



BONDWATCH

Daily

INDIA

February 03, 2023

The benchmark 10-year yield ended at 7.2776% on Friday, after closing higher at 7.2959% on Thursday.

The yield dropped 11 basis points (bps) this week, biggest such move since the week ended Nov. 11.

Investor sentiment has improved after the government said it aimed to borrow 15.43 trillion rupees (\$187.63 billion) on a gross basis through the sale of bonds in 2023-24.

Market participants had estimated the figure at 16 trillion rupees.

Earlier in the day, the Govt. sold 120 billion rupees of a new 10-year bond, at 7.26% cutoff, which was largely in line with estimates. This paper will replace the existing benchmark bond soon.

The note traded at a premium in the secondary market, with the yield ending at 7.2415% today.

Traders now await U.S. jobs data due later in the day, which will provide more clarity on the Federal Reserve's policy action.

The next major focus would be the decision of the Reserve Bank of India's monetary policy committee (MPC) due on Wednesday, when the central bank is widely expected to hike the repo rate by 25 bps followed by a prolonged pause.

Repo: The weighted average call rates in the interbank segment increased to 6.11% vs 6.10% as on the previous day while that the TREP segment increased to 6.01% vs 6% as on the previous day.

Market Observations

G-sec

- New 10yr cut off was at 7.26 levels. Gsec cut off was in line with market expectation.

- Indian government bond yields declined this week, with the benchmark yield posting its biggest weekly drop since November as borrowing target undershot estimates, while the government sold a new 10-year note.

Corporate Bonds

- Insurances were buying in longer end PSU papers.
- Mutual Funds active in 2024-2026 segment.

CP/CD

- Major demand was witnessed across all maturity papers.

GOI Yield	3-Feb	2-Feb	27-Jan	6-Jan
1 Year	6.920	6.920	6.900	6.900
5 Year	7.107	7.140	7.204	7.277
10 Year	7.273	7.296	7.387	7.374

AAA Bmk	3-Feb	2-Feb	27-Jan	6-Jan
1 Year	7.75	7.75	7.72	7.60
5 Year	7.66	7.66	7.75	7.63
10 Year	7.68	7.68	7.78	7.63

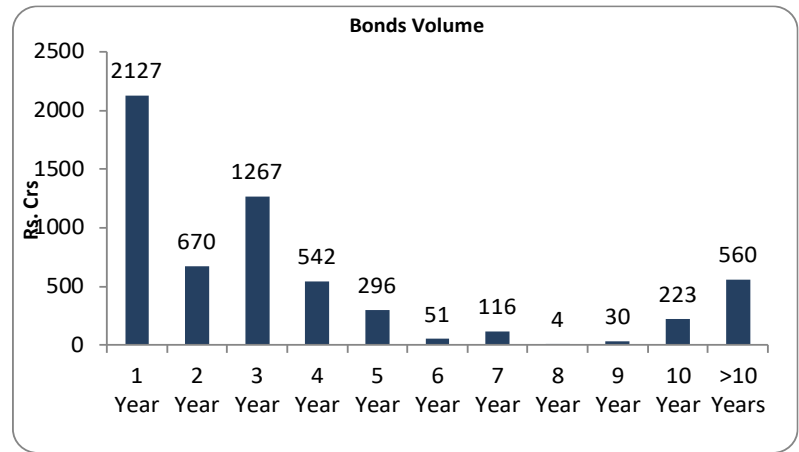
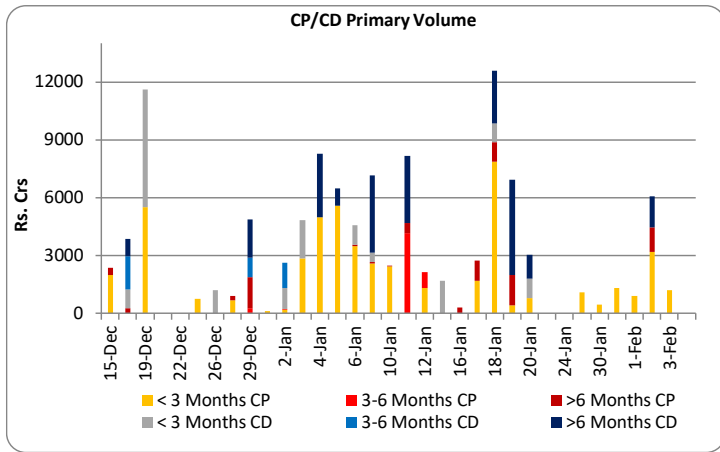
CD	3-Feb	2-Feb	27-Jan	6-Jan
3 Month	7.20	7.20	7.15	6.95
6 Month	7.65	7.65	7.55	7.40
1 Year	7.75	7.75	7.72	7.65

