



BONDWATCH

Daily

May 09, 2023

INDIA

Indian government bond yields ended little changed on Tuesday due to the lack of fresh triggers as market participants await U.S. inflation data for further cues.

The 10-year benchmark 7.26% 2033 bond yield ended at 7.0445%, after closing at 7.0488% in the previous session.

The trading activity has been lackluster as there are no fresh cues. The market is now keenly watching for the U.S. inflation print. The U.S. Consumer Price Index data on Wednesday will show whether price pressures continue to ease or remain at levels that could make the U.S. Federal Reserve stick to its path of interest rate hikes.

If U.S. economic indicators, including the inflation print, suggests improvement, then the market will start pricing rate cuts in the U.S. as well as in India.

Oil prices fell on Tuesday paring strong gains from the previous 2 sessions as markets remain cautious ahead of the U.S. inflation figures for April.

The Indian rupee weakened 0.29% versus the U.S. dollar, and quoted at 82.0375 per dollar likely on the back of dollar purchase by importers as well as short covering in the greenback.

Repo: The weighted average call rates in the interbank segment increased to 6.80% vs 6.75% as on the previous day while that the TREP segment increased to 6.77% vs 6.76% as on the previous day.

Market Observations

G-sec

- Demand was seen in 2025 and 2026 maturity G-sec by banks @6.95 centric levels.
- Banks were demanding Dec 2023 to April 2024 T-bills @ 7.01 levels.
- SDL cut off was in line with market expectation and was a bit finer in longer maturity SDLs.

Corporate Bonds

- Demand was seen in 3-year segment.

CP/CD

- Mutual funds were the major sellers in 1-month segment. They were buyers in the July and August papers.
- Banks & Corporates were seen buying in the 2-3 month segment.

GOI Yield	9-May	8-May	3-May	11-Apr
1 Year	7.010	6.980	6.975	7.010
5 Year	6.986	6.981	6.933	7.047
10 Year	7.045	7.049	7.006	7.222

AAA Bmk	9-May	8-May	3-May	11-Apr
1 Year	7.45	7.48	7.42	7.65
5 Year	7.48	7.45	7.50	7.52
10 Year	7.45	7.50	7.52	7.60

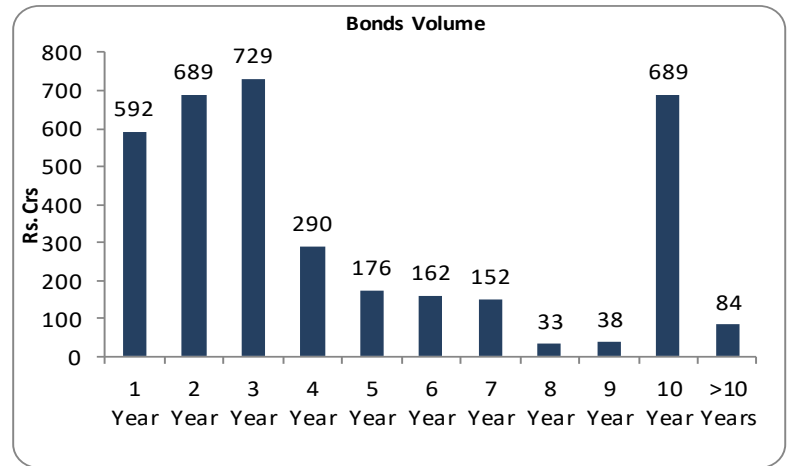
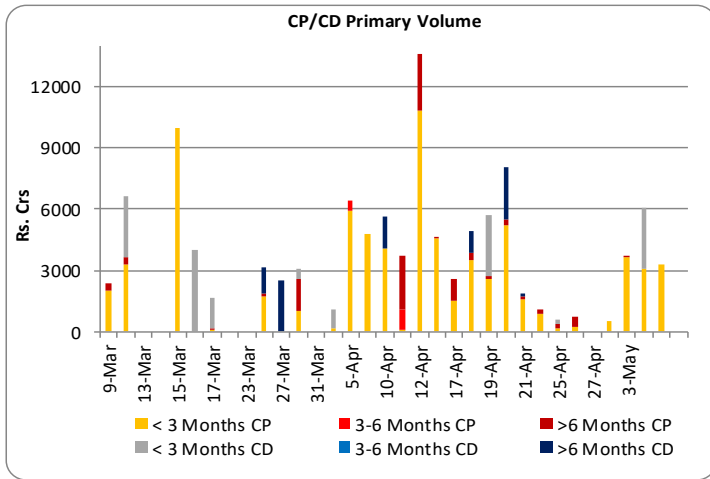
CD	9-May	8-May	3-May	11-Apr
3 Month	7.10	7.20	7.10	7.05
6 Month	7.30	7.35	7.30	7.25
1 Year	7.50	7.45	7.45	7.50

