



# BONDWATCH

Daily

INDIA

March 01, 2023

The 10-year benchmark 7.26% 2032 bond yield ended at 7.4180%, after closing higher at 7.4623% on Tuesday.

The yield rose 12 basis points (bps) in February, which was the biggest monthly jump since September.

The Reserve Bank of India sold Treasury Bills worth 390 billion rupees (\$4.73 billion) earlier in the day, with cutoff for the 364-day paper at 7.39%, highest in over four years.

Meanwhile, Asia's third-largest economy recorded year-on-year growth of 4.4% in October-December, down from 6.3% in July-September, and also below a Reuters forecast of 4.6%. The government, however, retained its growth forecast of 7% for 2022/23.

India aims to gross borrow 15.43 trillion rupees through the sale of bonds in the next financial year, which will also bring back demand-supply dynamics into focus.

The Indian rupee strengthened 0.20% versus the U.S. dollar, and quoted at 82.50 per dollar as a stronger Chinese yuan sparked a rally in Asian currencies.

Repo: The weighted average call rates in the interbank segment decreased to 6.36% vs 6.65% on the previous day while that the TREP segment decreased to 6.27% vs 6.6% as on the previous day.

## Market Observations

### G-sec

- Bond yields ended lower on value buying after weaker-than-expected growth data, which may force the central bank to rethink its monetary policy tightening stance.

### Corporate Bonds

- Yields were flat compared to previous day. Markets are however still seeing some action in 3-5yr bonds from MFs, while in the longer end there was buying seen by postal funds.

- A few insurances were buying in credit papers. Participants anticipate a further inversion in the yield curve due to a liquidity squeeze especially during a quarter end.

### CP/CD

- Major demand was witnessed in the 1month to 1yr segments.

GOI Yield	1-Mar	28-Feb	22-Feb	1-Feb
1 Year	7.360	7.310	7.250	6.940
5 Year	7.395	7.428	7.395	7.115
10 Year	7.418	7.462	7.425	7.272

AAA Bmk	1-Mar	28-Feb	22-Feb	1-Feb
1 Year	7.95	7.95	7.85	7.72
5 Year	7.85	7.80	7.80	7.75
10 Year	7.80	7.80	7.77	7.78

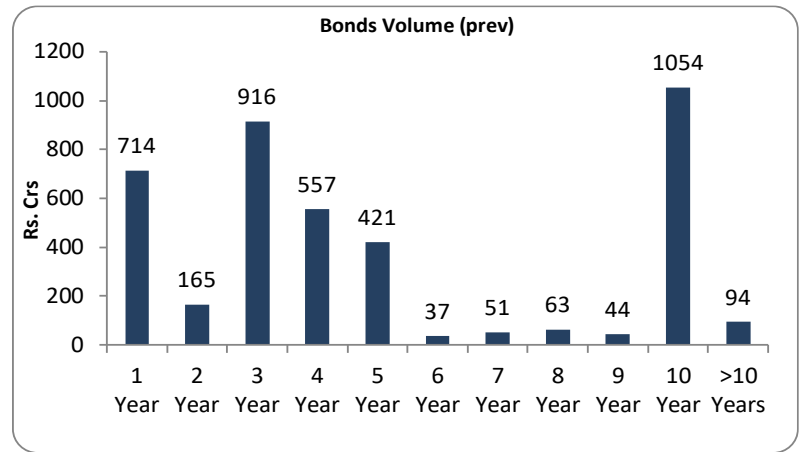
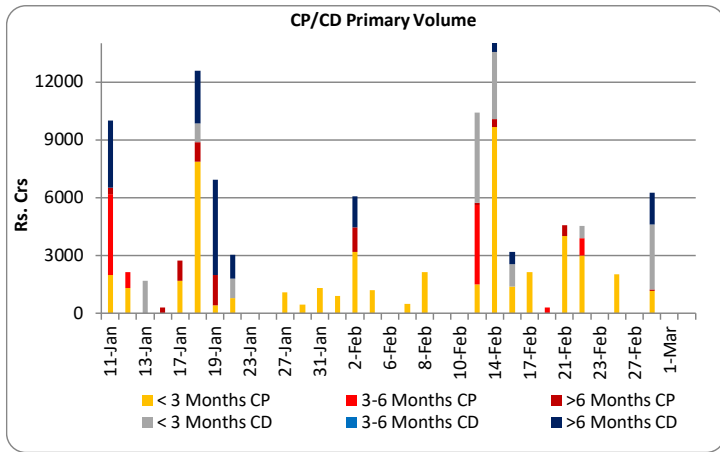
CD	1-Mar	28-Feb	22-Feb	1-Feb
3 Month	7.60	7.55	7.35	7.20
6 Month	7.75	7.75	7.65	7.57
1 Year	7.90	7.90	7.80	7.75

