



BONDWATCH

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INDIA

Indian government bond yields ended little changed on Wednesday amid a lack of fresh cues, with market participants now turning their focus to the Reserve Bank of India's policy decision.

The benchmark 10-year bond yield ended at 7.1030%, following its previous close of 7.1160%.

The RBI will deliver its first monetary policy decision of this financial year on Friday, amid expectations of a status quo. The commentary on liquidity and inflation management will be the key triggers for the market.

The central bank has kept its key repo rate unchanged at 6.50% for six consecutive meetings and reiterated its commitment to sustainably meet the 4% inflation target.

The Indian government will raise 380 billion rupees (\$4.56 billion) via a bond auction on Friday to kick start its borrowing program for the financial year which includes 200 billion rupees of a new 10-year bond.

Meanwhile, U.S bond yields continued to rise, as a recent run of solid economic data has led to concerns over the timing and quantum of rate cuts by the Federal Reserve in 2024. The 10-year U.S. yield rose above 4.40% mark for the first time in four months on Tuesday and was around 4.35%.

Oil prices extended gains on Wednesday, as investors mulled supply risks stemming from Ukrainian attacks on Russian refineries.

The Indian rupee weakened 0.06% versus the U.S. dollar, and quoted at 83.4350 per dollar, weighed down by dollar demand from local oil companies and weakness in its Asian peers.

Repo: The weighted average call rates in the interbank segment remained the same at 6.44% vs 6.44% as on the previous day while that the TREP segment increased to 6.42% vs 6.41% as on the previous day.

Market Observations

G-sec

- Market looked choppy as the 10yr benchmark reached 7.1150 levels. Selling was seen in 7 to 12-year illiquid G-sec, major sellers were foreign banks.
- Selling was seen in 10 to 15-year SDLs @7.45 centric levels with very little demand

Corporate Bonds

- Corporates sold 800 crs in the 2025 segment and mutual funds were active on the buying as well as selling side in the 2025-2027 segment.
- Insurance companies and pension funds were active in the longer segment.

CP/CD

- Major activity was seen in the shorter to 3-month segment.

GOI Yield	3-Apr	2-Apr	27-Mar	5-Mar
1 Year	7.030	6.980	7.050	7.100
5 Year	7.084	7.088	7.090	7.060
10 Year	7.103	7.116	7.069	7.057

AAA Bmk	3-Apr	2-Apr	27-Mar	5-Mar
1 Year	7.72	7.78	7.87	7.85
5 Year	7.64	7.60	7.63	7.64
10 Year	7.50	7.48	7.53	7.55

CD	3-Apr	2-Apr	27-Mar	5-Mar
3 Month	7.35	7.35	7.70	7.65
6 Month	7.50	7.50	7.75	7.70
1 Year	7.60	7.60	7.70	7.75

CP	3-Apr	2-Apr	27-Mar	5-Mar
3 Month	7.45	7.45	7.85	7.80
6 Month	7.60	7.60	7.90	7.85
1 Year	7.70	7.70	7.85	7.90

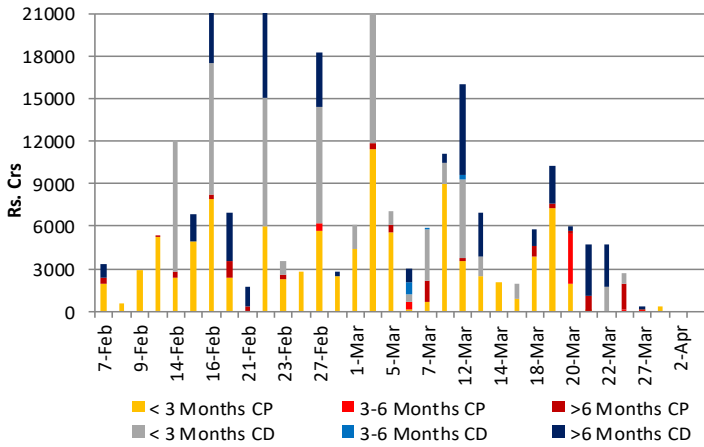
OIS Rate	3-Apr	2-Apr	27-Mar	5-Mar
1 Year	6.79	6.77	6.75	6.74
2 Year	6.50	6.49	6.45	6.43
3 Year	6.46	6.44	6.40	6.37
5 Year	6.42	6.40	6.35	6.33

	3-Apr	2-Apr	27-Mar	5-Mar
Sensex	73,877	73,904	72,996	73,677
Nifty	22,435	22,453	22,124	22,356
USD/INR	83.44	83.39	83.37	82.90
Gold (USD)	2,271	2,280	2,194	2,128
Oil (USD)	89.53	88.92	86.09	82.04

