



BONDWATCH

Daily

October 05, 2023

INDIA

Indian government bond yields eased on Thursday tracking U.S. peers, while market participants shifted their focus to the Reserve Bank of India's (RBI) monetary policy decision due on Friday.

The 10-year Indian benchmark bond yield closed at 7.2140%, after ending at 7.2367% in the previous session. Earlier in the day, it briefly eased below 7.20%.

India's central bank is seen holding the key interest rate steady at 6.50% at the conclusion of the Oct. 4-6 meeting, with the focus remaining on the inflation trajectory. Market participants will also await the RBI's commentary on inflation and liquidity.

In August, the RBI had asked lenders to maintain an incremental cash reserve ratio of 10% on the increase in deposits between May 19 and July 28 in order to suck out liquidity from the system. While this move has been eased out in phases in September, it has pushed effective market rates higher.

U.S. yields dipped after data showed jobs growth was below economists' expectations in September. The 10-year U.S. yield was around 4.75% on Thursday after hitting an over 16-year high of 4.88% on Wednesday, amid persistent bets of higher-for-longer interest rates.

Oil prices fell by more than \$1 on Thursday, extending the previous session's sharp losses on an uncertain demand outlook.

The Indian rupee flat versus the U.S. dollar, and quoted at 83.25 per dollar as U.S. dollar demand from importers and local oil companies offset a softness in the greenback.

Repo: The weighted average call rates in the interbank segment decreased to 6.73% vs 6.74% as on the previous day while that the TREP segment remained the same at 6.75% vs 6.75% as on the previous day.

GOI Yield	5-Oct	4-Oct	28-Sep	5-Sep
1 Year	7.090	7.110	7.100	7.000
5 Year	7.250	7.257	7.243	7.187
10 Year	7.214	7.237	7.236	7.207

AAA Bmk	5-Oct	4-Oct	28-Sep	5-Sep
1 Year	7.69	7.71	7.50	7.45
5 Year	7.69	7.72	7.72	7.65
10 Year	7.63	7.65	7.62	7.62

CD	5-Oct	4-Oct	28-Sep	5-Sep
3 Month	7.05	7.05	7.05	7.02
6 Month	7.35	7.35	7.20	7.20
1 Year	7.55	7.55	7.50	7.50

CP	5-Oct	4-Oct	28-Sep	5-Sep
3 Month	7.15	7.15	7.15	7.12
6 Month	7.40	7.40	7.30	7.35
1 Year	7.65	7.65	7.60	7.60

OIS Rate	5-Oct	4-Oct	28-Sep	5-Sep
1 Year	7.08	7.13	7.10	7.01
2 Year	6.84	6.91	6.88	6.75
3 Year	6.82	6.90	6.85	6.71
5 Year	6.81	6.90	6.83	6.67

	5-Oct	4-Oct	28-Sep	5-Sep
Sensex	65,632	65,226	65,508	65,780
Nifty	19,546	19,436	19,524	19,575
USD/INR	83.25	83.24	83.19	83.04
Gold (USD)	1,820	1,821	1,865	1,926
Oil (USD)	84.51	85.81	95.38	90.04

NDF	5-Oct	4-Oct	28-Sep	5-Sep
3 Month	83.68	83.73	83.52	83.42
1 Year	84.84	85.04	84.70	84.55
2 Year	87.14	87.14	86.80	86.74
3 Year	89.79	89.74	89.60	89.44