CP	9-May	8-May	3-May	11-Apr
3 Month	7.20	7.30	7.15	7.10
6 Month	7.40	7.45	7.35	7.30
1 Year	7.60	7.55	7.55	7.60

OIS Rate	9-May	8-May	3-May	11-Apr
1 Year	6.63	6.62	6.57	6.60
2 Year	6.24	6.21	6.17	6.20
3 Year	6.06	6.02	6.01	6.11
5 Year	6.04	6.00	5.99	6.13

	9-May	8-May	3-May	11-Apr
Sensex	61,761	61,764	61,193	60,158
Nifty	18,266	18,264	18,090	17,722
USD/INR	82.04	81.80	81.82	82.13
Gold (USD)	2,032	2,021	2,039	2,003
Oil (USD)	76.26	77.01	72.33	85.61

NDF	9-May	8-May	3-May	11-Apr
3 Month	82.43	82.13	82.14	82.47
1 Year	83.86	83.48	83.52	84.02
2 Year	86.27	85.94	85.94	86.48
3 Year	89.22	88.84	88.84	89.78



10 Year Benchmarks	9-May	8-May	3-May	11-Apr
India	7.05	7.05	7.01	7.22
US	3.48	3.52	3.40	3.43
South Korea	3.31	3.31	3.33	3.26
Russia	10.65	10.65	10.61	10.47
Brazil	12.35	12.28	12.20	12.49
Germany	2.30	2.32	2.25	2.30
China	2.76	2.75	2.79	2.83

Top Traded Securities	Volume	9-May	8-May	3-May	11-Apr
5.74 2026	815	6.95	6.93	6.91	7.04
7.38 2027	-	6.99	6.98	6.93	7.05
7.10 2029	10	7.04	7.03	6.98	7.14
6.54 2032	-	7.11	7.12	7.07	7.25
7.26 2032	65	7.10	7.09	7.06	7.22
7.54 2036	20	7.16	7.15	7.12	7.35

