



BONDWATCH

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INDIA

Indian government bond yields ended largely unchanged after a choppy session on Thursday as traders shifted focus to the upcoming debt auction, which will help market participants gauge the demand outlook.

The benchmark 7.26% 2033 bond yield ended at 6.9824%, after closing at 6.9874% in the previous session. During the day, the benchmark bond yield broke the key technical level of 6.98% amid likely purchases from foreign banks.

Bond yields rose in the opening session after Wednesday's stronger-than-expected economic growth data for January-March. India GDP for Q4 2023 came to 6.1% exceeding market expectations.

The RBI is scheduled to announce its monetary policy decision on June 8. Most market participants expect the RBI bank to keep the repo rate unchanged at 6.50%, considering the moderating inflation and still-resilient domestic economic activity.

Markets will also focus on the central bank's liquidity move. The RBI will likely shift to withdrawing liquidity from the banking system and opt for a variable rate reverse repo auction on Friday to balance a recent surplus.

Oil prices dipped on Thursday for the third straight session after data showed an unexpected, large build in U.S crude stocks last week, triggering fears of an oversupply amid signs of weaker demand from China.

The Indian rupee strengthened 0.39% versus the U.S. dollar, and quoted at 82.43 per dollar following strong domestic growth data which prompted traders to square off long dollar positions.

Repo: The weighted average call rates in the interbank segment decreased to 6.32% vs 6.33% as on the previous day while that the TREP segment decreased to 6.21% vs 6.24% as on the previous day.

GOI Yield	1-Jun	31-May	25-May	3-May
1 Year	6.865	6.890	6.875	6.975
5 Year	6.905	6.919	6.940	6.933
10 Year	6.982	6.987	7.007	7.006

AAA Bmk	1-Jun	31-May	25-May	3-May
1 Year	7.42	7.45	7.40	7.42
5 Year	7.45	7.47	7.45	7.50
10 Year	7.40	7.40	7.40	7.52

CD	1-Jun	31-May	25-May	3-May
3 Month	6.90	7.00	6.90	7.10
6 Month	7.15	7.25	7.25	7.30
1 Year	7.40	7.45	7.45	7.45

CP	1-Jun	31-May	25-May	3-May
3 Month	7.00	7.10	7.00	7.15
6 Month	7.25	7.35	7.35	7.35
1 Year	7.50	7.55	7.55	7.55

OIS Rate	1-Jun	31-May	25-May	3-May
1 Year	6.57	6.57	6.56	6.57
2 Year	6.21	6.21	6.23	6.17
3 Year	6.08	6.09	6.12	6.01
5 Year	6.01	6.03	6.07	5.99

	1-Jun	31-May	25-May	3-May
Sensex	62,429	62,622	61,873	61,193
Nifty	18,488	18,534	18,321	18,090
USD/INR	82.41	82.72	82.74	81.82
Gold (USD)	1,967	1,962	1,940	2,039
Oil (USD)	72.24	72.66	76.26	72.33

NDF	1-Jun	31-May	25-May	3-May
3 Month	82.75	82.98	83.09	82.14
1 Year	83.84	84.15	84.34	83.52
2 Year	86.03	86.42	86.45	85.94
3 Year	89.43	89.22	89.30	88.84

