



Economic Indicator

Particulars	28-06-2024	21-06-2024	Change
5 Year Indian Govt. Bond (%)	7.00	6.99	0.01
10 Year Indian Govt. Bond(%) (7.18% GS 2033)	7.01	6.97	0.04
15 Year Indian Govt. Bond(%)	7.03	7.01	0.02
Call Money Market (%)	6.25	5.75	0.5
Brent Crude Oil (in Dollar/barrel)	85	84.33	0.67
US 10 Year Treasury (%)	4.34	4.26	0.08
UK 10 Year Treasury (%)	4.18	4.08	0.1
Rupee Vs Dollar	83.36	83.56	-0.2
FOREX Reserves with RBI (in Dollar/bn)	653.71	652.89	0.82

Policy Rates

Repo Rate	6.50%
Standing Deposit Facility Rate	6.25%
CRR	4.50%
Reverse Repo Rate	3.35%

— Adverse + Favor

(Source: Bloomberg/www.rbi.org.in)

DATA	May 2024 (released on 12-June-2024)	Apr 2024 (released on 13-May-2024)	Change
CPI DATA (%) (Monthly)	4.75%	4.83%	-0.08

DATA	April 2024 (released on 12-June-2024)	Mar 2024 (released on 10-May-2024)	Change
IIP DATA (Monthly)	4.98%	4.90%	-0.80



Yield Outlook for the week

The Indian 10 year Benchmark (7.10% GS 2034) likely to move in the range of 6.97% to 7.02%.
(GEPL Capital Research)

Interest Rate Futures

IRF OPEN INTEREST (w.o.w)				
Security	Contract	28-June-24	21-June-24	Change
7.10% GOI 2034	25-July-2024	9937	14922	-4985

IRF PRICE (w.o.w)				
Security	Contract	28-June-24	21-June-24	Change
7.10% GOI 2034	25-July-2024	100.62	100.85	-0.23

(GEPL Capital Research)

Auction Scheduled For The Week

Date	Instrument	Expected Security	Nature of Flow	Amount (Cr)
02-July-24	SDL	8 States	Auction	14100
03-July-24	T-Bills	91 DTB	Auction	8000
03-July-24	T-Bills	182 DTB	Auction	6000
03-July-24	T-Bills	364 DTB	Auction	6000
05-July-24	G-Sec	7.37% GS 2028	Auction	60000
05-July-24	G-Sec	7.23% GS 2039	Auction	12000
05-July-24	G-Sec	7.30% GS 2053	Auction	10000

(Source: www.rbi.org.in)

Government Security Market Update :

Indian government bonds entered the JP Morgan emerging market bond index and got off to a muted start with a lower-than-expected quantum of foreign flows on Friday, belying expectations of an immediate deluge. The benchmark 10-year yield ended at 7.0095%, following its previous close of 6.9992%. It fell five basis points (bps) in the April-June quarter, after easing by 4 bps and 12 bps in the previous two quarters. Most of the Indian government bonds under the Fully Accessible Route (FAR) were included in the JPMorgan emerging market debt index from Friday. These papers have already seen inflows nearing \$11 billion since the inclusion's announcement last September. Yields on the bonds were unable to decline meaningfully on the day of the much-awaited inclusion amid underwhelming inflows. Traders had been betting on inflows of up to \$2 billion spread over Thursday and Friday but pointed out to flows that were just over one-fourth of the size. Earlier during the week the nine states sold 10-30 years loan in the range of 7.27 to 7.36% and in the Treasury bill auction the Reserve Bank of India sold 91; 182 & 364 DTB at a yield of 6.8034; 6.9191 & 6.9594 percent respectively. In a scheduled auction the government sold 7.10% GS 2034 & 7.34% GS 2064 at a yield of 7.0191 & 7.1004 percent respectively. The yield on the 7.10% Government bond due April 2034 rose to 7.0095% from 6.9723% last week.

Global Debt Market Update:

The 10-year Treasury yield was up nearly 10 basis points at 4.384%. The 2-year Treasury yield was last at 4.747% after rising 3 basis points. The May personal consumption expenditures price index, which is the Federal Reserve's preferred inflation gauge, showed a gain of 0.1% for the month, and an increase of 2.6% from a year ago. The data comes as uncertainty about what could be next for interest rates has persisted. Federal Reserve policymakers have frequently indicated they would only move to cut rates once data showed that inflation was easing toward the 2% target. Markets were last pricing in the chance of two quarter-percentage-point rate cuts this year. US bond traders are likewise battling doubt about whether the Federal Reserve will deliver rate cuts this year. They no longer price in more than one by year-end, compared with six at the start of the year.

Bond Market Ahead:

The much awaited Indian government bond inclusion to the JP Morgan Index was done on June 28, 2024. This inclusion will enhance bond visibility, stability of the rupee, and the country's balance of payments. An estimated \$20-25 billion is expected to flow into India by FY25. Initial inflows strengthened the rupee. With a large local debt stock, India's high yields and stable macroeconomic conditions make its bonds attractive to foreign investors, improving lending rates for the banks. The market will gradually developed and will see healthy inflows from the foreign players which will ease the yields across the curve. The market focus will now shift towards the macro factors and its impact on the interest rates movement. All eyes will be on the retail inflation numbers; monsoon progress; union budget and the steps of the FOMC in July series. With the healthy dividend amount transferred from the RBI to the government the market expecting some changes in the borrowing numbers for FY25 in the Union budget. State governments and Union Territories plan to raise funds worth Rs 2.64 lakh crore through bond sales in July-September, while the Centre aims to raise Rs 2.60 lakh crore through the sale of Treasury Bills in the second quarter, the Reserve Bank of India said. In an indicative calendar released by the RBI on Friday, the central bank announced 13 sets of auctions in July-September through which states plan to sell bonds and raise funds.

