



BONDWATCH

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INDIA

Indian government bond yields fell on Thursday, tracking a drop in U.S. yields, as the Federal Reserve's post-monetary policy commentary led investors to believe that further rate hikes may not happen.

The 10-year benchmark bond yield ended at 7.3245% after closing at 7.3599% in the previous session.

The 10-year U.S. yields fell to a two-week low on Wednesday after the Fed nodded at the fact that the recent increase in Treasury yields has had a tightening impact on the U.S. economy.

The U.S. central bank kept rates unchanged as policymakers struggled to determine whether financial conditions may be tight enough already to control inflation, or whether the economy still needs to be restrained.

"We are not confident that we haven't, we are not confident that we have" reached that sufficiently restrictive plateau, Fed Chair Jerome Powell said in his statement.

The market has tapered down the probability of more rate hikes, with the odds of such a move in December easing to 15%, from around 25% before the meeting.

Traders will now focus on a fresh supply of debt of 300 billion rupees (\$3.60 billion) of bonds on Friday, including a new 50-year paper. The ultra-long bonds will lower borrowing costs for the government as large insurance and pension funds are expected to buy the issue.

Focus also continues to be on when the Reserve Bank of India starts its debt sales, as liquidity conditions are set to improve.

The Indian rupee strengthened 0.05% versus the U.S. dollar, and quoted at 83.24 per dollar, aided by a pullback in U.S. Treasury yields but dollar demand from importers, including local oil companies, curbed gains.

Repo: The weighted average call rates in the interbank segment decreased to 6.71% vs 6.77% as on the previous day while that the TREP segment decreased to 6.72% vs 6.76% as on the previous day.

Market Observations

G-sec

- Higher activity was seen in the 2,5 and 10-year SDL's.
- Yield on longer maturity G-sec came down by 2-3 bps.

Corporate Bonds

- Market was active in the 2024-25 segment.
- Pension funds and insurance companies seen selling in the longer segment

CP/CD

- Activity was seen in the 0-6-month segment.

GOI Yield	2-Nov	1-Nov	26-Oct	5-Oct
1 Year	7.130	7.145	7.150	7.090
5 Year	7.310	7.352	7.358	7.250
10 Year	7.325	7.360	7.367	7.214

AAA Bmk	2-Nov	1-Nov	26-Oct	5-Oct
1 Year	7.64	7.66	7.60	7.69
5 Year	7.78	7.80	7.81	7.69
10 Year	7.75	7.78	7.78	7.63

CD	2-Nov	1-Nov	26-Oct	5-Oct
3 Month	7.27	7.30	7.20	7.05
6 Month	7.50	7.50	7.45	7.35
1 Year	7.70	7.70	7.70	7.55

CP	2-Nov	1-Nov	26-Oct	5-Oct
3 Month	7.37	7.40	7.30	7.15
6 Month	7.60	7.60	7.55	7.40
1 Year	7.80	7.80	7.80	7.65

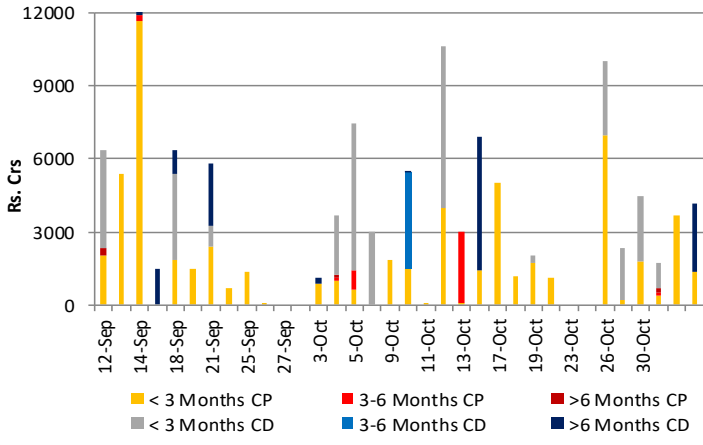
OIS Rate	2-Nov	1-Nov	26-Oct	5-Oct
1 Year	6.92	6.94	6.99	7.08
2 Year	6.63	6.69	6.75	6.84
3 Year	6.62	6.68	6.74	6.82
5 Year	6.62	6.69	6.76	6.81