	DEBT		
	Gross Purchase	Gross Sales	Net Investment
MF			
27-Apr-23	161	203	-42

	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	203	0	203

	TOTAL (Rs.Crs)		
	Gross Purchase	Gross Sales	Net Investment
	364	203	161

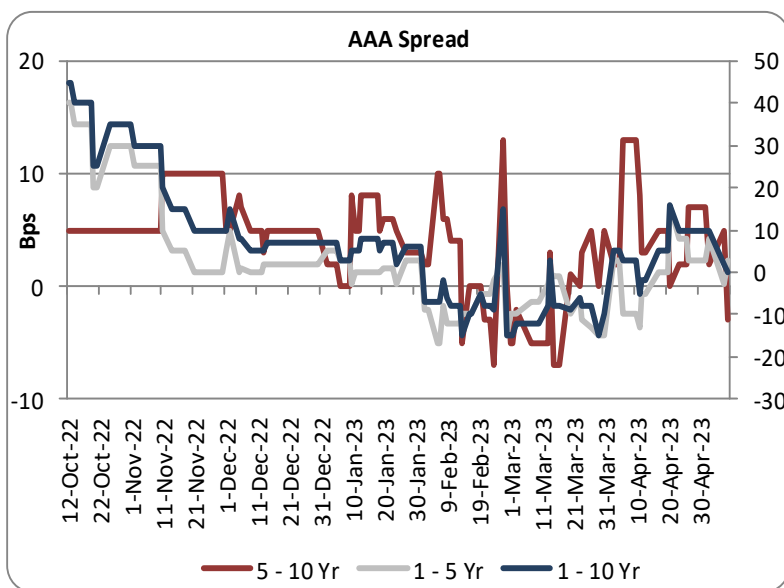
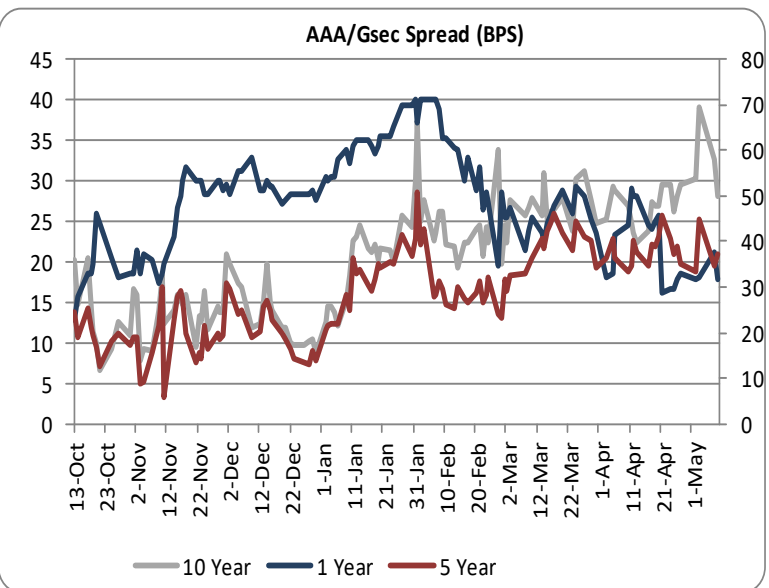
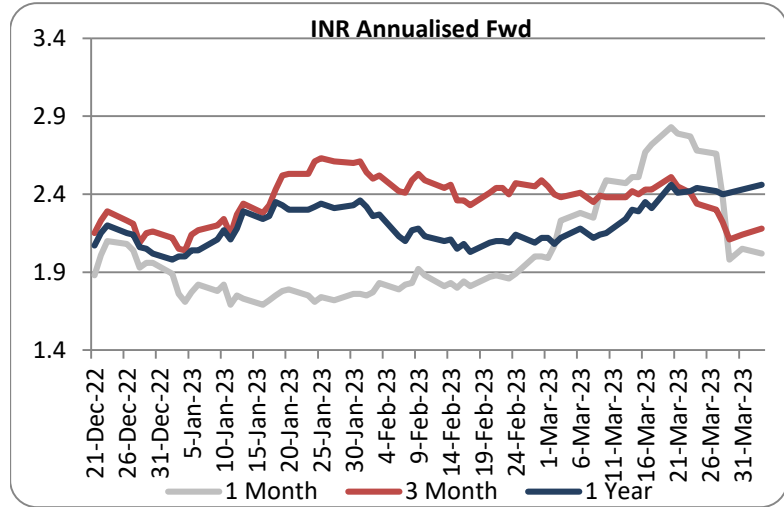
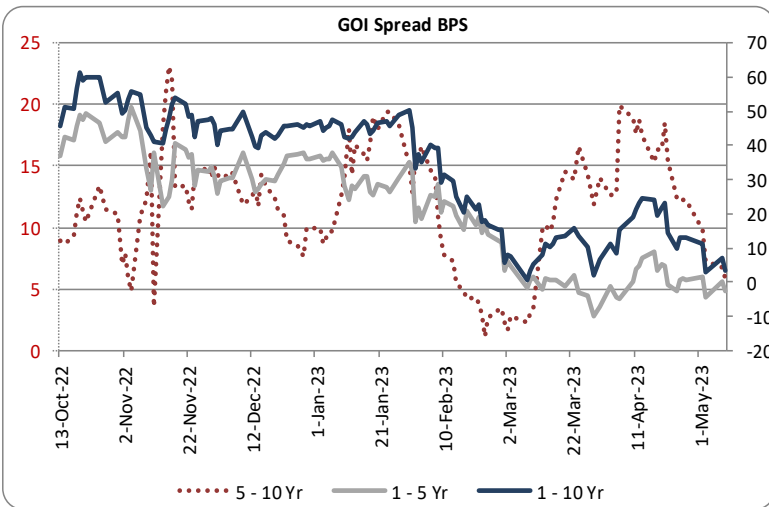
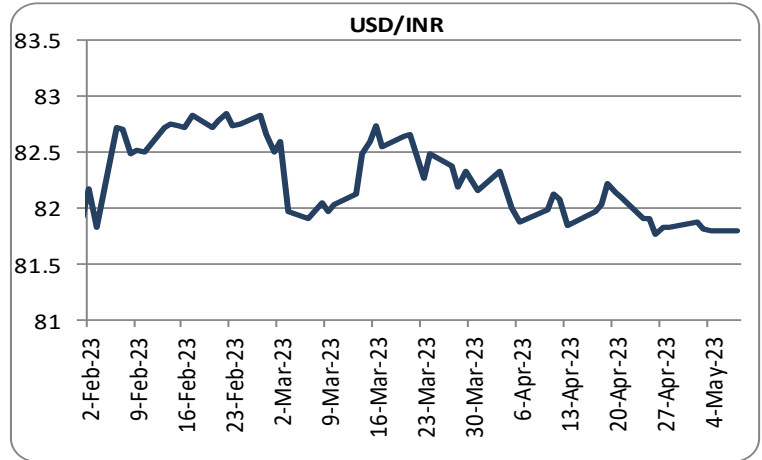
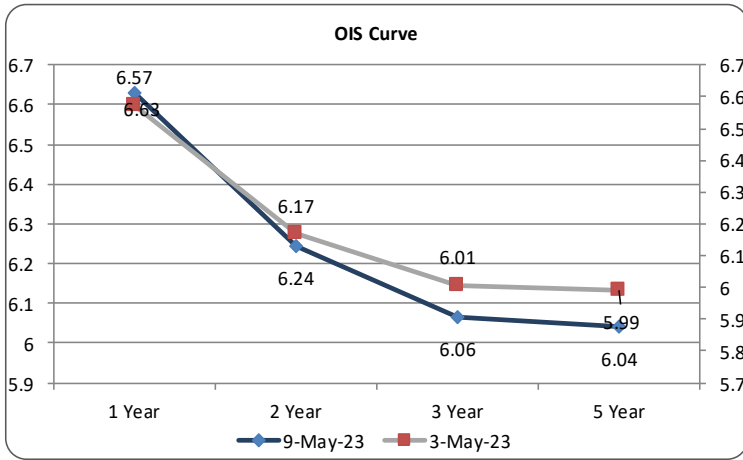
	DEBT		
	Gross Purchase	Gross Sales	Net Investment
FII			
9-May-23	1583	707	876

