



BONDWATCH

Daily

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INDIA

Indian government bond yields rose on Friday after a debt auction added to supply, while the benchmark yield gained this week, tracking elevated U.S. Treasury rates and crude oil prices.

The benchmark 7.26% 2033 bond settled at 7.2066%, after ending the previous session at 7.1772%. The yield rose 4 basis points (bps) this week, after easing 5 bps in the previous two weeks.

The Reserve Bank of India's review of the incremental CRR measure to be withdrawn in phased manner from Sept 9th. The central bank said it will release 25% of the I-CRR funds on Sept. 9, another 25% on Sept. 23 and the remaining on Oct. 7.

The market was expecting a 50% rollback for the next fortnight, which led to some selloff in bonds.

The 10-year U.S. yield eased on Friday but continued to trade above the crucial 4.20% handle amid a spate of upbeat economic data.

The benchmark Brent crude contract shot above \$90 per barrel during the week and stayed there amid worries of a supply shortage.

India's inflation data for the month of August to be released on Sept 12. Market participants predict a reading of 7% above the RBI's 6% tolerance ceiling. India's retail inflation spiked to a 15-month high of 7.44% in July from 4.87% in June.

The Indian rupee strengthened 0.32% versus the U.S. dollar, and quoted at 82.95 per dollar, on dollar sales by state-run banks likely on behalf of central bank.

Repo: The weighted average call rates in the interbank segment increased to 6.71% vs 6.40% as on the previous day while that the TREP segment increased to 6.71% vs 6.44% as on the previous day.

GOI Yield	8-Sep	7-Sep	1-Sep	11-Aug
1 Year	7.010	7.010	6.950	6.940
5 Year	7.206	7.178	7.162	7.186
10 Year	7.207	7.177	7.167	7.202

AAA Bmk	8-Sep	7-Sep	1-Sep	11-Aug
1 Year	7.45	7.45	7.45	7.45
5 Year	7.64	7.65	7.64	7.66
10 Year	7.61	7.62	7.62	7.62

CD	8-Sep	7-Sep	1-Sep	11-Aug
3 Month	7.02	7.05	7.02	7.00
6 Month	7.25	7.25	7.20	7.20
1 Year	7.50	7.50	7.50	7.50

CP	8-Sep	7-Sep	1-Sep	11-Aug
3 Month	0.00	7.12	7.12	7.10
6 Month	0.00	7.35	7.35	7.30
1 Year	0.00	7.60	7.60	7.60

OIS Rate	8-Sep	7-Sep	1-Sep	11-Aug
1 Year	7.02	7.02	6.97	6.91
2 Year	6.78	6.77	6.67	6.62
3 Year	6.74	6.73	6.62	6.60
5 Year	6.69	6.68	6.57	6.53

	8-Sep	7-Sep	1-Sep	11-Aug
Sensex	66,599	66,266	65,387	65,323
Nifty	19,820	19,727	19,435	19,428
USD/INR	82.95	83.21	82.72	82.85
Gold (USD)	1,923	1,919	1,939	1,913
Oil (USD)	90.52	89.92	88.55	86.81

NDF	8-Sep	7-Sep	1-Sep	11-Aug
3 Month	83.35	83.54	83.01	83.20
1 Year	84.51	84.67	84.09	84.35
2 Year	86.77	86.81	86.29	86.47
3 Year	89.57	89.51	88.99	89.12