Market Observations

G-sec

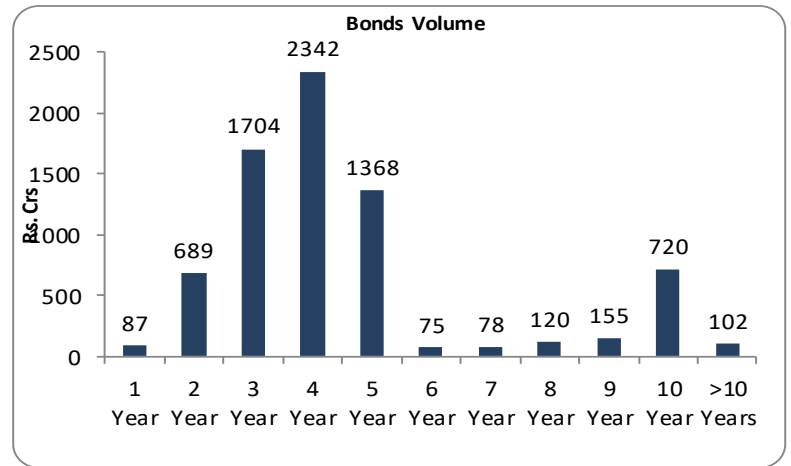
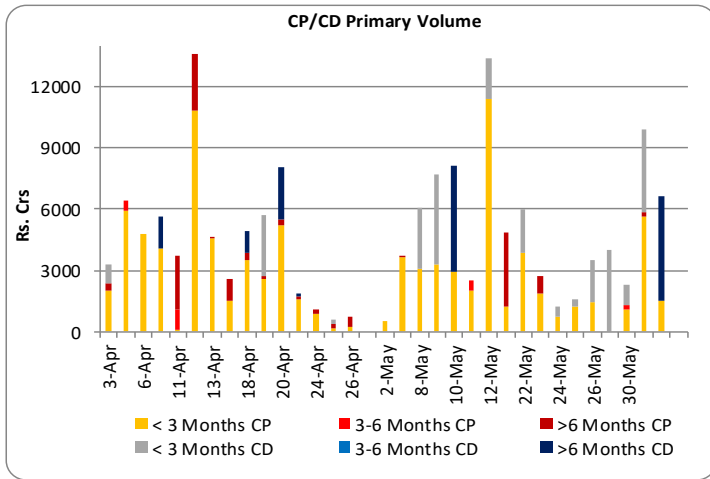
- Huge demand was seen in the 3-month to 9-month T-bills by Mutual funds and banks as system liquidity inched higher.
- Demand was seen in longer end SDLs by pension funds and life insurance companies.

Corporate Bonds

- Market was active throughout and major activity was seen between private banks, mutual funds and corporates.
- Private banks and corporates were buyers in the 2025-2026 segment.

CP/CD

- Demand was seen across all segments.



10 Year Benchmarks	1-Jun	31-May	25-May	3-May
India	6.98	6.99	7.01	7.01
US	3.67	3.64	3.82	3.40
South Korea	3.55	3.53	3.60	3.33
Russia	10.78	10.76	10.69	10.61
Brazil	11.61	11.55	11.60	12.20
Germany	2.29	2.27	2.49	2.25
China	2.71	2.71	2.72	2.79

Top Traded Securities	Volume	1-Jun	31-May	25-May	3-May
5.74 2026	590	6.90	#N/A	#N/A	6.91
7.38 2027	-	6.91	6.92	6.94	6.93
7.10 2029	-	6.96	6.98	6.99	6.98
6.54 2032	-	7.03	7.04	7.05	7.07
7.26 2032	#VALUE!	7.02	7.03	7.05	7.06
7.54 2036	5	7.09	7.10	7.11	7.12