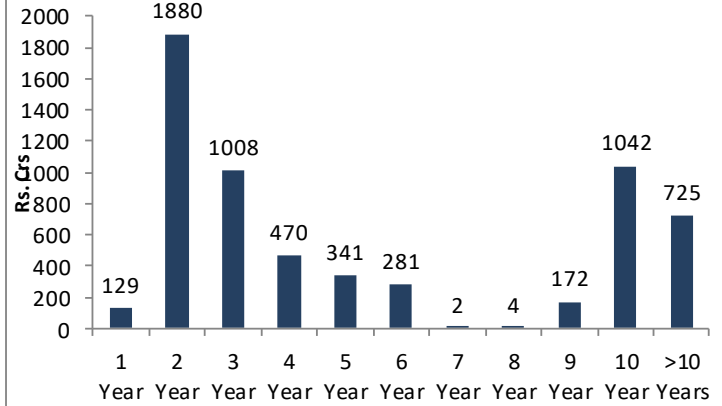
NDF	3-Apr	2-Apr	27-Mar	5-Mar
3 Month	83.69	83.50	83.49	83.02
1 Year	84.87	84.70	84.69	84.24
2 Year	87.03	86.75	86.74	86.40
3 Year	89.64	89.41	89.40	88.85



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	3-Apr	2-Apr	27-Mar	5-Mar
India	7.10	7.11	7.07	7.06
US	4.37	4.37	4.20	4.14
South Korea	3.45	3.43	3.38	3.41
Russia	13.99	14.01	13.78	13.11
Brazil	11.16	11.16	10.93	10.65
Germany	2.37	2.41	2.29	2.32
China	2.29	2.30	2.31	2.34

Top Traded Securities	Volume	28-Mar	27-Mar	21-Mar	28-Feb
7.26 2033	410	7.08	7.11	7.09	7.09
7.06 2028	1,185	7.06	7.10	7.07	7.06
7.62 2039	-	7.09	7.11	7.09	7.10
7.30 2053	390	7.12	7.16	7.14	7.15
6.64 2035	95	7.10	7.13	7.14	7.12
7.40 2035	55	7.08	7.15	7.14	7.12

