



BONDWATCH

Daily

INDIA

February 06, 2023

The benchmark 10-year yield ended at 7.3197%, after closing at 7.2776% on Friday.

The yield dropped 11 (bps) last week, its biggest move since the week ended Nov. 11.

The new 10-year 7.26% 2033 yield ended at 7.2799%, from 7.2415% at previous close.

The RBI will likely raise its key interest rate by 25 bps to 6.50% at its meeting before leaving it at that level for the rest of the year.

Bond yields jumped after U.S. Treasury prices fell as data showed job growth surged and services activity rebounded in January, likely undermining the Fed's attempts to bring down inflation.

The 10-year U.S. yield climbed 13 bps on Friday and was last at 3.59%, as the market factored in another 50 bps rate hike by the Fed.

Non-farm payrolls surged by 517,000 jobs last month, while the non-manufacturing PMI increased to 55.2.

The Indian rupee weakened 1.08% versus the U.S. dollar, and quoted at 82.743 per dollar after the upbeat U.S. jobs report fanned fears of more rate hikes by the Fed, while analysts reassessed the prospect of rate cuts this year.

Repo: The weighted average call rates in the interbank segment decreased to 6.08% vs 6.11% as on the previous day while that the TREP segment increased to 6.02% vs 6.01% as on the previous day.

Market Observations

G-sec

- Indian government bond yields surged on Monday, the beginning of a week marked by the central bank's policy decision, tracking U.S. yields as strong economic data raised fears of another rate hike by the Federal Reserve. Major focus remains on the Reserve Bank of India's (RBI) monetary policy decision due on Wednesday.

Corporate Bonds

- Investors refrained from placing large bets ahead of the Reserve Bank of India's meeting.

CP/CD

- Major demand was witnessed across all maturity papers.

GOI Yield	6-Feb	3-Feb	30-Jan	9-Jan
1 Year	6.920	6.920	6.900	6.880
5 Year	7.173	7.107	7.250	7.216
10 Year	7.320	7.273	7.400	7.343

AAA Bmk	6-Feb	3-Feb	30-Jan	9-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

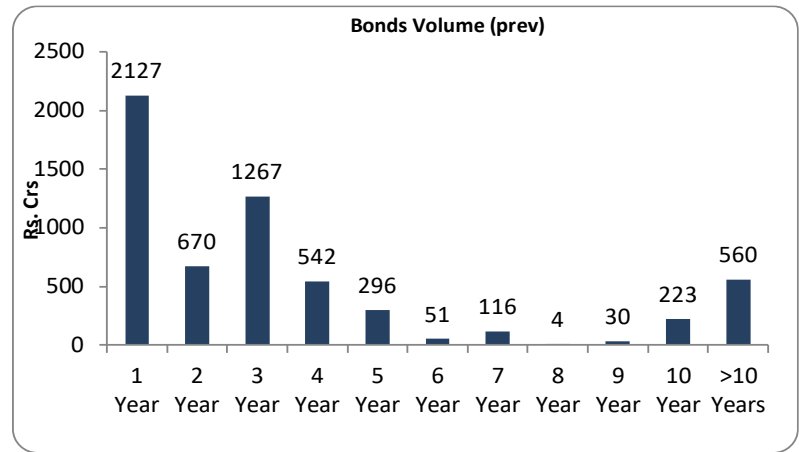
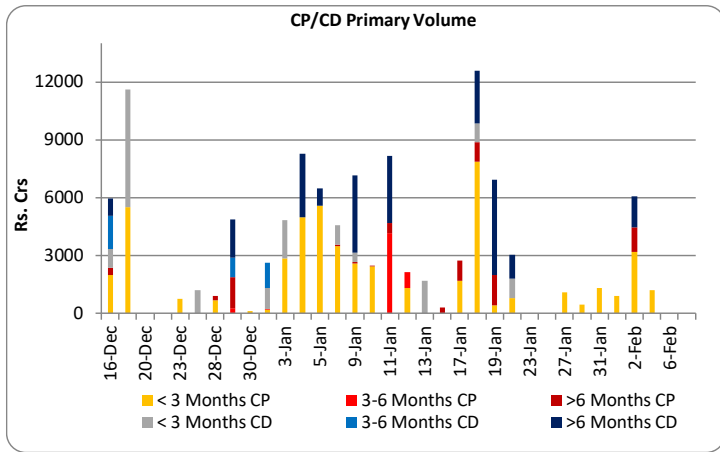
CD	6-Feb	3-Feb	30-Jan	9-Jan
3 Month	7.20	7.20	7.20	6.98
6 Month	7.55	7.65	7.65	7.40
1 Year	7.72	7.75	7.75	7.70