Market Observations

G-sec

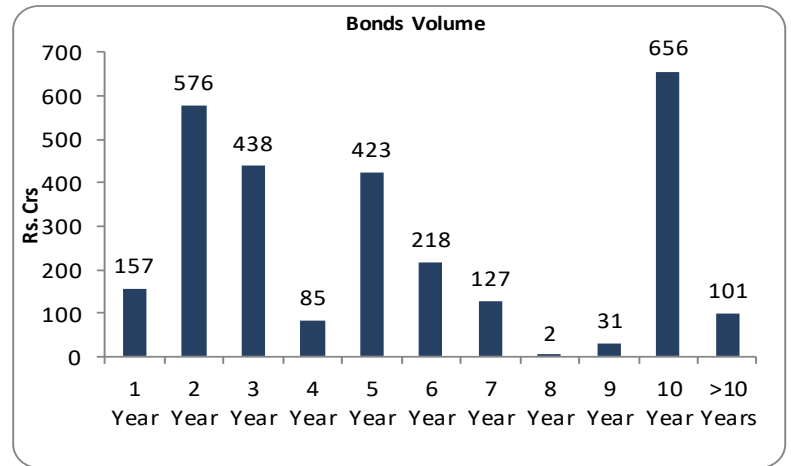
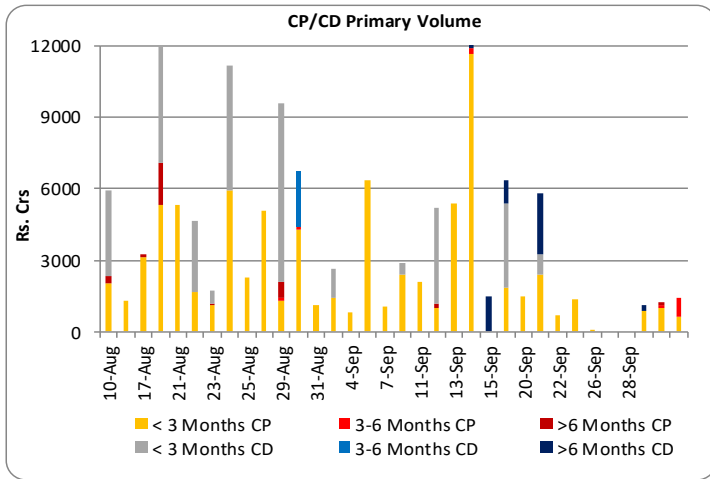
- 10year G-sec opened 3 bps better following global cues.
- Switches were reported in longer end G-sec. Old 30-year traded 2 bps lower than new 30-year G-sec.
- Demand was seen in 7-year G-sec by foreign banks @7.26 levels.

Corporate Bonds

- Market volume was tepid due to upcoming monetary policy.
- Mutual funds and banks were active on the buying side. Insurance companies were active in the longer end.

CP/CD

- Activity was seen throughout all the segments.



10 Year Benchmarks	5-Oct	4-Oct	28-Sep	5-Sep
India	7.22	7.24	7.24	7.21
US	4.72	4.74	4.60	4.27
South Korea	4.33	4.35	4.03	3.89
Russia	12.20	12.18	12.87	12.16
Brazil	11.98	11.98	11.92	11.23
Germany	2.93	2.94	2.97	2.61
China	2.72	2.72	2.72	2.64

Top Traded Securities	Volume	8-Sep	7-Sep	1-Sep	10-Aug
7.26 2033	5,330	7.20	7.17	7.18	7.15
7.06 2028	1,290	7.26	7.24	7.25	7.30
7.62 2039	-	7.21	7.20	7.19	7.18
7.30 2053	255	7.35	7.33	7.33	7.36
6.64 2035	-	7.17	7.16	7.22	7.24
7.40 2035	5	7.20	7.18	7.24	7.23

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
4-Oct-23	5406	4267	1139

EQUITY			
MF	Gross Purchase	Gross Sales	Net Investment
4-Oct-23	3854	2599	1255

TOTAL (Rs.Crs)			
MF	Gross Purchase	Gross Sales	Net Investment
4-Oct-23	9260	6866	2394