Market Observations

G-sec

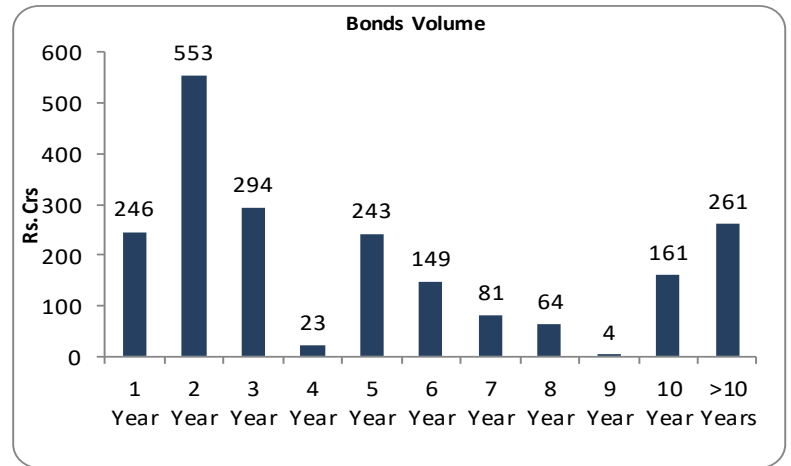
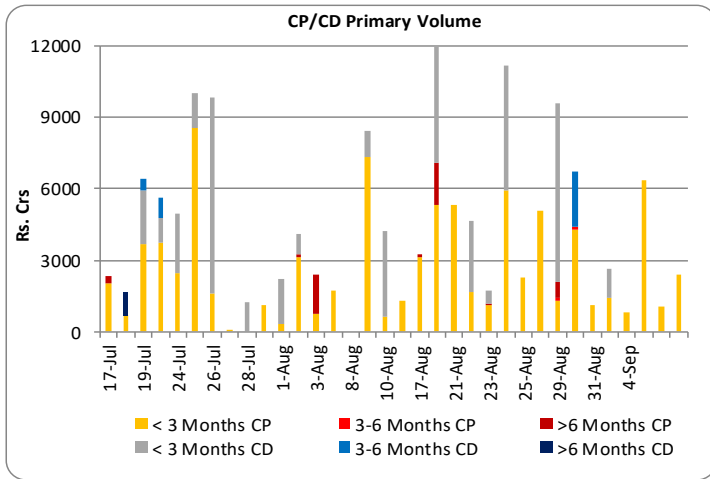
- Higher demand seen in February and March maturity t-bills.
- Auction cut off on Government securities came in line with market expectations.

Corporate Bonds

- Mutual funds were active in the 2025-2026 segment. Mutual funds gradually reducing their duration to the 2025 segment.

CP/CD

- Demand was scattered across 3-month to 9-month segment.



10 Year Benchmarks	8-Sep	7-Sep	1-Sep	11-Aug
India	7.20	7.17	7.18	7.20
US	4.26	4.26	4.17	4.17
South Korea	3.90	3.98	3.78	3.83
Russia	12.53	12.46	12.08	11.78
Brazil	11.42	11.42	11.16	10.95
Germany	2.62	2.62	2.55	2.62
China	2.67	2.67	2.61	2.65

Top Traded Securities	Volume	29-Aug	28-Aug	22-Aug	31-Jul
7.26 2033	14,805	7.18	7.18	7.22	7.17
7.06 2028	1,585	7.28	7.29	7.33	7.31
7.62 2039	-	7.20	7.19	7.23	7.21
7.30 2053	1,085	#N/A	7.22	7.28	7.33
6.64 2035	135	7.22	7.26	7.28	7.30
7.40 2035	-	7.25	7.24	7.28	7.33