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
2-Apr-24	7704	7205	499

EQUITY	Gross Purchase	Gross Sales	Net Investment
	35	40	-4

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
7739	7244	495

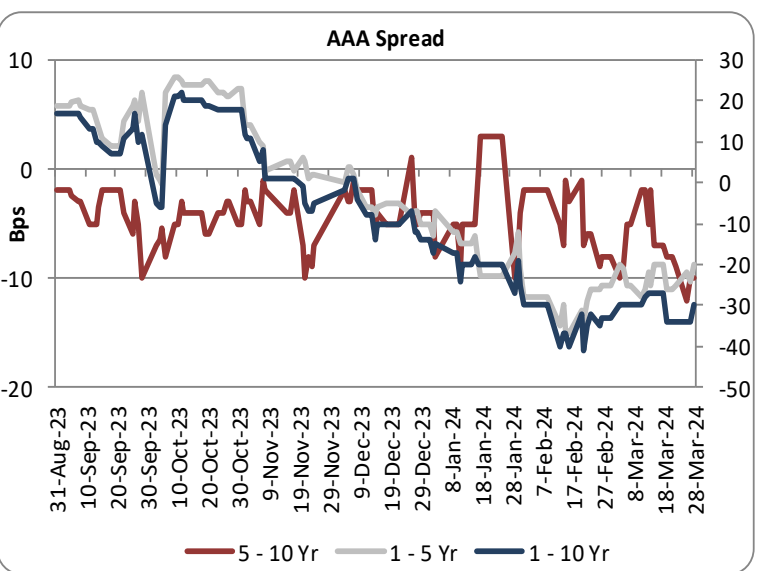
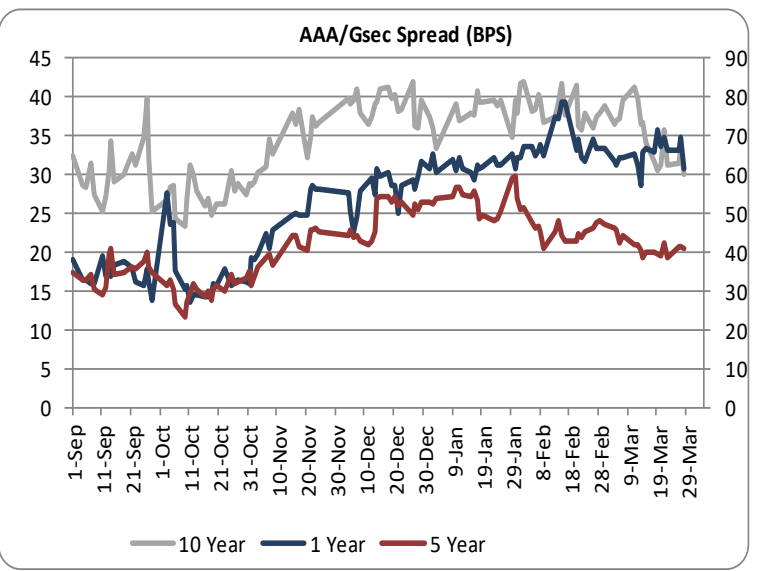
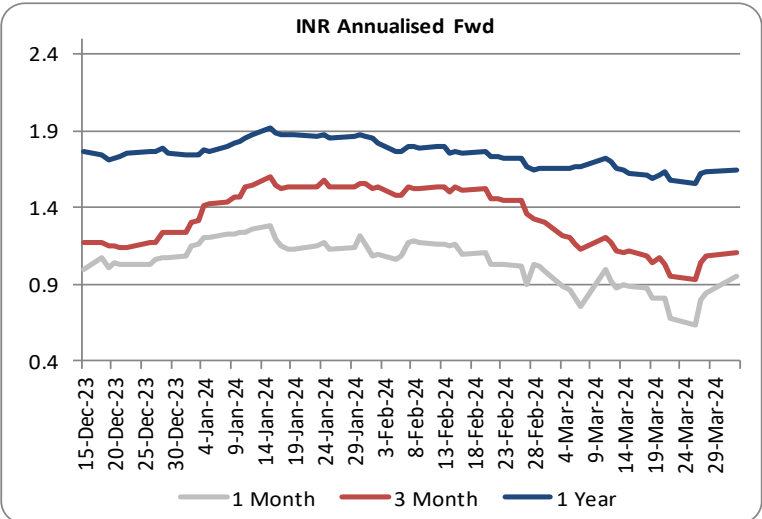
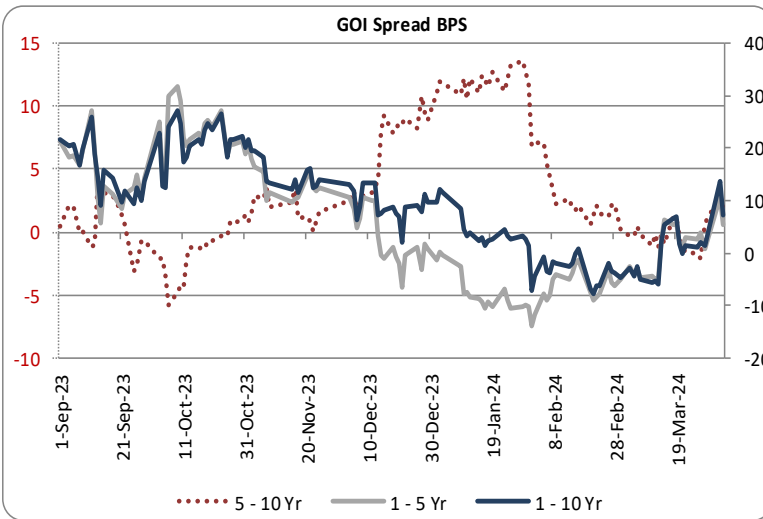
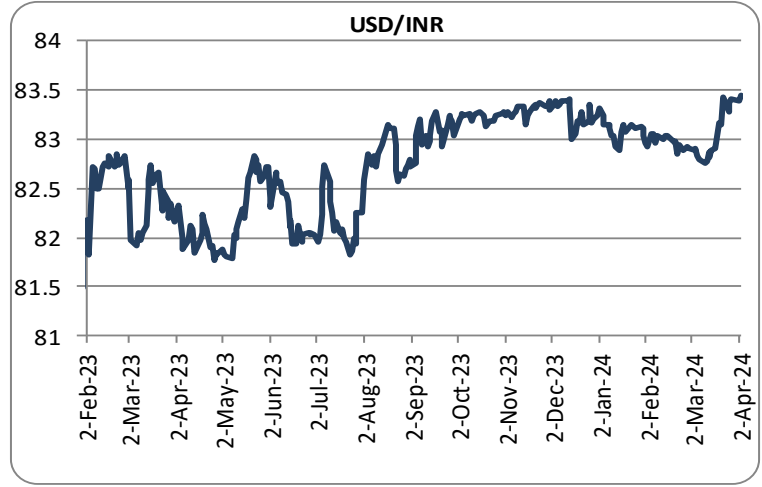
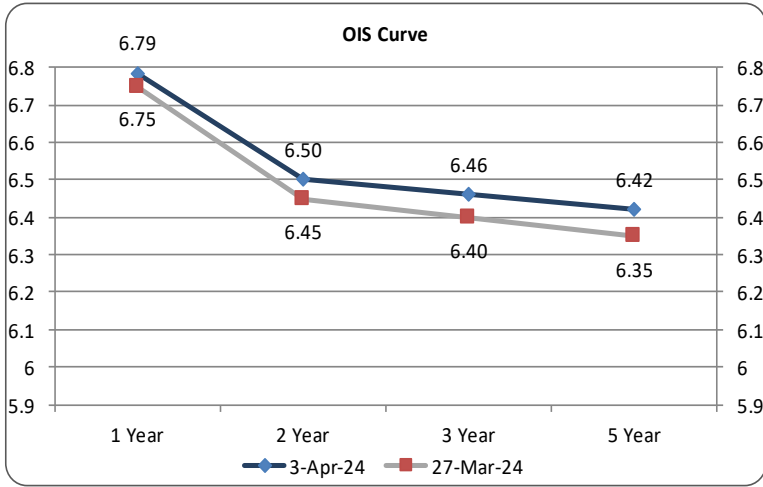
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
3-Apr-24	2628	1633	994