CP	1-Mar	28-Feb	22-Feb	1-Feb
3 Month	7.85	7.75	7.45	7.30
6 Month	7.90	7.90	7.75	7.70
1 Year	8.10	8.10	7.90	7.85

OIS Rate	1-Mar	28-Feb	22-Feb	1-Feb
1 Year	7.04	7.04	7.00	6.67
2 Year	6.77	6.78	6.73	6.30
3 Year	6.70	6.69	6.63	6.21
5 Year	6.68	6.69	6.65	6.22

	1-Mar	28-Feb	22-Feb	1-Feb
Sensex	59,411	58,962	59,745	59,708
Nifty	17,451	17,304	17,554	17,616
USD/INR	82.50	82.67	82.85	81.92
Gold (USD)	1,836	1,827	1,825	1,950
Oil (USD)	82.81	83.89	80.60	82.84

NDF	1-Mar	28-Feb	22-Feb	1-Feb
3 Month	83.01	83.18	83.33	82.25
1 Year	84.28	84.48	84.72	83.66
2 Year	87.48	86.42	86.40	85.81
3 Year	89.14	88.97	89.24	88.60



10 Year Benchmarks	1-Mar	28-Feb	22-Feb	1-Feb
India	7.42	7.46	7.43	7.28
US	3.92	3.91	3.92	3.40
South Korea	3.75	3.75	3.65	3.24
Russia	10.97	10.99	10.96	10.57
Brazil	13.31	13.31	13.26	13.17
Germany	2.68	2.63	2.51	2.29
China	2.91	2.91	2.92	2.94

Top Traded Securities	Volume	1-Mar	28-Feb	22-Feb	1-Feb
5.74 2026	240	7.39	7.40	7.36	7.09
7.38 2027	-	7.40	7.43	7.40	7.12
7.10 2029	60	7.40	7.45	7.42	7.23
6.54 2032	10	7.42	7.46	7.44	7.30
7.26 2032	15	7.42	7.46	7.42	7.28
7.54 2036	-	7.48	7.49	7.48	7.39