	2-Nov	1-Nov	26-Oct	5-Oct
Sensex	64,081	63,591	63,148	65,632
Nifty	19,133	18,989	18,857	19,546
USD/INR	83.24	83.28	83.23	83.25
Gold (USD)	1,988	1,982	1,985	1,820
Oil (USD)	85.91	84.63	87.93	84.07

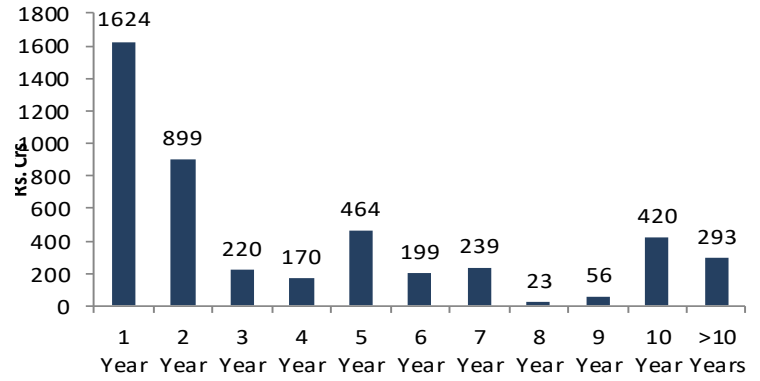
NDF	2-Nov	1-Nov	26-Oct	5-Oct
3 Month	83.53	83.54	83.64	83.65
1 Year	84.70	84.68	84.84	84.95
2 Year	86.56	86.69	86.88	87.05
3 Year	89.43	89.09	89.23	89.65



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	2-Nov	1-Nov	26-Oct	5-Oct
India	7.32	7.36	7.37	7.21
US	4.71	4.79	4.85	4.72
South Korea	4.17	4.29	4.39	4.33
Russia	12.44	12.51	12.45	12.24
Brazil	11.73	11.74	11.60	11.98
Germany	2.70	2.76	2.85	2.89
China	2.68	2.70	2.73	2.72

Top Traded Securities	Volume	2-Nov	1-Nov	26-Oct	4-Oct
7.26 2033	890	7.37	7.40	7.41	7.28
7.06 2028	1,900	#N/A	7.48	7.50	7.37
7.62 2039	-	7.39	7.42	7.43	7.30
7.30 2053	310	7.49	7.52	7.55	7.44
6.64 2035	80	#N/A	7.43	7.47	7.31
7.40 2035	120	7.44	7.45	7.47	7.30

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
18-Oct-23	6033	5077	956

MF	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
18-Oct-23	6401	8807	-2405

MF	TOTAL (Rs.Crs)		
	Gross Purchase	Gross Sales	Net Investment
18-Oct-23	12434	13883	-1449