Bond Strategy:

- Buy 7.23% GS 2039 around 7.05 to 7.06 with a target of 7.01% and a stop loss of 7.09%.
- Buy 7.10% GS 2034 around 7.02 to 7.03 with a target of 6.97% and a stop loss of 7.06%.
- Buy 7.34% GS 2064 around 7.11 to 7.12 with a target of 7.07% and a stop loss of 7.15%.

(Source: Bloomberg, GEPL Capital Research)

Economic Calendar

DATA	DATE
European Central Bank Non-monetary Policy Meeting	01-July -2024
German CPI Data	01-July -2024
South Korean CPI Data	02-July -2024
RBA Meeting Minutes	02-July -2024
Brazil IIP Data	03-July -2024
US Jobless claims	03-July -2024
Russia GDP Data	03-July -2024
Swedish Monetary Policy Meeting Minutes	03-July -2024
Swiss CPI Data	04-July -2024
US Fed Balance Sheet	05-July -2024
Philippines CPI Data	05-July -2024
Thailand CPI Data	05-July -2024
German IIP Data	05-July -2024
French IIP Data	05-July -2024
Spanish IIP Data	05-July -2024
Sweden GDP Data	05-July -2024

(Source: Bloombergberg)





Name	Designation	Certification	Email	Contact
Deepak Panjwani	Head – Debt Market	MBA - Finance & Marketing	deepak@geplcapital.com	91 (22) 6618 2352

I, Mr. **Deepak Panjwani** (Head - Debt Market of GEPL Capital), having Education Qualification **MBA - Finance & Marketing**, hereby certify that all of the views expressed in this research report accurately reflect my views about the subject issuer(s) or securities. I, also certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Disclosure :-

This document has been prepared by Research Department of GEPL Capital Pvt. Ltd. (hereinafter referred to as GEPL) and this report is for personal information of the selected recipient/s and does not constitute to be any investment, recommendation, prospectus, offering circular or legal or taxation advice to you. This research report does not constitute an offer, invitation or inducement to invest in securities or other investments and GEPL is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your general information and should not be reproduced or redistributed to any other person in any form. This report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. GEPL makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability or obligation with respect to, the fairness, accuracy, completeness or correctness of any information or update information or opinions contained herein.

All investments including Future and Options are involving risks and investors should exercise prudence in making their investment decisions. The report should not be regarded by the recipients as a substitute for the exercise of their own judgment. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or GEPL as a result of using different assumptions and criteria. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report.

The information contained in this report has been obtained from sources that are considered to be reliable. However, GEPL has not independently verified the accuracy or completeness of the same. Neither GEPL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

GEPL and its affiliates and/or their officers, directors and employees may have similar position in any securities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such securities (or investment). GEPL specifically prohibits the redistribution of this material in whole or in part without the written permission of GEPL and GEPL accepts no liability whatsoever for the actions of third parties in this regard. GEPL or its director or its research analysts or its associates or his relatives and/or its affiliates and/or employees do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

Disclaimers in respect of jurisdiction:

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such Distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject GEPL its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently sent or has reached any individual the same may be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published for any purposes without prior written approval of GEPL.

"Registration granted by SEBI for Research Analyst under **SEBI Reg. No: INH000000081** and certification from NISM in no way guarantee the performance of the intermediary or provide any assurance of returns to investors."

Analyst Certification:

The views expressed in this research report reflect the personal views of the analyst(s) about the subject securities or issues. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months.

GEPL Capital Private Limited is a SEBI registered Research Analyst entity bearing SEBI Reg. No. "**INH000000081**" under SEBI (Research Analysts) Regulations, 2014.

Registered Office: D-21, Dhanraj Mahal, CSM Marg, Colaba, Mumbai - 400 001 CIN No.: U67120MH1997PTC110941

Email: info@geplcapital.com & complaints@geplcapital.com

Broking Services, Mutual Fund distribution, IPOs distributorship, Fixed Income distribution offered through GEPL Capital Pvt. Ltd. SEBI Registration No.: (BSE-CM / F&O, NSE-CM / F&O / CD) INZ000168137

Research Analyst SEBI Reg. No.: INH000000081 AMFI Registration No.: ARN – 27210*

*Advisory Services through GEPL Investment Advisors Pvt. Ltd. SEBI Reg. No.: INA000002744 *

Insurance distributorship via group company GEPL Insurance Broking Pvt. Ltd.: IRDA Broker License No. DB267

Equities related financing through Group Company GEPL Finance Pvt. Ltd. RBI LIC No.: N-13.01928

For more information visit us at : : www.geplcapital.com

For research related queries email at research@geplcapital.com