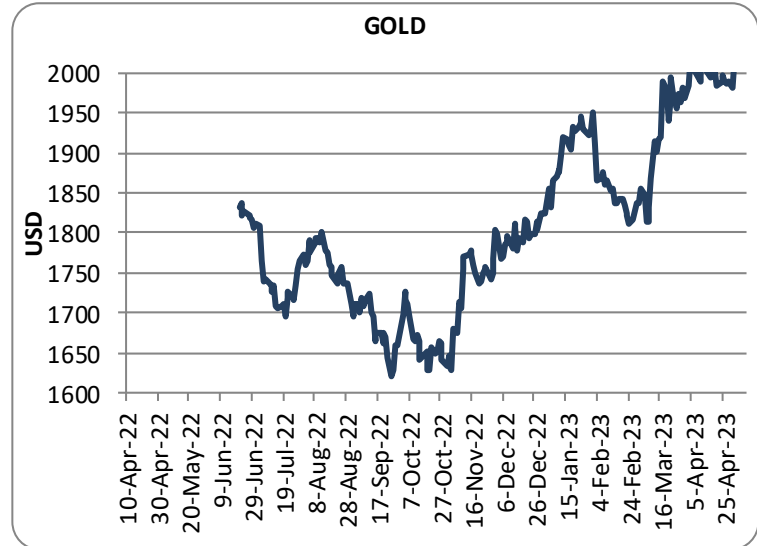
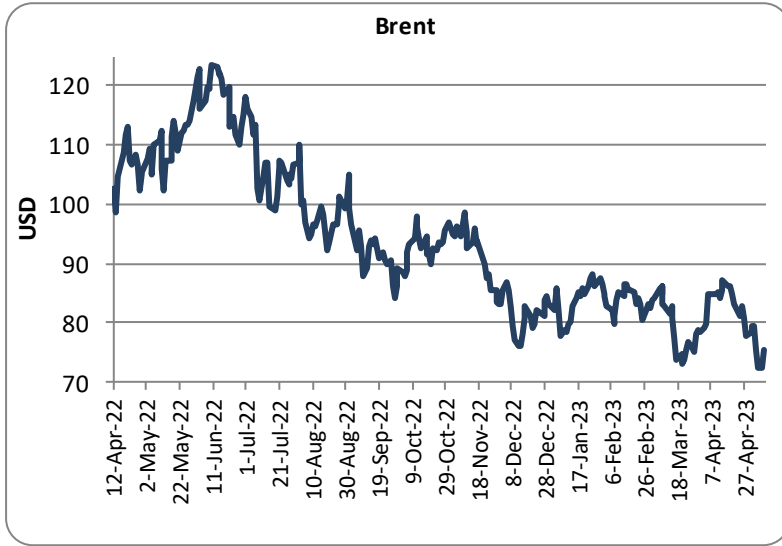
	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	9385	6223	3163

	TOTAL (Rs. Crs)		
	Gross Purchase	Gross Sales	Net Investment
	10968	6930	4038

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-22	4.4	6.3
CAD (\$ Bn)	Dec-22	-18.2	-30.9
Trade Deficit (\$ Bn)	Dec-22	-72.7	-78.3
WPI (%)	Mar-23	1.3	3.9
CPI (%)	Mar-23	5.7	6.4
IIP (%)	Feb-23	5.6	5.2
PMI Manufacturing	Apr-23	57.2	56.4
PMI Service	Apr-23	62	57.8

Economic Calender	Country	Date	Poll	Prior
Unemployment Rate	Euro Zone	03-May-23	6.60	6.60
Fed Fund Target Rate	USA	03-May-23	5-5.25	4.75-5
Retail Sales	Euro Zone	05-May-23	(3.10)	(3.00)
Unemployment Rate	USA	05-May-23	3.60	3.50
CPI	Germany	08-15-May-23	-	7.20
CPI	USA	10-May-23	-	5.00
Industrial Production	UK	10-15-May-23	-	(3.10)
CPI	China	11-May-23	-	7.20





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

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