13 months. The 10-year benchmark yield dipped 13 basis points (bps) in May, after falling 20 bps in April and 15 bps in March.

India's bond yields fell despite U.S. yields rising in May, as strong economic data and hawkish comments from officials have increased the chances of another rate hike from the U.S. Federal Reserve on June 14.

The odds of another 25 bps hike stand at 58%, sharply higher than around 5% at the beginning of this month. The Fed has raised rates by 500 bps since March 2022 to the 5.00%-5.25% mark.

India's retail inflation eased to 4.70% in April, and economists expect the next few readings to be comfortably below the Reserve Bank of India's (RBI) upper tolerance level, including May's reading, that could drop to around 4.2%.

The Indian rupee weakened 0.02% versus the U.S. dollar, and quoted at 82.72 per dollar, despite a further decline in the yuan supported by broad dollar inflows.

Oil prices fell on Wednesday on a stronger U.S. dollar and as weak data from top oil importer China raised demand fears.

Repo: The weighted average call rates in the interbank segment decreased to 6.33% vs 6.34% as on the previous day while that the TREP segment decreased to 6.24% vs 6.26% as on the previous day.

GOI Yield	31-May	30-May	24-May	3-May
1 Year	6.890	6.895	6.870	6.975
5 Year	6.919	6.954	6.919	6.933
10 Year	6.987	7.010	6.992	7.006

AAA Bmk	31-May	30-May	24-May	3-May
1 Year	7.45	7.45	7.40	7.42
5 Year	7.47	7.47	7.45	7.50
10 Year	7.40	7.40	7.40	7.52

CD	31-May	30-May	24-May	3-May
3 Month	7.00	7.00	6.90	7.10
6 Month	7.25	7.25	7.25	7.30
1 Year	7.45	7.45	7.45	7.45

CP	31-May	30-May	24-May	3-May
3 Month	7.10	7.10	7.00	7.15
6 Month	7.35	7.35	7.35	7.35
1 Year	7.55	7.55	7.55	7.55

OIS Rate	31-May	30-May	24-May	3-May
1 Year	6.57	6.58	6.56	6.57
2 Year	6.21	6.24	6.21	6.17
3 Year	6.09	6.13	6.11	6.01
5 Year	6.03	6.09	6.06	5.99

	31-May	30-May	24-May	3-May
Sensex	62,622	62,969	61,774	61,193
Nifty	18,534	18,634	18,285	18,090
USD/INR	82.72	82.71	82.66	81.82
Gold (USD)	1,959	1,959	1,957	2,039
Oil (USD)	71.60	73.54	78.36	72.33

NDF	31-May	30-May	24-May	3-May
3 Month	83.06	83.00	83.01	82.14
1 Year	84.24	84.12	84.31	83.52
2 Year	86.49	86.34	86.54	85.94
3 Year	89.29	89.14	89.39	88.84

Market Observations

G-sec

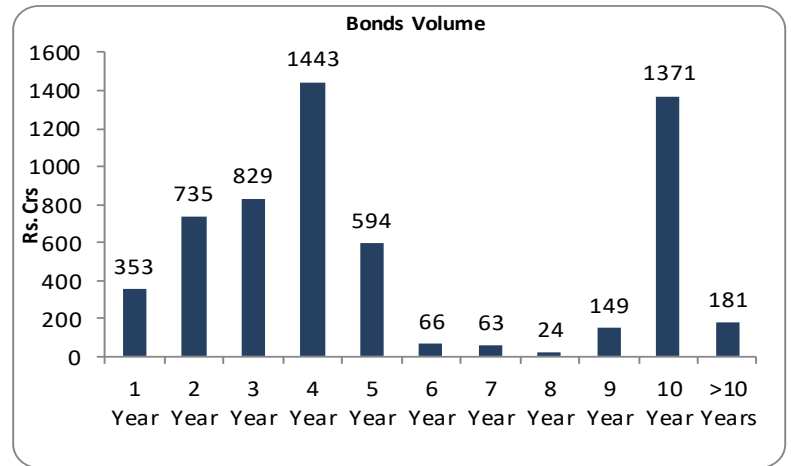
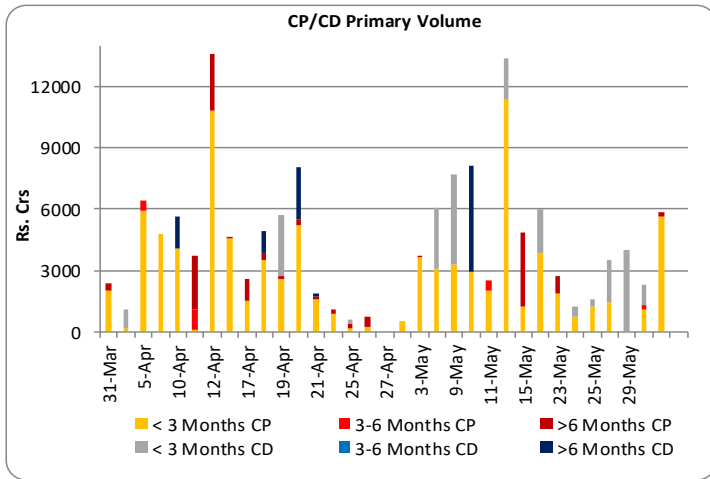
- T-bill cut off was in line with market expectations. Demand was seen in 3M T-bills by Mutual funds post cut off.
- Demand was seen in the 7-year G-sec as it was trading at par with the 10-year G-sec.