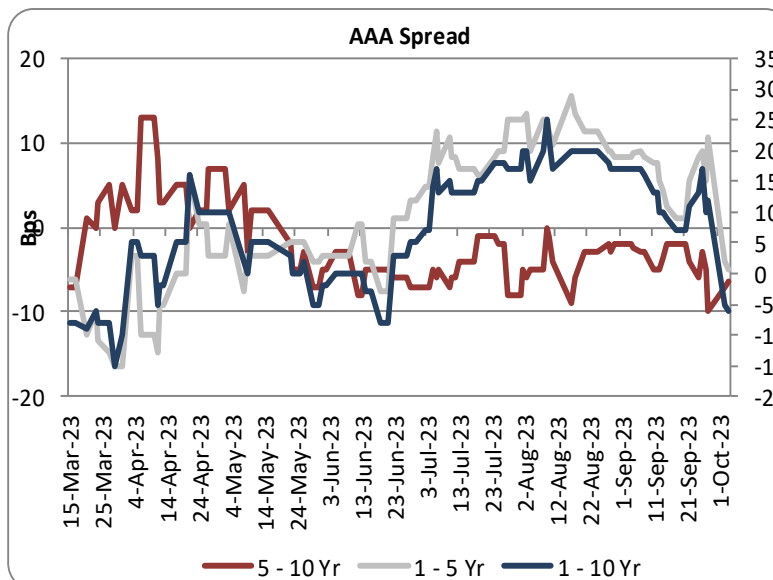
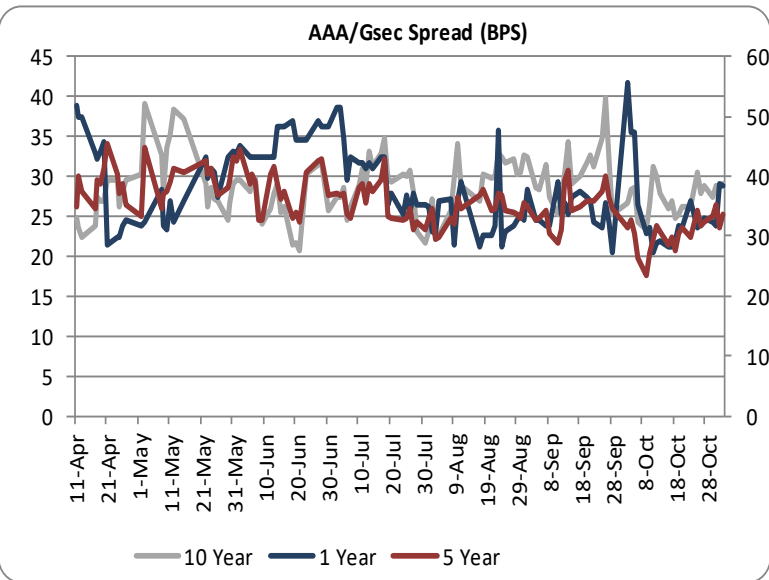
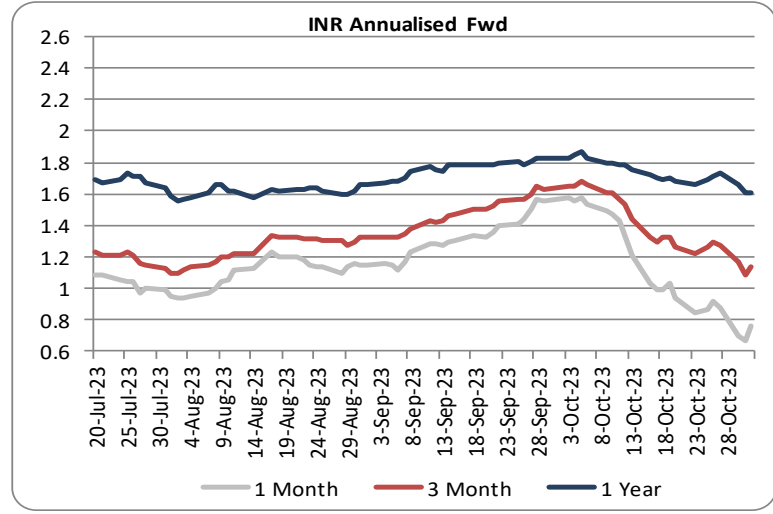
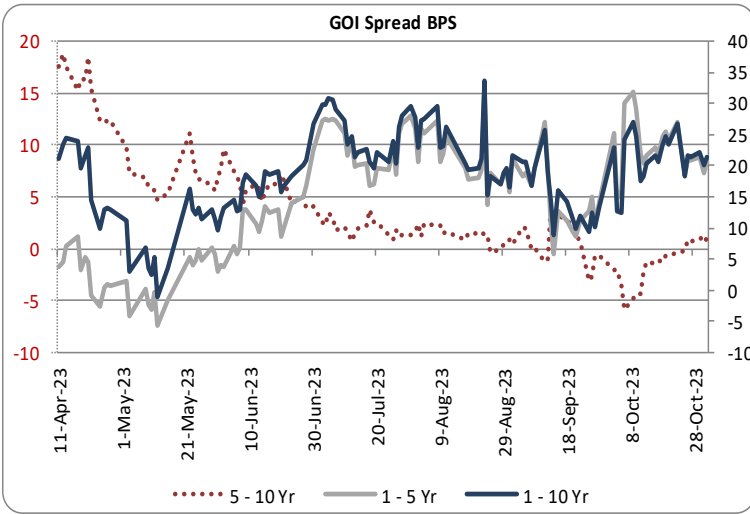