	DEBT		
	Gross Purchase	Gross Sales	Net Investment
MF			
23-Aug-23	5219	4778	441

	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	8538	8569	-31

	TOTAL (Rs.Crs)		
	Gross Purchase	Gross Sales	Net Investment
	13757	13346	410

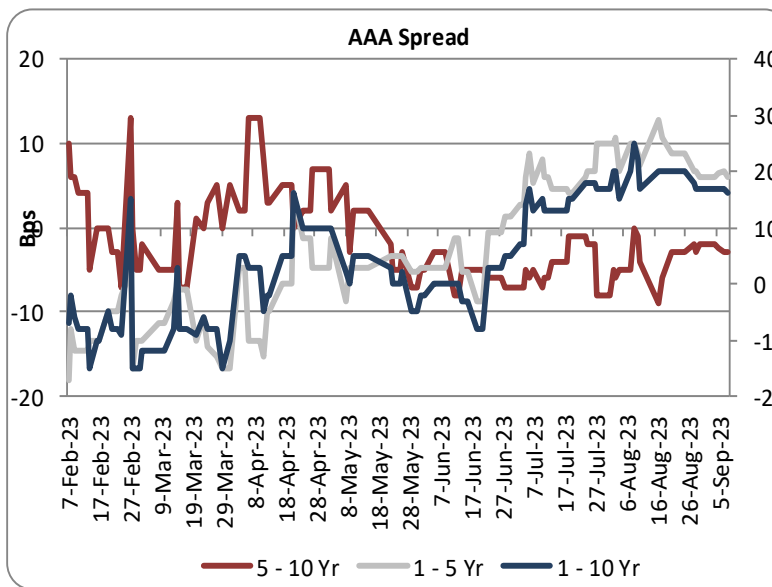