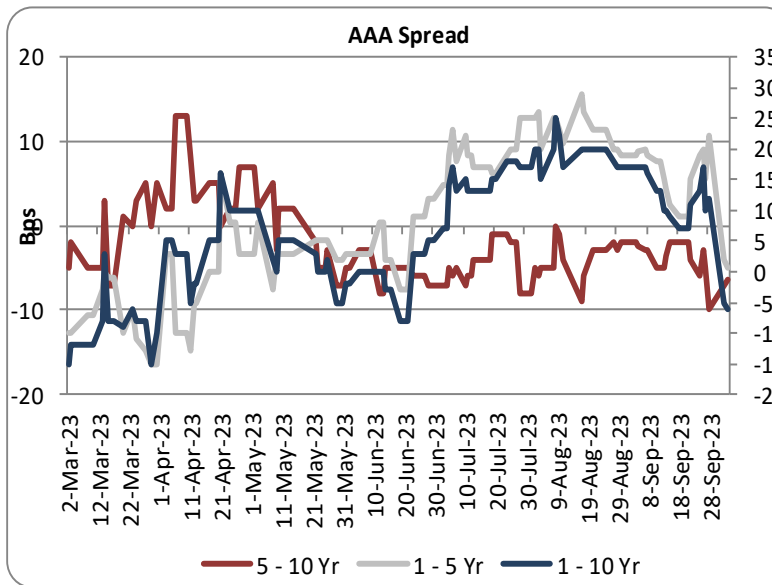
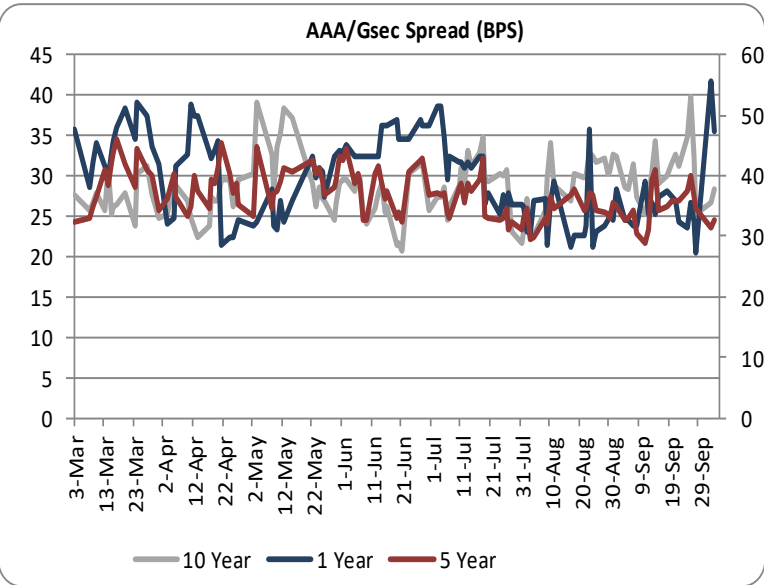
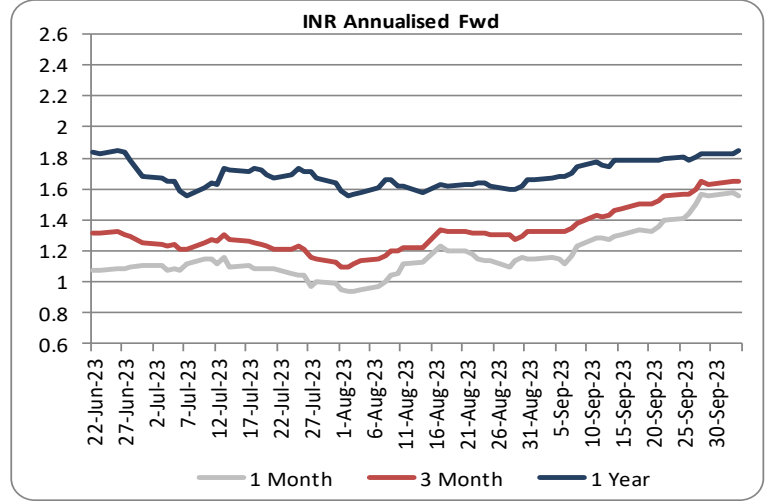
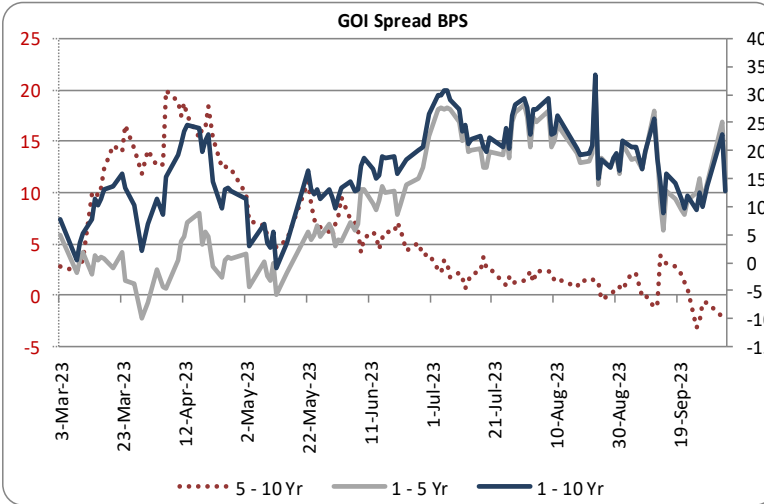