Corporate Bonds

- Mutual funds were active in the 2025-2026 segment.
- Insurance companies were buyers in the longer end.

CP/CD

- Demand was seen in the 3-month segment.



10 Year Benchmarks	31-May	30-May	24-May	3-May
India	6.99	7.01	6.99	7.01
US	3.65	3.70	3.72	3.40
South Korea	3.53	3.65	3.50	3.33
Russia	10.75	10.75	10.71	10.61
Brazil	11.64	11.57	11.61	12.20
Germany	2.25	2.34	2.45	2.25
China	2.71	2.73	2.71	2.79

Top Traded Securities	Volume	31-May	30-May	24-May	3-May
5.74 2026	10	#N/A	6.90	6.89	6.91
7.38 2027	-	6.92	6.95	6.92	6.93
7.10 2029	-	6.98	6.99	6.97	6.98
6.54 2032	5	7.04	7.06	7.05	7.07
7.26 2032	#VALUE!	7.03	7.05	7.03	7.06
7.54 2036	-	7.10	7.11	7.08	7.12

DEBT			
	Gross Purchase	Gross Sales	Net Investment
MF			
29-May-23	3320	2277	1043

EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	3001	3376	-375

TOTAL (Rs.Crs)			
	Gross Purchase	Gross Sales	Net Investment
	6321	5652	668

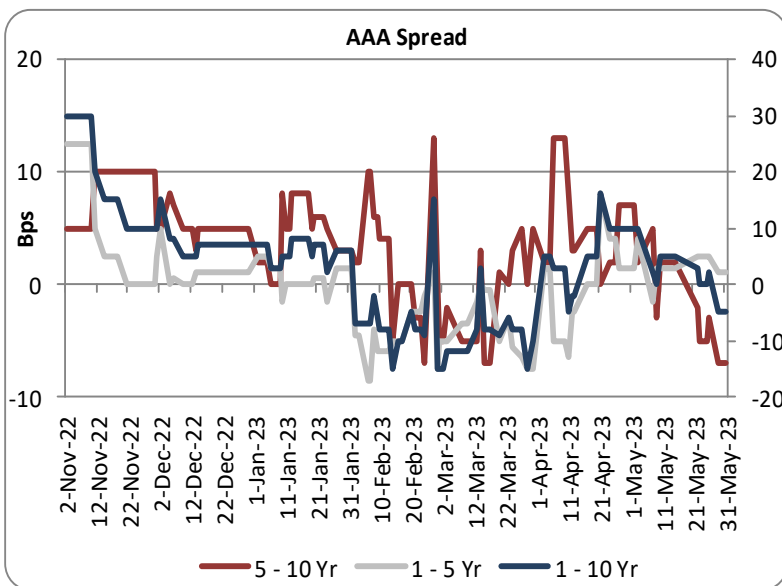
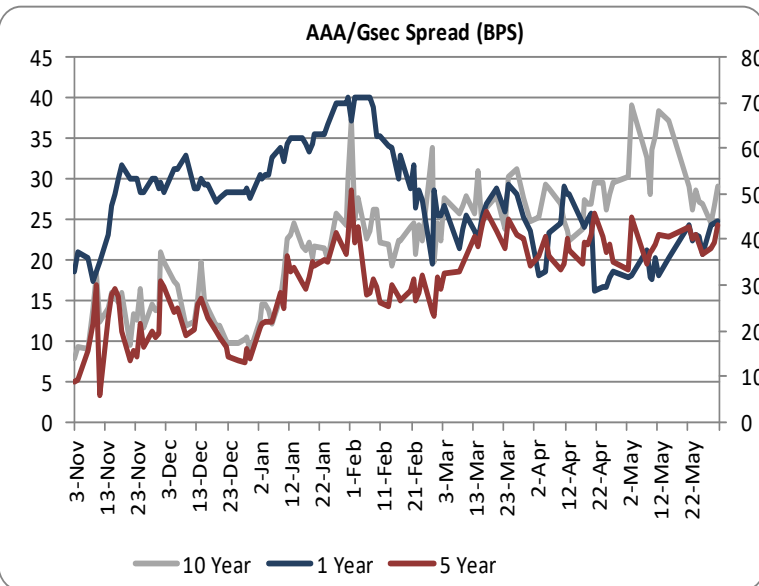
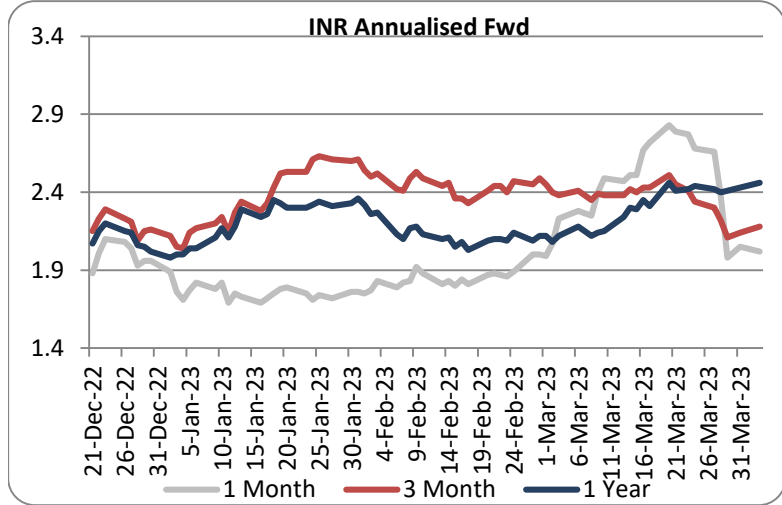
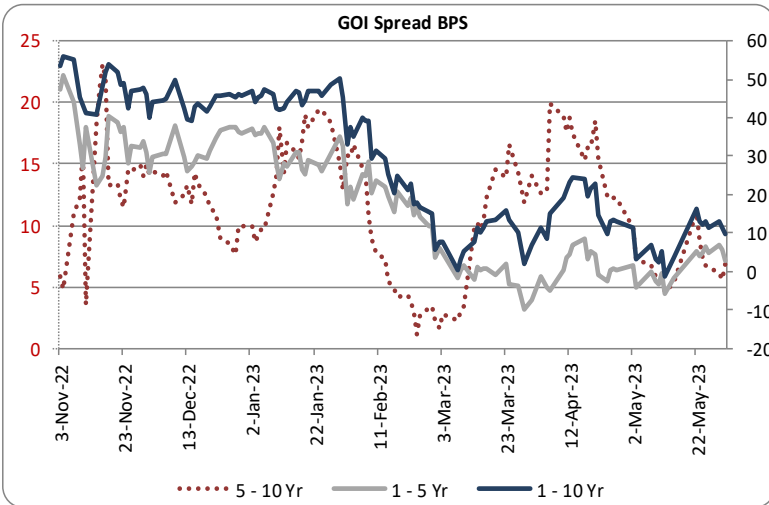
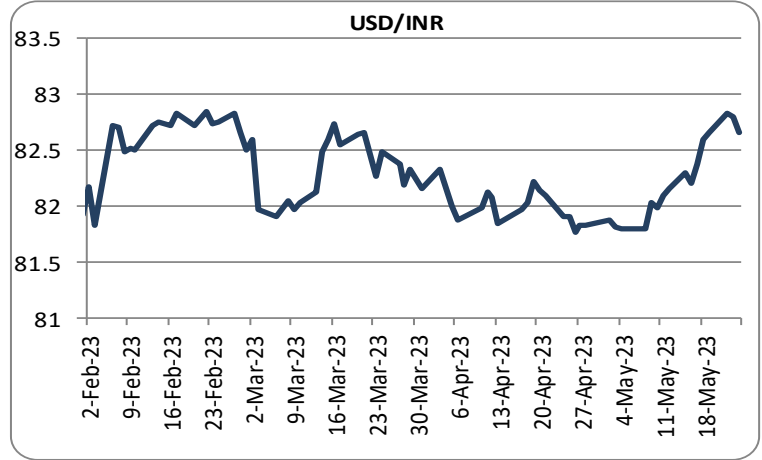
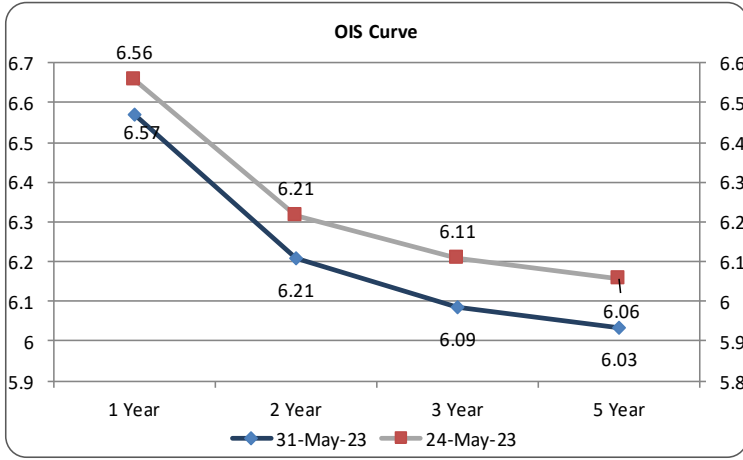
DEBT			
	Gross Purchase	Gross Sales	Net Investment
FII			
31-May-23	1157	509	649