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
31-May-23	6196	6186	10

EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	2608	2549	59

TOTAL (Rs.Crs)			
	Gross Purchase	Gross Sales	Net Investment
	8804	8735	68

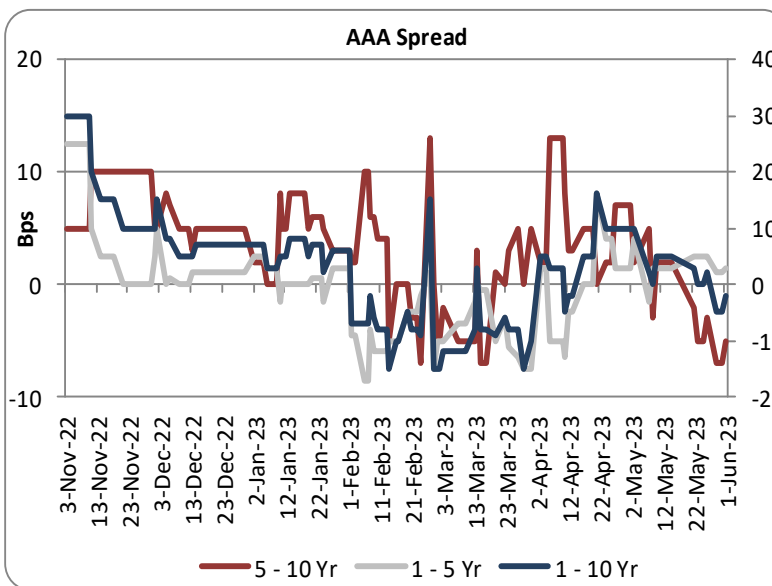
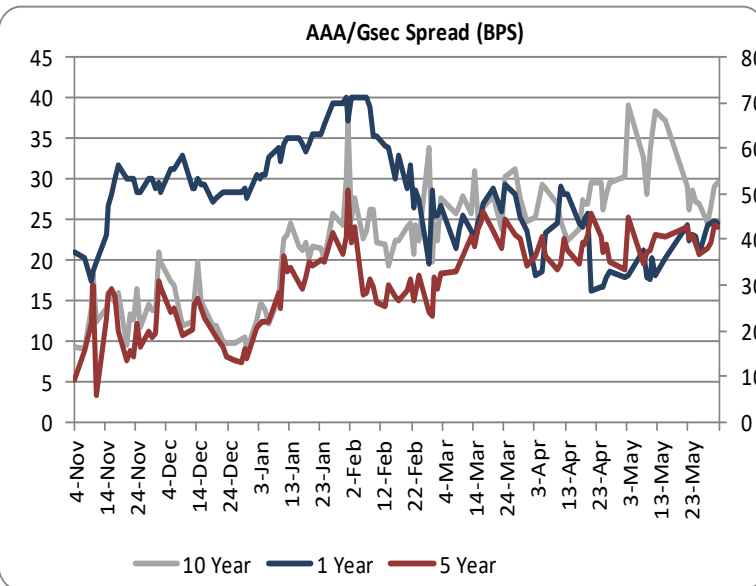
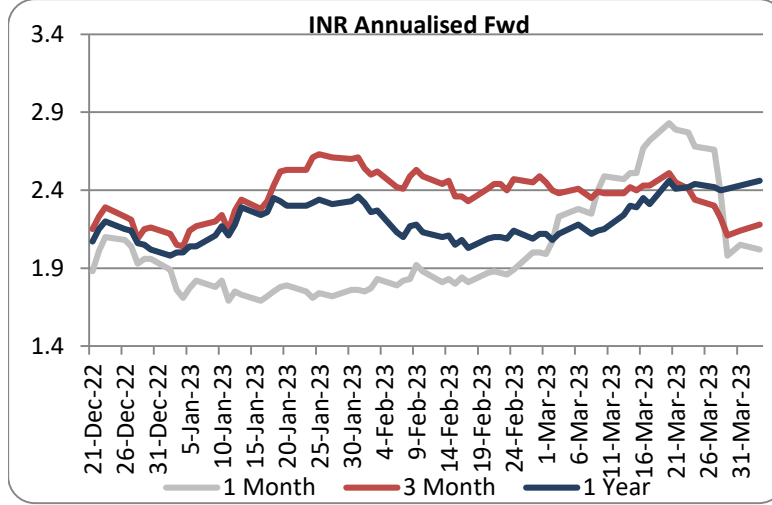
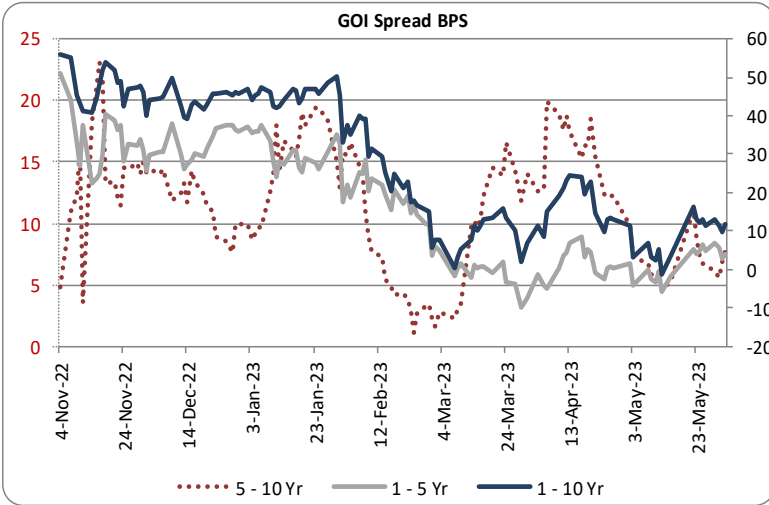
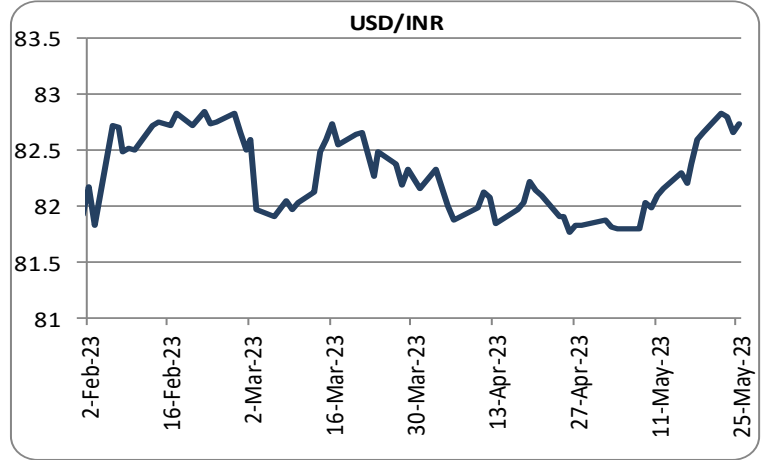
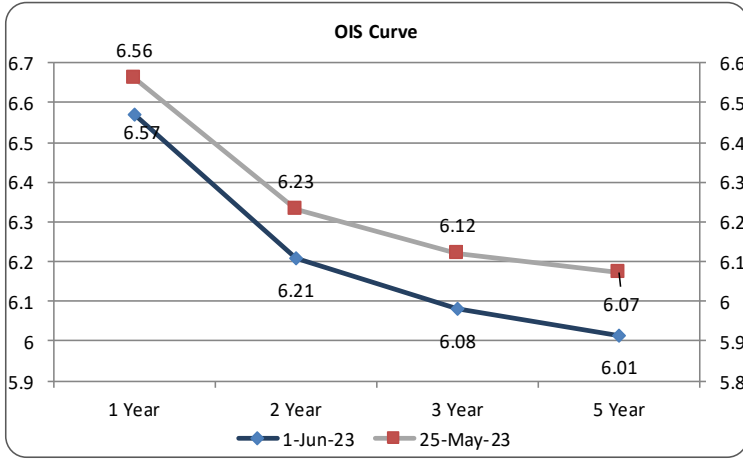
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
1-Jun-23	1157	509	649