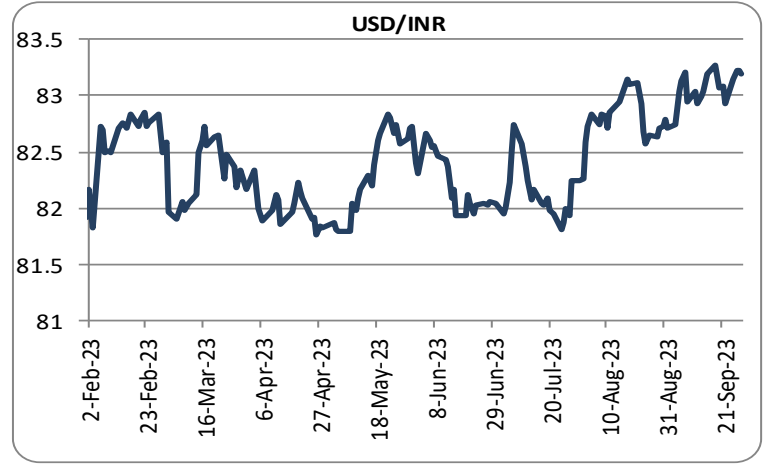
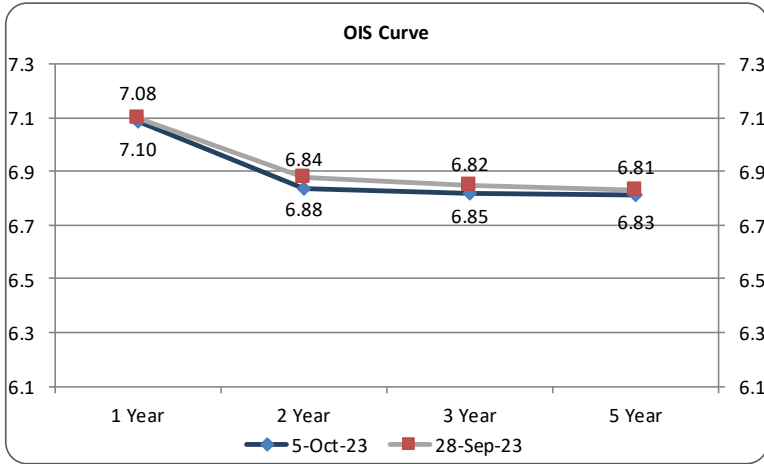
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
5-Oct-23	704	1157	-453