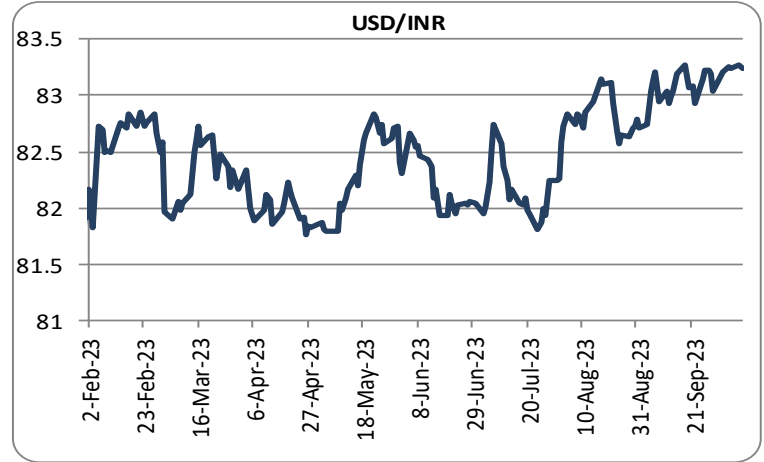
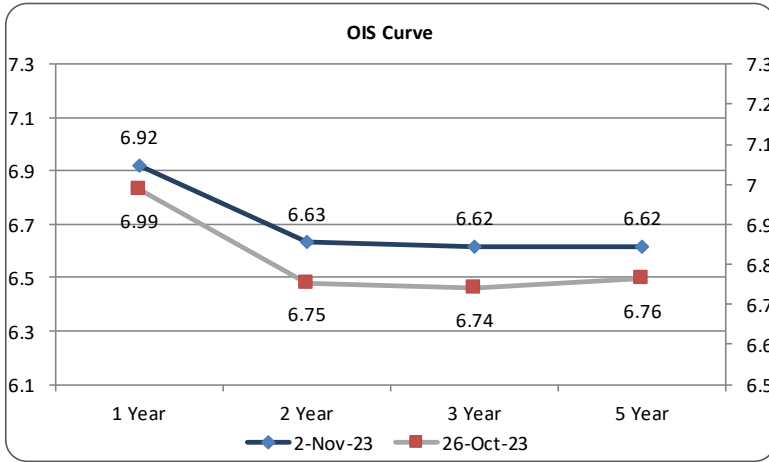
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
2-Nov-23	420	331	89