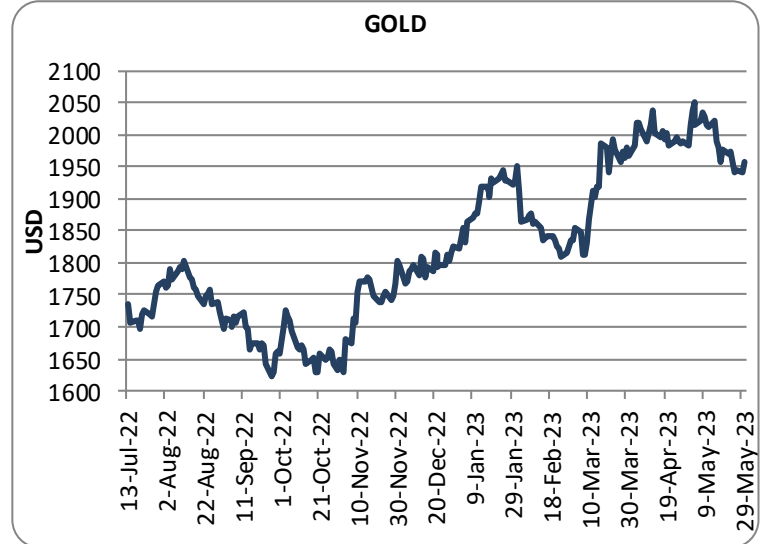
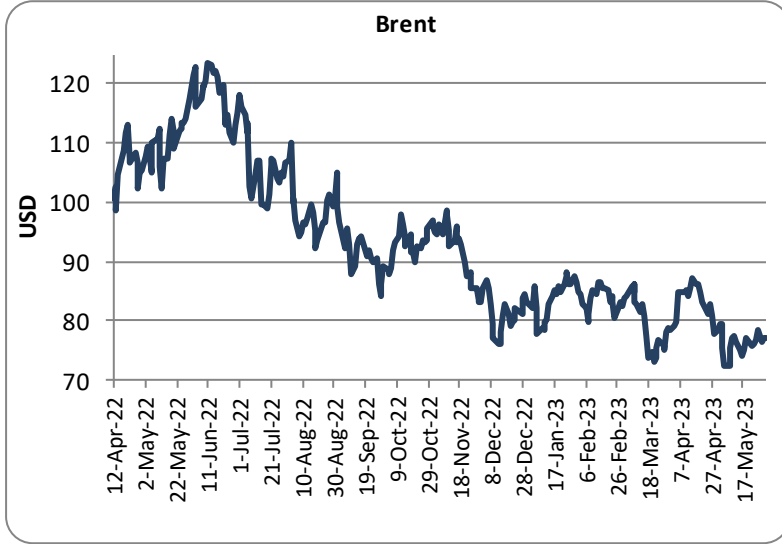
EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	9951	7510	2441

TOTAL (Rs. Crs)			
	Gross Purchase	Gross Sales	Net Investment
	11108	8018	3090

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-22	4.4	6.3
CAD (\$ Bn)	Dec-22	-18.2	-30.9
Trade Deficit (\$ Bn)	Dec-22	-72.7	-78.3
WPI (%)	Apr-23	-0.9	1.3
CPI (%)	Apr-23	4.7	5.7
IIP (%)	Mar-23	1.1	5.6
PMI Manufacturing	Apr-23	57.2	56.4
PMI Service	Apr-23	62	57.8

Economic Calender	Country	Date	Poll	Prior
Unemployment Rate	Japan	30-May-23	0	2.8
GDP YY	Switzerland	30-May-23	-	0.80
CPI	Germany	31-May-23	-	7.20
Industrial Output	Russia	31-May-23	5.30	1.20
GDP YY	Brazil	02-Jun-23	-	1.90
Retail Sales	Euro Zone	06-Jun-23	-	(3.80)
GDP YY	South Africa	06-Jun-23	-	0.90
Industrial Output	Germany	07-Jun-23	-	1.56





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

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

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

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