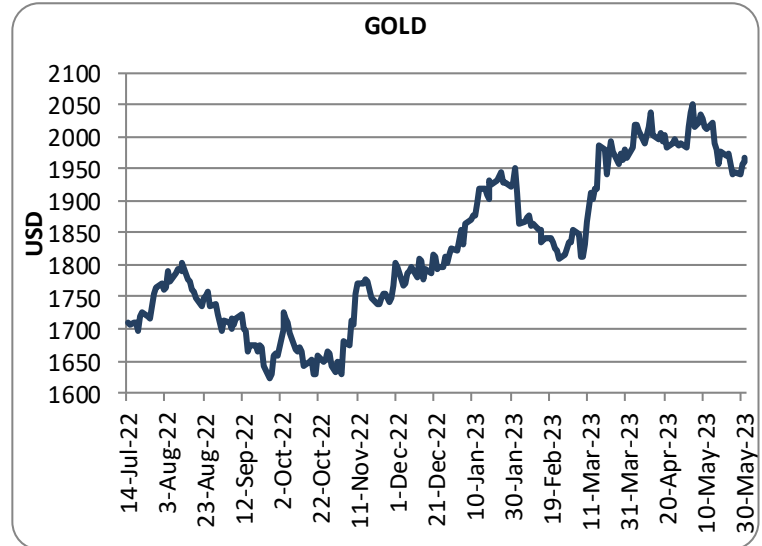
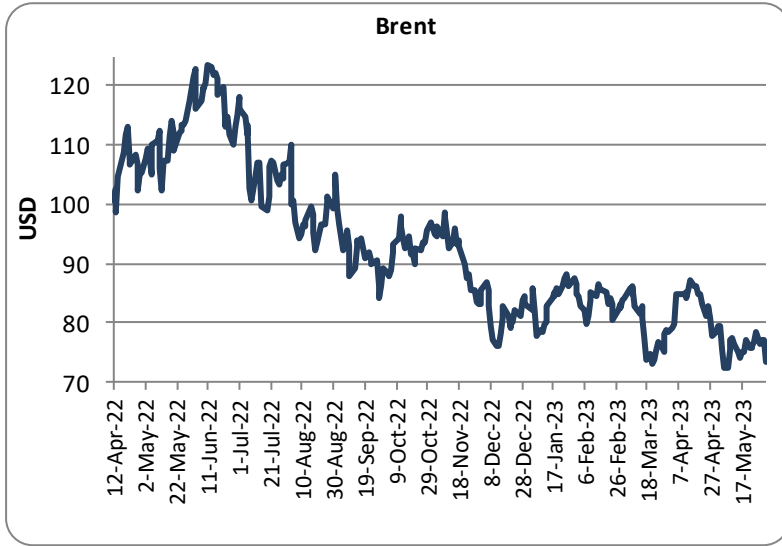
EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	9951	7510	2441

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

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Mar-23	6.1	4.4
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	May-23	58.7	57.2
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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