CP	6-Feb	3-Feb	30-Jan	9-Jan
3 Month	7.30	7.30	7.30	7.03
6 Month	7.65	7.75	7.75	7.50
1 Year	7.82	7.85	7.95	7.80

OIS Rate	6-Feb	3-Feb	30-Jan	9-Jan
1 Year	6.69	6.63	6.74	6.69
2 Year	6.30	6.23	6.36	6.41
3 Year	6.22	6.14	6.28	6.34
5 Year	6.24	6.15	6.27	6.35

	6-Feb	3-Feb	30-Jan	9-Jan
Sensex	60,507	60,842	59,500	60,747
Nifty	17,765	17,854	17,649	18,101
USD/INR	82.73	81.83	81.50	82.36
Gold (USD)	1,869	1,866	1,923	1,872
Oil (USD)	80.20	79.94	84.90	79.65

NDF	6-Feb	3-Feb	30-Jan	9-Jan
3 Month	83.27	82.98	82.14	82.70
1 Year	84.55	84.30	83.51	84.06
2 Year	86.59	86.19	85.60	86.17
3 Year	89.52	88.89	88.35	88.97



10 Year Benchmarks	6-Feb	3-Feb	30-Jan	9-Jan
India	7.32	7.28	7.40	7.34
US	3.61	3.53	3.55	3.52
South Korea	3.28	3.15	3.24	3.48
Russia	10.61	10.63	10.59	10.33
Brazil	13.36	13.36	13.18	12.85
Germany	2.29	2.20	2.31	2.21
China	2.91	2.93	2.94	2.90

Top Traded Securities	Volume	6-Feb	3-Feb	30-Jan	9-Jan
5.74 2026	345	7.14	7.08	7.22	7.18
7.38 2027	45	7.17	7.11	7.26	7.22
7.10 2029	10	7.26	7.20	7.37	7.32
6.54 2032	10	7.34	7.29	7.41	7.37
7.26 2032	-	7.32	7.28	7.40	7.34
7.54 2036	-	7.39	7.36	7.48	7.41