CP	3-Feb	2-Feb	27-Jan	6-Jan
3 Month	7.30	7.30	7.40	7.05
6 Month	7.75	7.75	7.85	7.50
1 Year	7.85	7.85	8.00	7.75

OIS Rate	3-Feb	2-Feb	27-Jan	6-Jan
1 Year	6.63	6.63	6.71	6.75
2 Year	6.23	6.24	6.33	6.50
3 Year	7.14	6.11	6.22	6.43
5 Year	6.15	6.12	6.22	6.46

	3-Feb	2-Feb	27-Jan	6-Jan
Sensex	60,842	59,932	59,331	59,900
Nifty	17,854	17,610	17,604	17,859
USD/INR	81.83	82.17	81.52	82.72
Gold (USD)	1,913	1,912	1,927	1,866
Oil (USD)	81.81	82.17	86.66	78.57

NDF	3-Feb	2-Feb	27-Jan	6-Jan
3 Month	82.42	82.64	82.06	82.77
1 Year	83.72	83.97	83.46	84.10
2 Year	85.76	86.05	85.56	85.96
3 Year	89.16	88.75	88.31	88.66



10 Year Benchmarks	3-Feb	2-Feb	27-Jan	6-Jan
India	7.28	7.30	7.39	7.37
US	3.39	3.40	3.52	3.57
South Korea	3.15	3.21	3.28	3.57
Russia	10.63	10.59	10.54	10.33
Brazil	13.02	13.02	13.20	12.89
Germany	2.14	2.07	2.25	2.21
China	2.93	2.94	2.99	2.89

Top Traded Securities	Volume	3-Feb	2-Feb	27-Jan	6-Jan
5.74 2026	280	7.08	7.09	7.15	7.22
7.38 2027	30	7.11	7.14	7.20	7.28
7.10 2029	-	7.20	7.23	7.33	7.35
6.54 2032	100	7.29	7.31	7.40	7.40
7.26 2032	20	7.28	7.30	7.39	7.37
7.54 2036	60	7.36	7.39	7.46	7.45