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
15-Feb-23	4351	4303	48

EQUITY		
Gross Purchase	Gross Sales	Net Investment
6384	6452	-69

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
10735	10756	-21

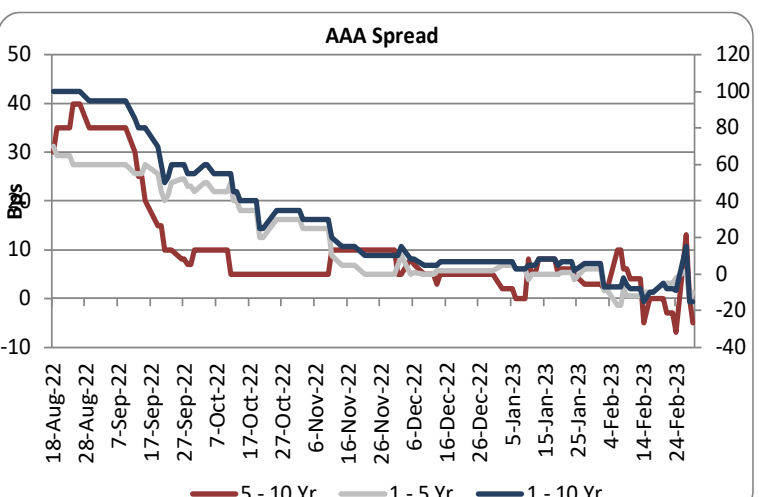
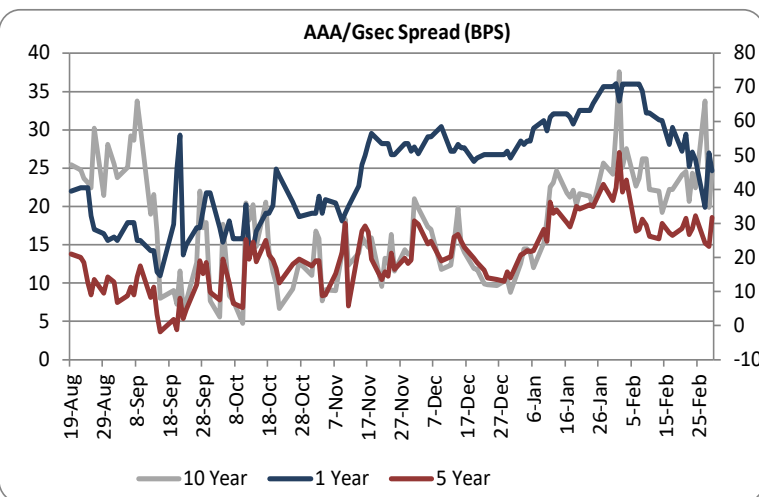
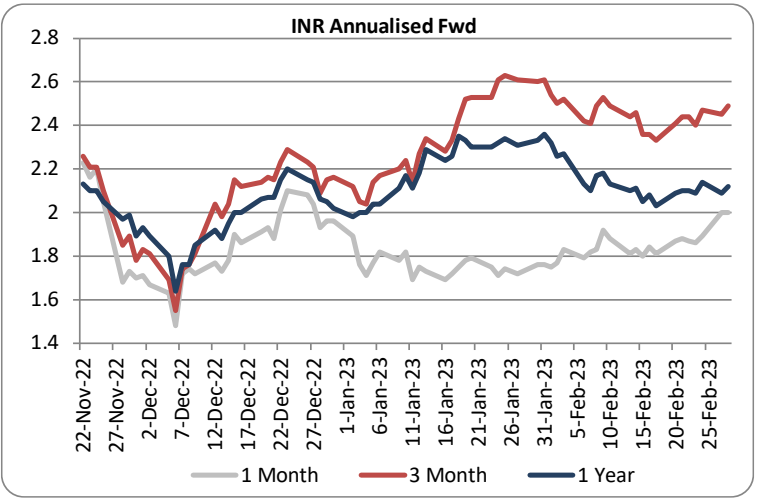
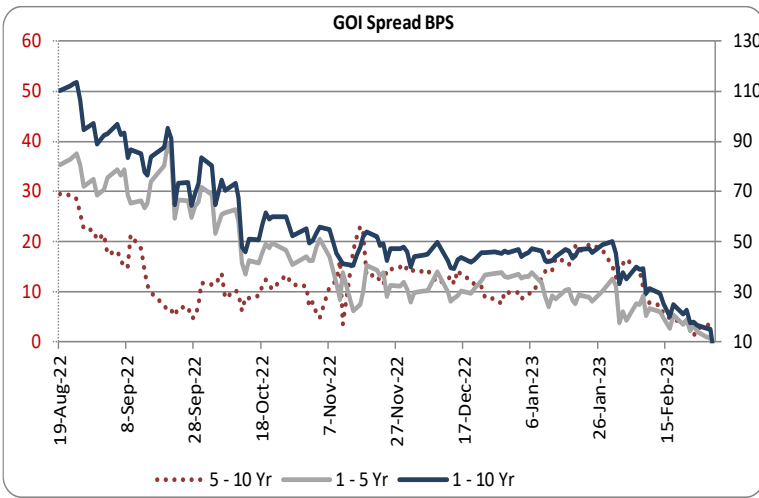
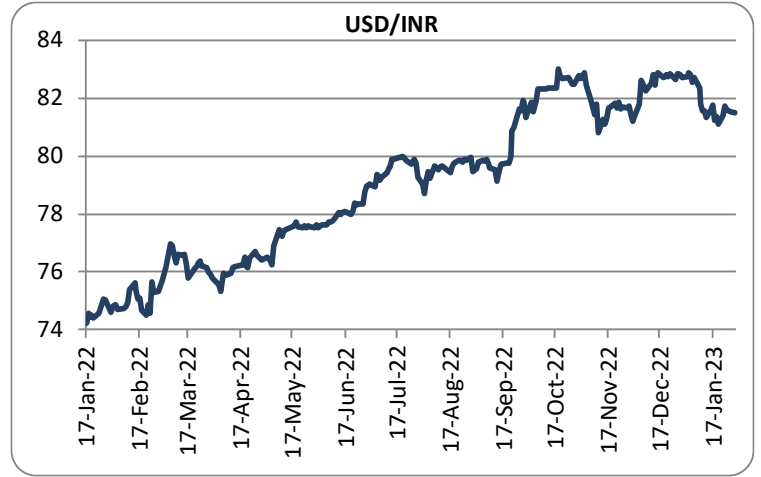
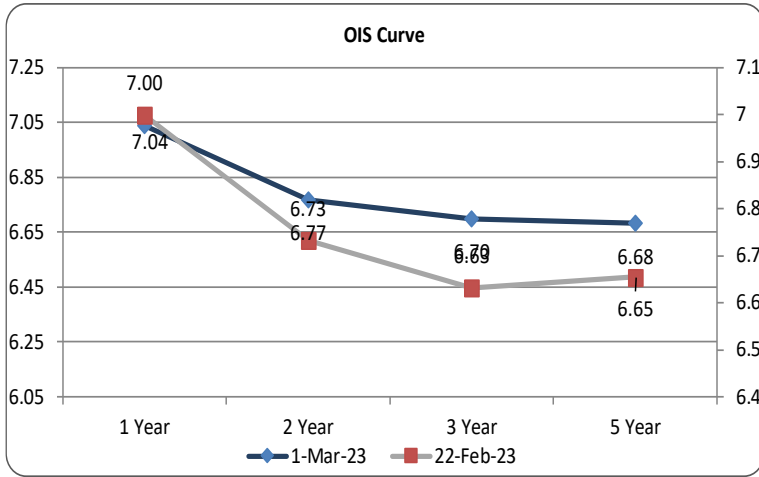
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
1-Mar-23	196	215	-19