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

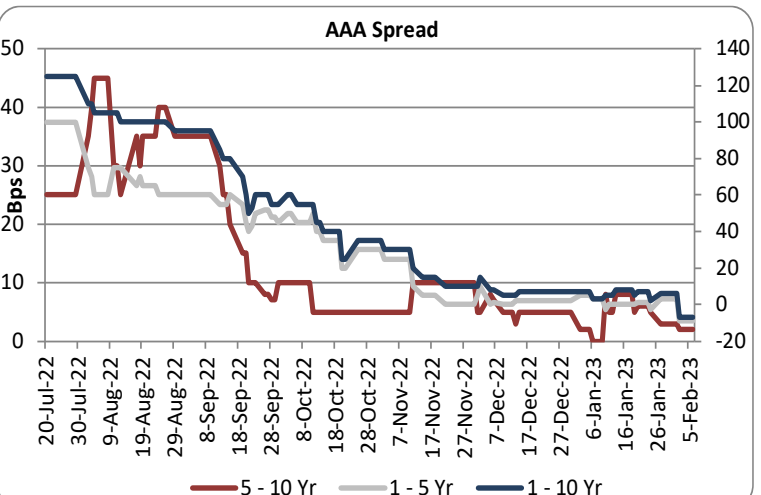
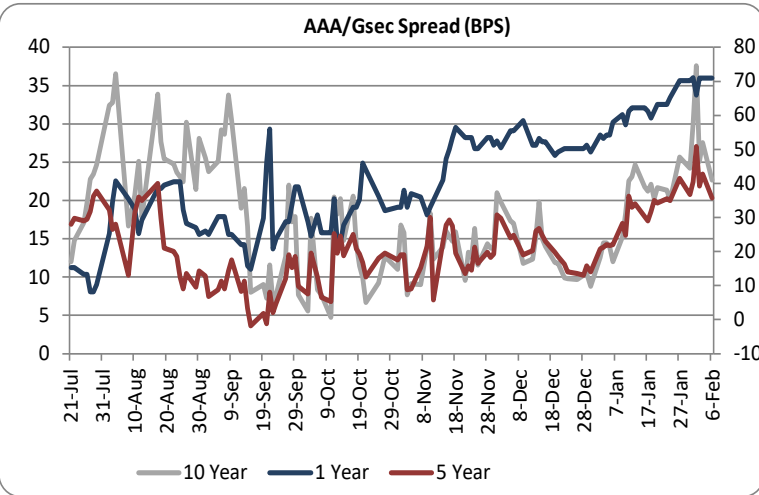
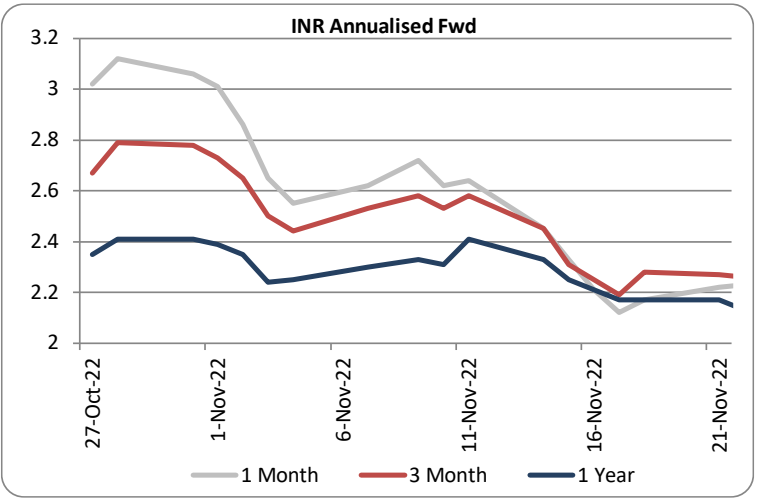
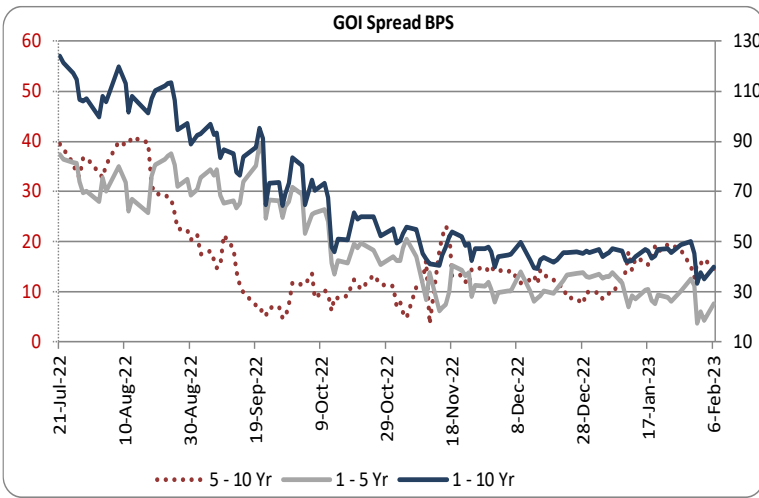
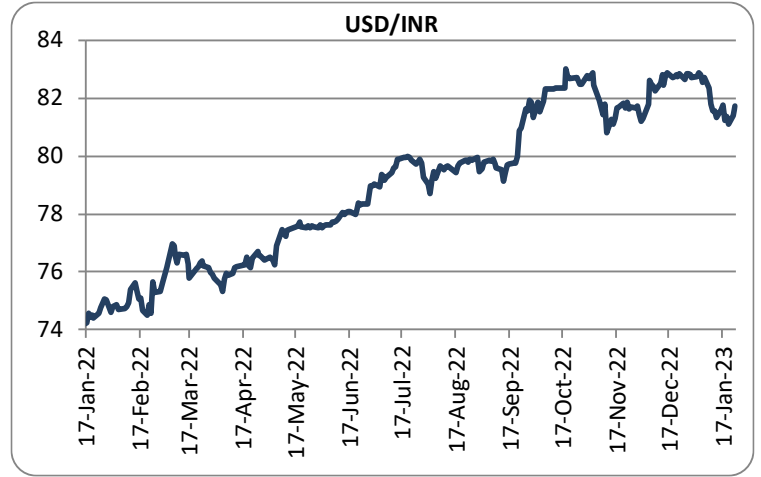
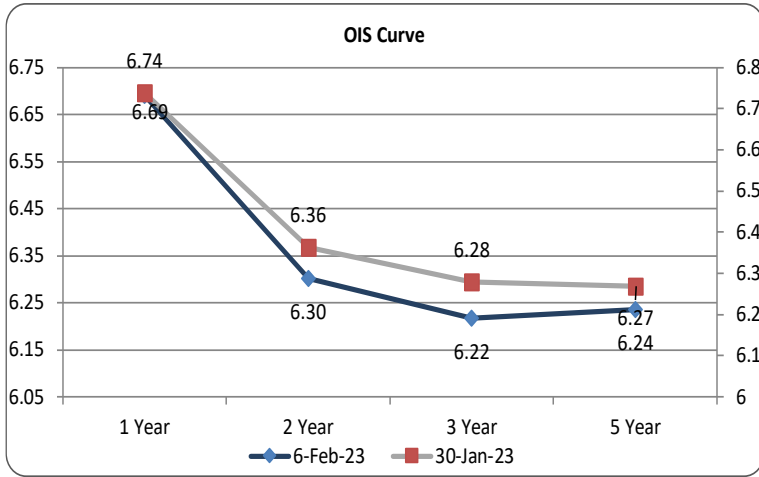
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
4-Feb-23	#N/A	#N/A	#N/A