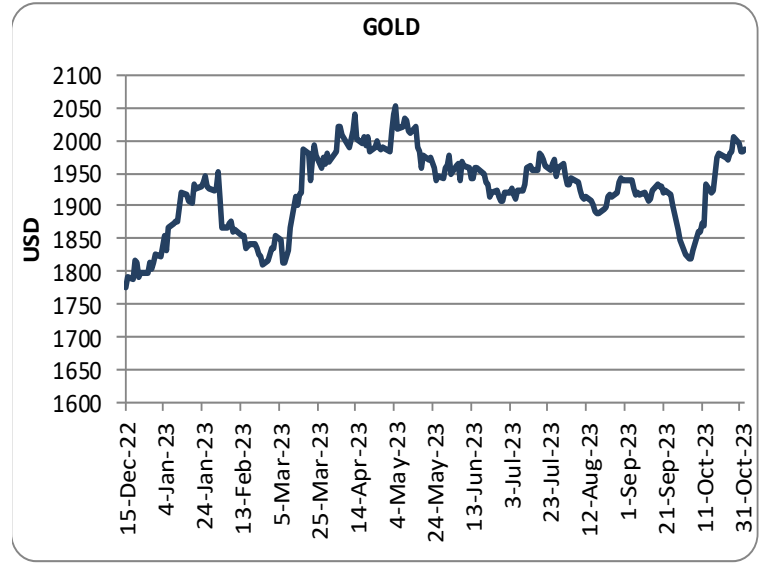
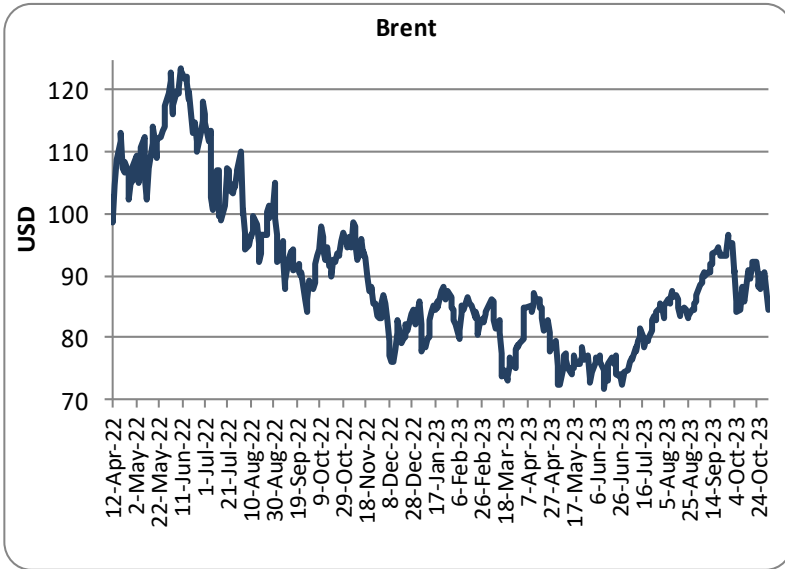
FII	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
2-Nov-23	6687	8478	-1791

FII	TOTAL (Rs. Crs)		
	Gross Purchase	Gross Sales	Net Investment
2-Nov-23	7107	8809	-1702

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-23	7.8	6.1
CAD (\$ Bn)	Jun-23	-9.2	-1.3
Trade Deficit (\$ Bn)	Jun-23	-56.6	-52.6
WPI (%)	Sep-23	-0.3	-0.5
CPI (%)	Sep-23	5.0	6.8
IIP (%)	Aug-23	10.3	5.7
PMI Manufacturing	Oct-23	55.5	57.5
PMI Service	Sep-23	61	60.1

Economic Calender	Country	Date	Poll	Prior
CPI	Japan	27-Oct-23	0	2.8
CPI	Germany	30-Oct-23	-	4.50
Unemployment Rate	Japan	31-Oct-23	-	2.70
Retail Sales	Japan	31-Oct-23	-	7.00
GDP Q3	Euro Zone	31-Oct-23	-	0.50
Fed fund rate	USA	01-Nov-23	5.25-5.5	5.25-5.5
BOE bank Rate	UK	02-Nov-23	5.25	5.25
Unemployment Rate	Euro Zone	03-Nov-23	-	6.40





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

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