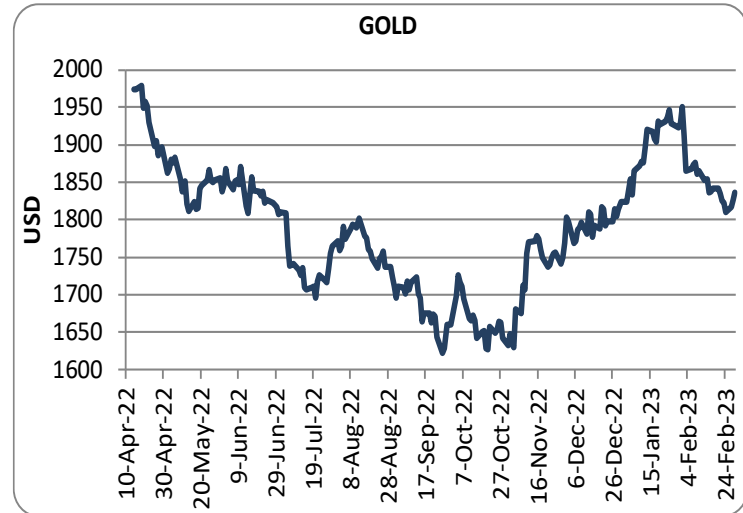
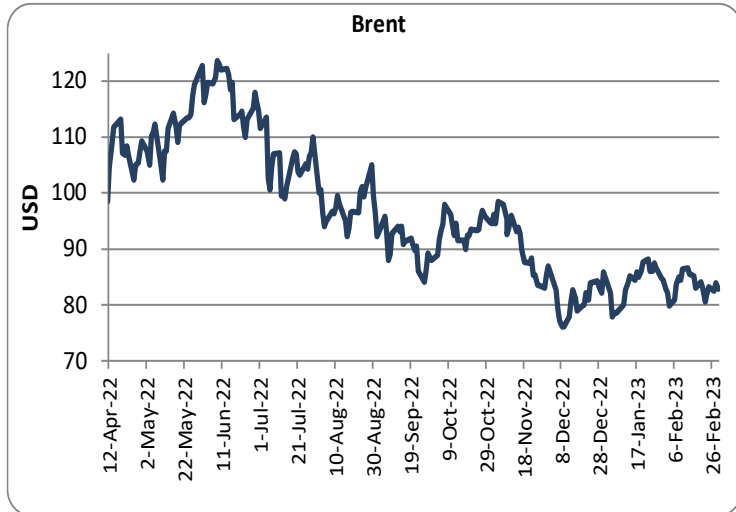
EQUITY		
Gross Purchase	Gross Sales	Net Investment
18426	23068	-4643

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
18622	23283	-4662

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-22	4.4	6.3
CAD (\$ Bn)	Sep-22	-36.4	-18.2
Trade Deficit (\$ Bn)	Sep-22	-83.5	-68.6
WPI (%)	Jan-23	4.7	5.0
CPI (%)	Jan-23	6.5	5.7
IIP (%)	Dec-22	4.3	7.1
PMI Manufacturing	Feb-23	55.3	55.4
PMI Service	Jan-23	57.2	58.5

Economic Calender	Country	Date	Poll	Prior
Industrial Output	South Korea	02-Mar-23	(8.90)	(7.30)
Unemployment Rate	Euro Zone	02-Mar-23	6.60	6.60
GDP	Brazil	02-Mar-23	2.20	3.60
Unemployment Rate	Japan	03-Mar-23	2.50	2.50
Exports	China	07-Mar-23	-	(9.90)
GDP	South Africa	07-Mar-23	-	4.10
CPI	China	09-Mar-23	-	2.10
Industrial Output	UK	10-Mar-23	-	(4.00)





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

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