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
30-Jan-23	9358	4720	4638

EQUITY		
Gross Purchase	Gross Sales	Net Investment
14237	17145	-2908

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
23595	21865	1730

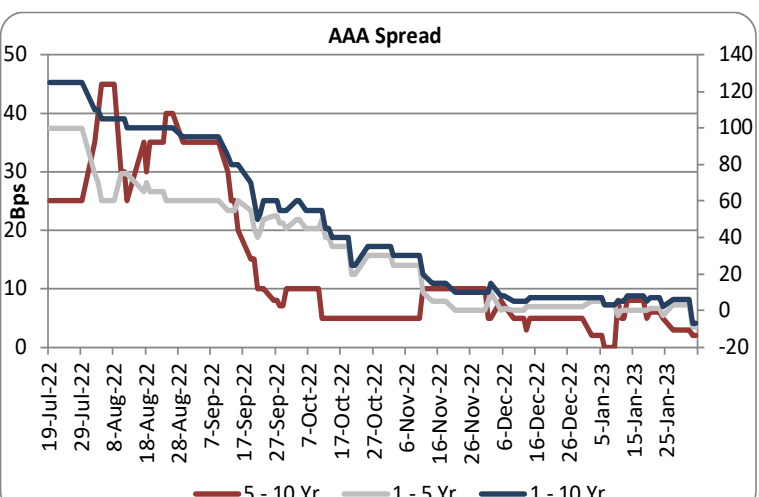
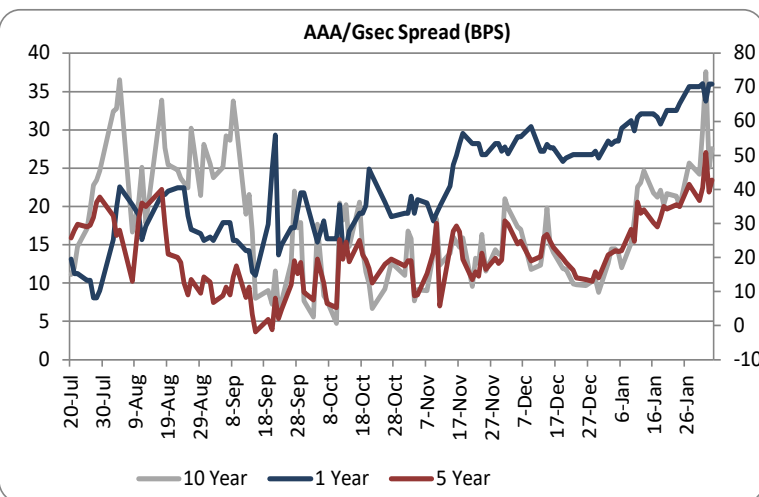
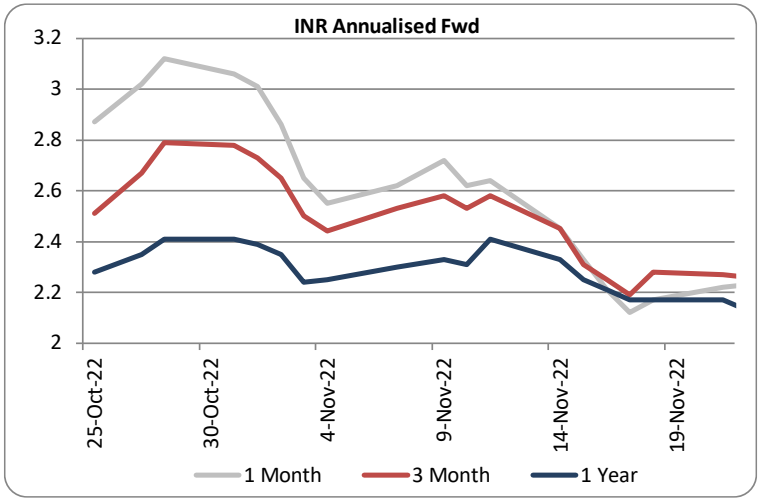
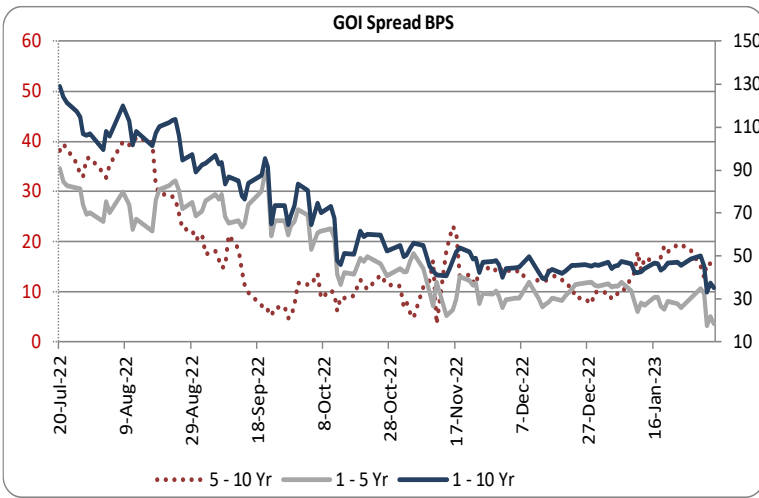
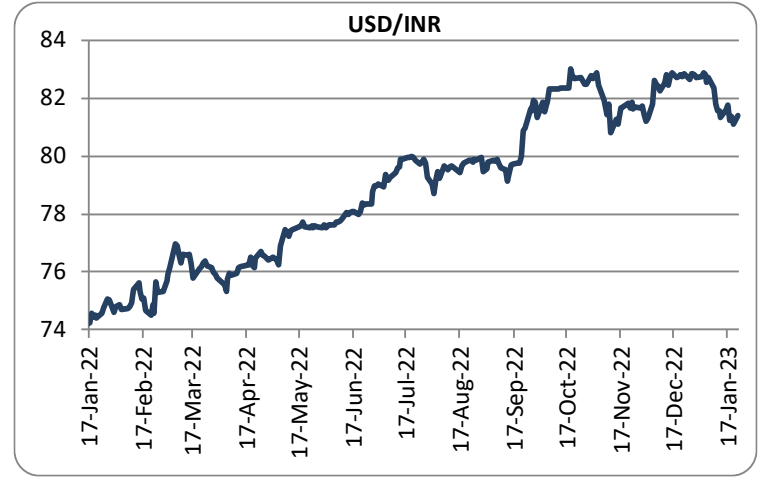
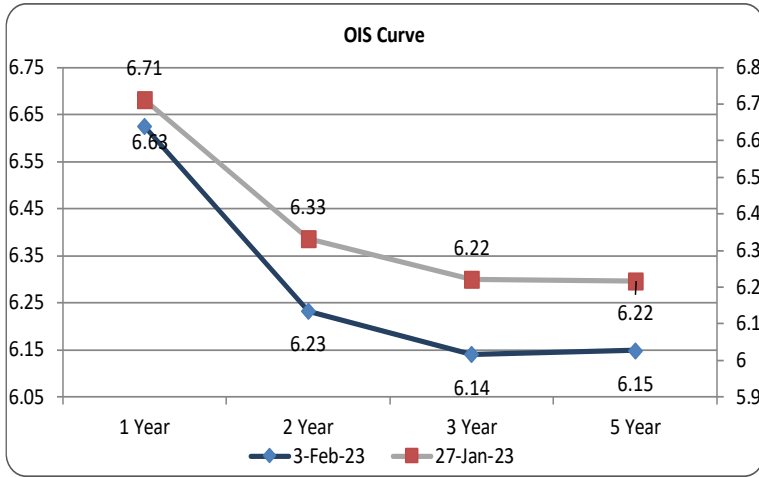
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
3-Feb-23	0	0	0