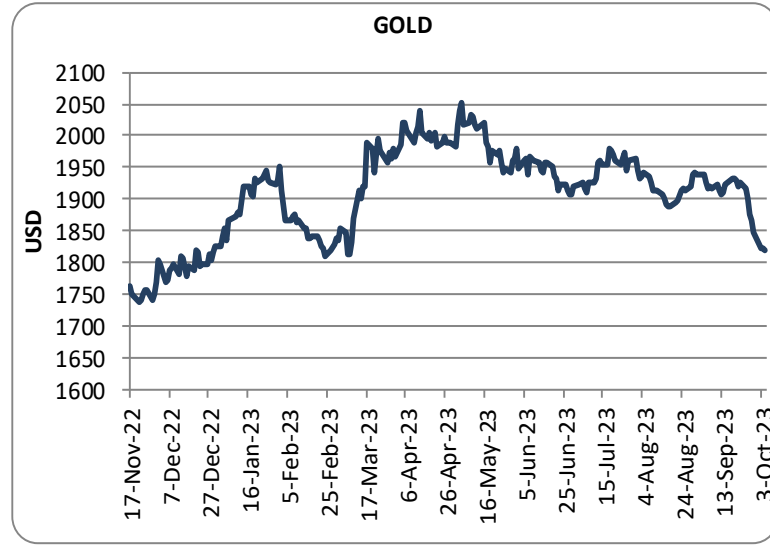
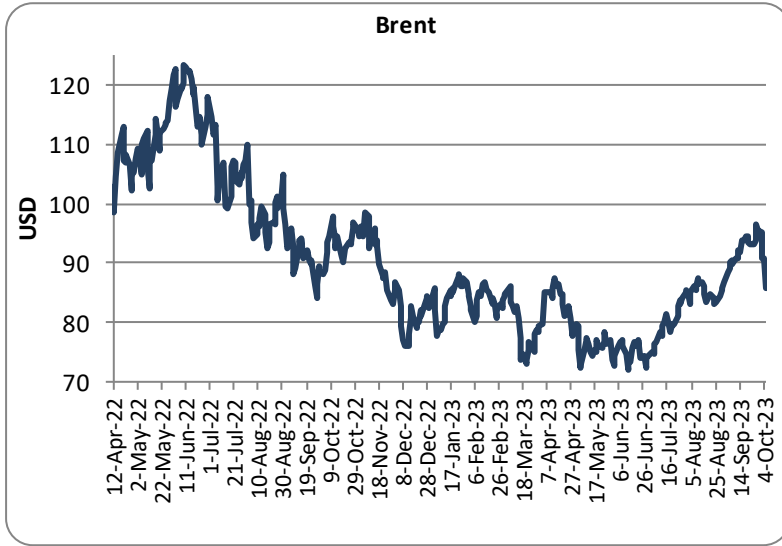
EQUITY			
FII	Gross Purchase	Gross Sales	Net Investment
5-Oct-23	10222	14178	-3957

TOTAL (Rs. Crs)			
FII	Gross Purchase	Gross Sales	Net Investment
5-Oct-23	10926	15336	-4410

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 (%)	Aug-23	-0.5	-1.4
CPI (%)	Aug-23	6.8	7.4
IIP (%)	Jul-23	5.7	3.7
PMI Manufacturing	Sep-23	57.5	58.6
PMI Service	Sep-23	61	60.1

Economic Calender	Country	Date	Poll	Prior
Repo Rate	India	6-Oct-23	6.5	6.5
Unemployment Rate	USA	06-Oct-23	3.70	3.80
Industrial Output	Germany	09-Oct-23	-	(2.25)
CPI	Germany	11-Oct-23	-	4.50
CPI	India	12-Oct-23	-	6.83
CPI	USA	12-Oct-23	-	3.70
CPI	China	13-Oct-23	-	0.10
WPI	India	13-Oct-23	-	(0.52)





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

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