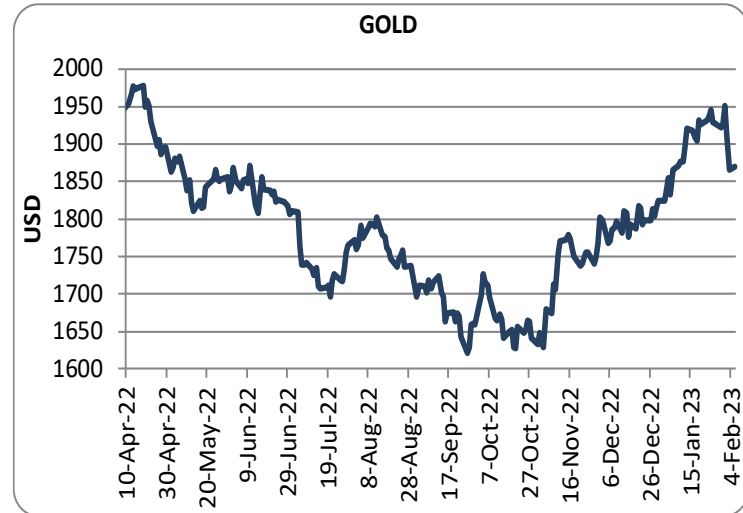
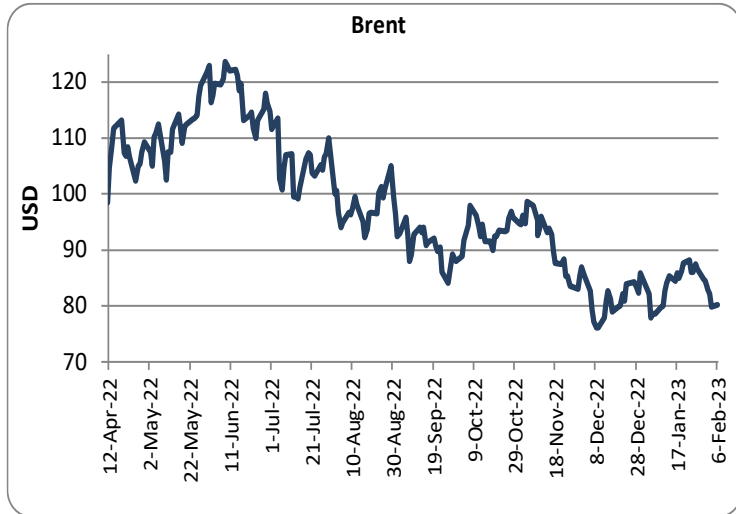
EQUITY		
Gross Purchase	Gross Sales	Net Investment
#N/A	#N/A	#N/A

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
#N/A	#N/A	#N/A

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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