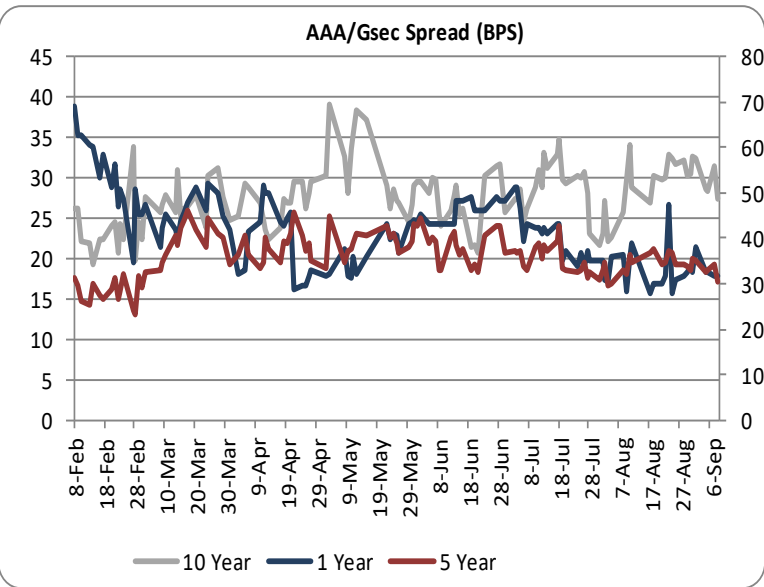
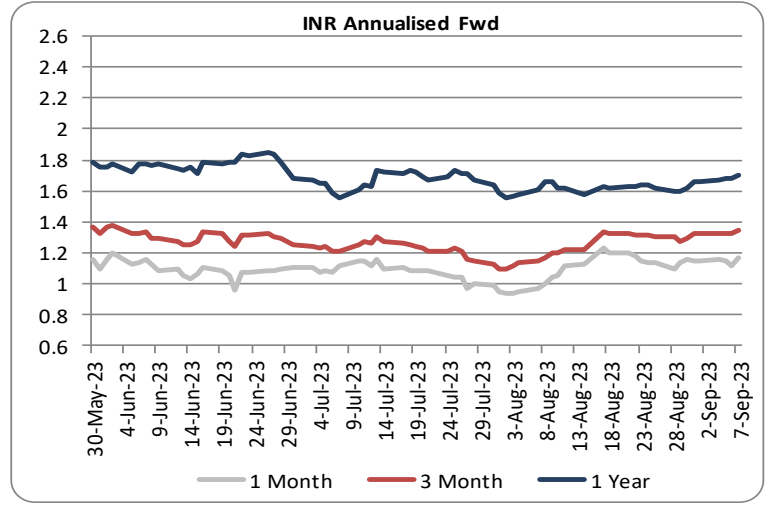
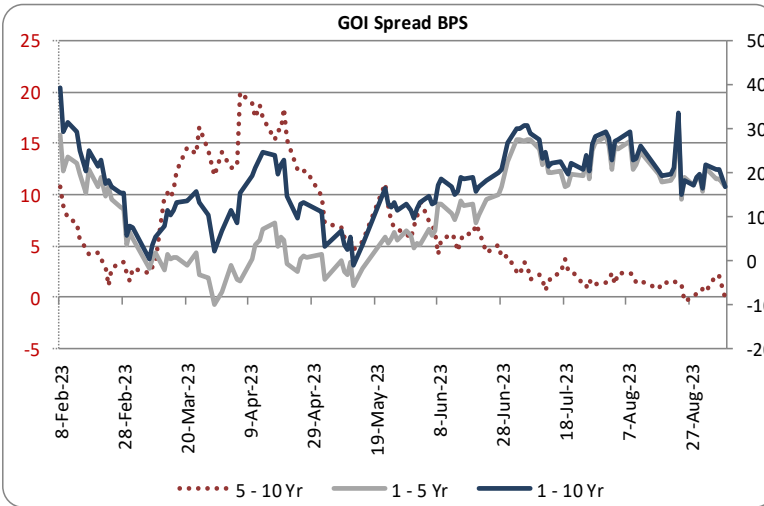
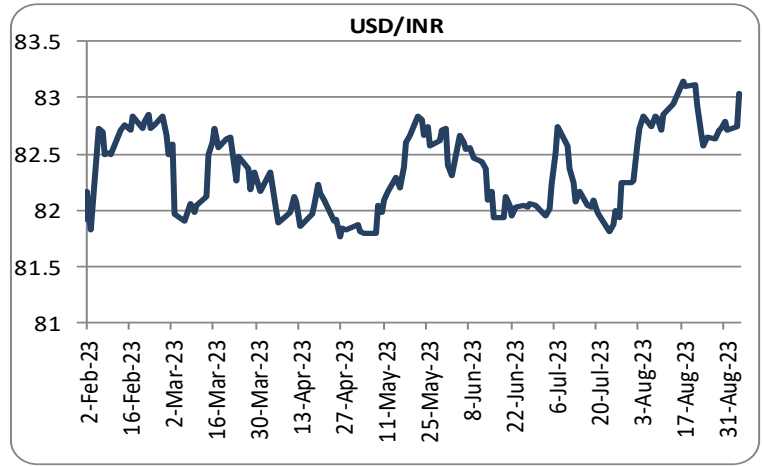
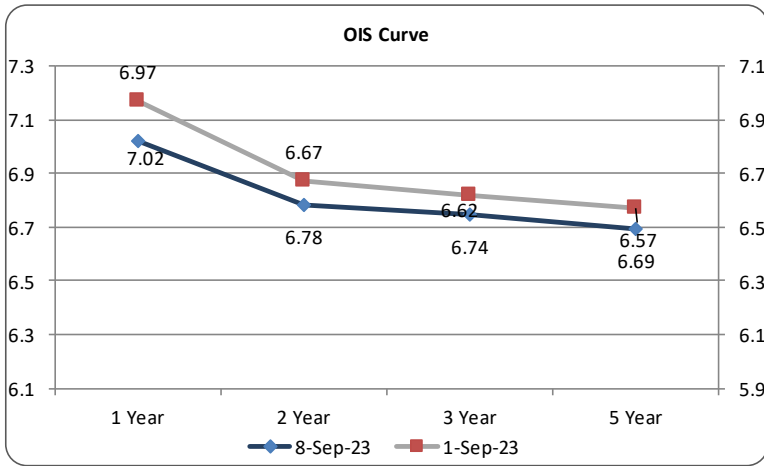
	DEBT		
	Gross Purchase	Gross Sales	Net Investment
FII			
8-Sep-23	1027	619	408