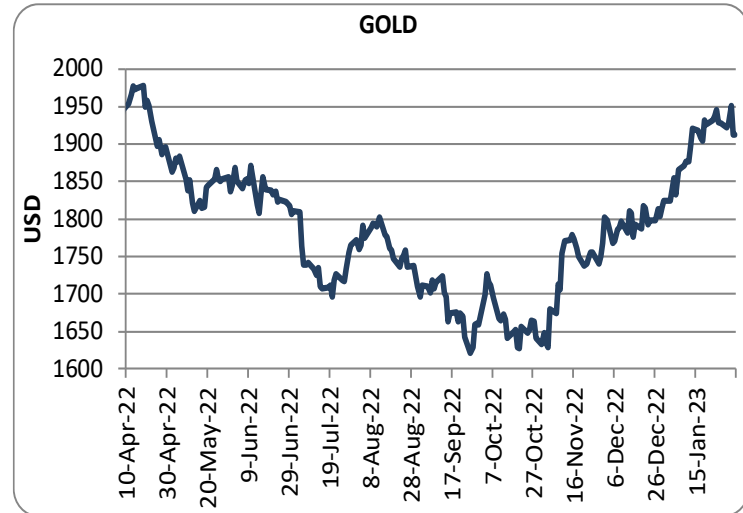
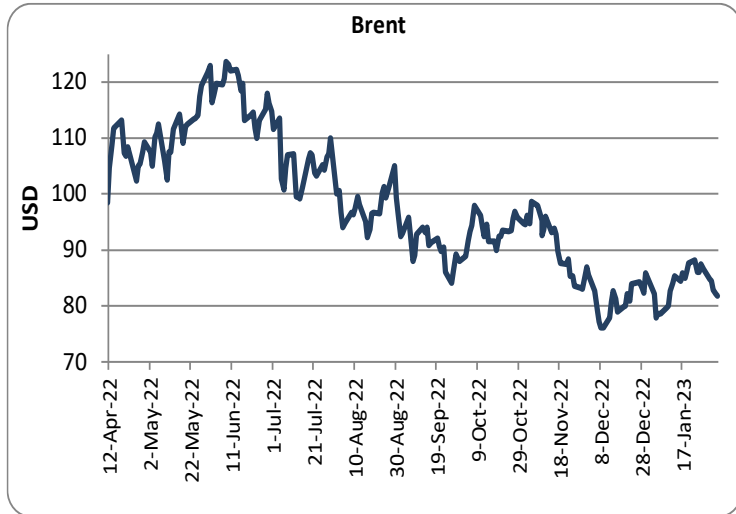
EQUITY		
Gross Purchase	Gross Sales	Net Investment
0	0	0

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
0	0	0

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jan-00	6.3	13.5
CAD (\$ Bn)	Sep-22	-36.4	-18.2
Trade Deficit (\$ Bn)	Sep-22	-83.5	-68.6
WPI (%)	Jan-00	0.0	The time serie
CPI (%)	Jan-00	0.0	The time serie
IIP (%)	Jan-23	57.2	58.5
PMI Manufacturing	Jan-23	55.4	57.8
PMI Service	Dec-22	58.5	56.4

Economic Calender	Country	Date	Poll	Prior
Industrial Output	Brazil	03-Feb-23	(1.10)	0.90
Unemployment Rate	US	03-Feb-23	3.60	3.50
Retail Sales	Euro Zone	06-Feb-23	(0.30)	0.80
GDP	Indonesia	06-Feb-23	4.84	5.72
Reverse repo	India	08-Feb-23	-	3.35
Unemployment Rate	Czech Republic	08-Feb-23	-	3.70
CPI	Russia	08-Feb-23	11.50	11.90
Unemployment Rate	Russia	08-Feb-23	4.00	3.70





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

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