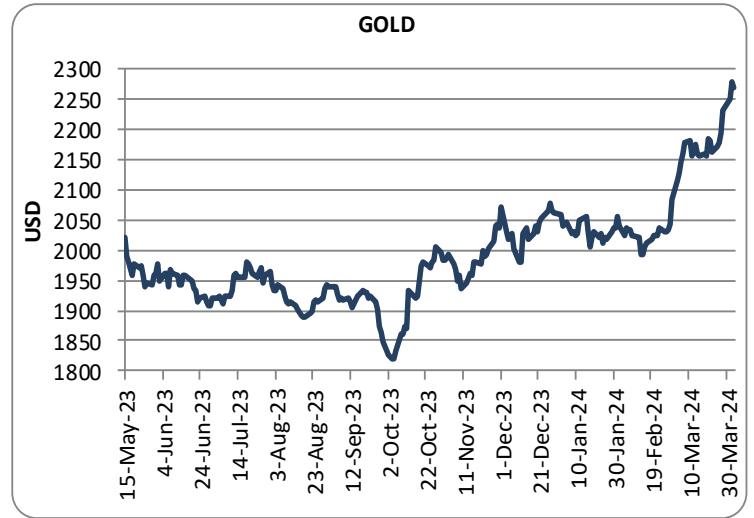
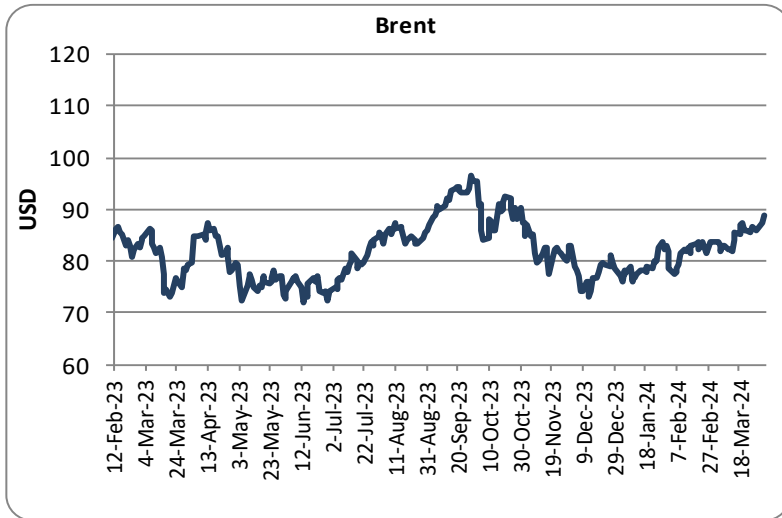
EQUITY	Gross Purchase	Gross Sales	Net Investment
	14908	15355	-447

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
17535	16988	547

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-23	8.4	8.1
CAD (\$ Bn)	Dec-23	-10.5	-11.4
Trade Deficit (\$ Bn)	Dec-23	-71.6	-61.0
WPI (%)	Feb-24	0.2	0.3
CPI (%)	Feb-24	5.1	5.1
IIP (%)	Jan-24	3.8	4.2
PMI Manufacturing	Mar-24	59.1	56.9
PMI Service	Feb-24	60.6	61.8

Economic Calender	Country	Date	Poll	Prior
CPI	Euro Zone	3-Apr-24	0	2.6
Unemployment rate	Euro Zone	03-Apr-24	6.40	6.40
Industrial Output	Brazil	03-Apr-24	5.60	3.60
Unemployment rate	Russia	03-Apr-24	2.90	2.90
Retail Sales	Euro Zone	05-Apr-24	(1.30)	(1.00)
CPI	USA	10-Apr-24	-	3.20
CPI	China	11-Apr-24	-	0.70
Refinancing Rate	Euro Zone	11-Apr-24	-	4.50





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

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