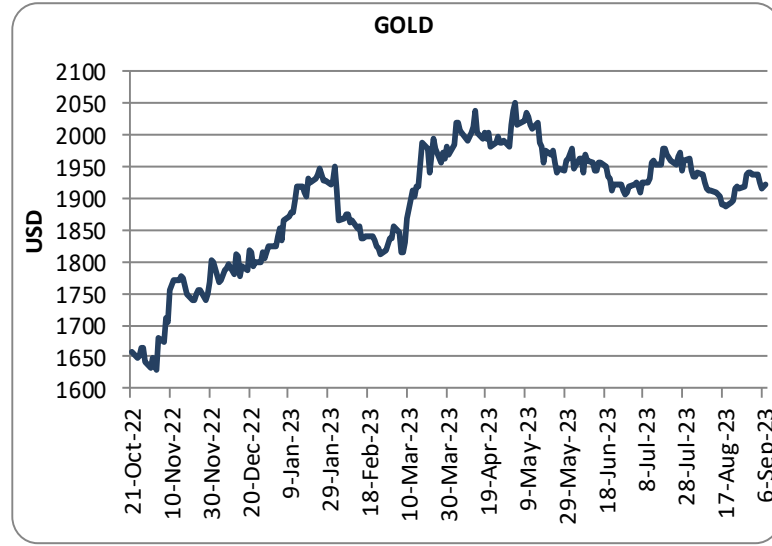
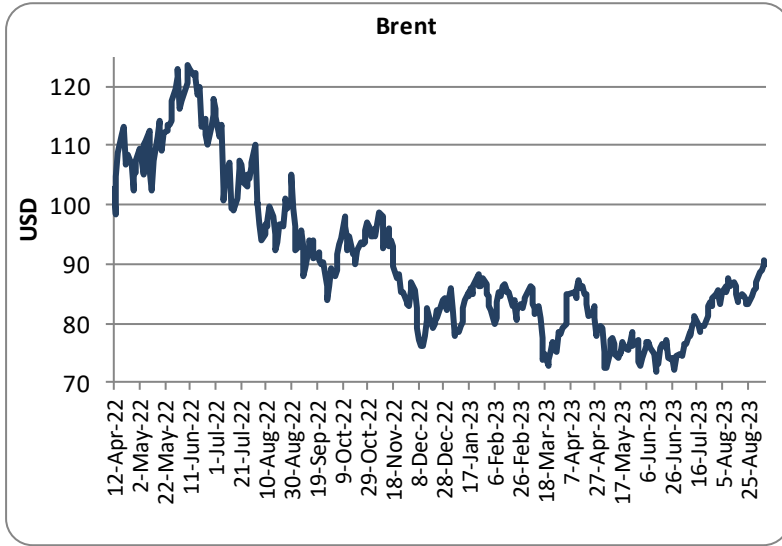
	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	9025	9744	-719

	TOTAL (Rs. Crs)		
	Gross Purchase	Gross Sales	Net Investment
	10052	10363	-311

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-23	7.8	6.1
CAD (\$ Bn)	Mar-23	-1.3	-16.8
Trade Deficit (\$ Bn)	Mar-23	-52.6	-72.7
WPI (%)	Jul-23	-1.4	-4.1
CPI (%)	Jul-23	7.4	4.9
IIP (%)	Jun-23	3.7	5.2
PMI Manufacturing	Aug-23	58.6	57.7
PMI Service	Aug-23	60.1	62.3

Economic Calender	Country	Date	Poll	Prior
GDP	Brazil	1-Sep-23	2.7	4
Industrial Output	Brazil	05-Sep-23	-	0.30
Real GDP	Australia	06-Sep-23	-	2.30
Retail Sales	Euro Zone	06-Sep-23	-	(1.40)
Industrial Production	Germany	07-Sep-23	-	(1.83)
CPI	Germany	08-Sep-23	-	6.10
CPI	China	09-Sep-23	-	(0.30)
CPI	India	12-Sep-23	-	7.44





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

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