



BONDWATCH

Daily

INDIA

February 10, 2023

The benchmark 10-year yield ended at 7.3627%, after closing at 7.3432% on Thursday. The yield rose by eight basis points (bps) this week, the biggest such move since the week ended Sep. 23, 2022. It had dropped 11 bps last week.

The 10-year 7.26% 2033 bond yield ended at 7.3312%, up 9 bps for the week.

The central bank highlighted core inflation concerns with Wednesday's 25-bps hike, its sixth consecutive hike. Another hike is possible in April, as inflation pressures persist and the U.S. Federal Reserve continues to tighten.

Meanwhile, a continuous supply of debt weighed on sentiment at a time when banking system liquidity is tilting towards deficit.

The RBI on Friday infused 500 billion rupees via 14-day repo.

Indian states raised nearly 720 billion rupees (\$8.73 billion) over the last three weeks, while the central government raised 880 billion rupees through sovereign bond sale and 160 billion rupees through green bond issuance.

The Indian rupee strengthened 0.02% versus the U.S. dollar, and quoted at 82.51 per dollar, but posted its worst trading week in two months on repricing of Federal Reserve terminal rate hike expectations.

Repo: The weighted average call rates in the interbank segment decreased to 6.61% vs 6.71% on the previous day while that the TREP segment decreased to 6.54% vs 6.71% as on the previous day.

Market Observations

G-sec

- Indian government bond yields rose on Friday, with the benchmark yield posting its biggest weekly jump in over four months, as the Reserve Bank of India (RBI) kept the door open for yet another hike after raising interest rates during the week.

Corporate Bonds

- The 2-5 yr. segment continues to see activity with the most active participants being mutual funds.
 - A few private banks seen as sellers in 2025-2026 maturity
 - Traders are in anticipation of PSU supply.

CP/CD

- Major demand was witnessed across all segments.

GOI Yield	10-Feb	9-Feb	3-Feb	13-Jan
1 Year	7.050	7.050	6.920	6.860
5 Year	7.285	7.254	7.107	7.133
10 Year	7.363	7.343	7.273	7.300

AAA Bmk	10-Feb	9-Feb	3-Feb	13-Jan
1 Year	7.80	7.80	7.75	7.60
5 Year	7.68	7.68	7.66	7.60
10 Year	7.72	7.74	7.68	7.68

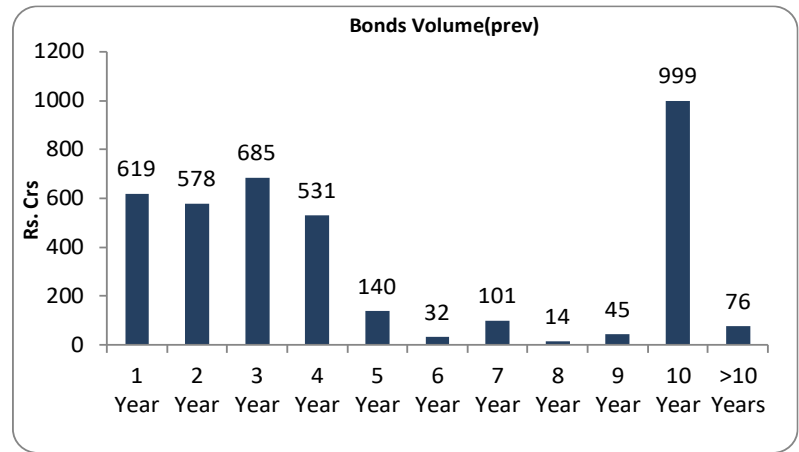
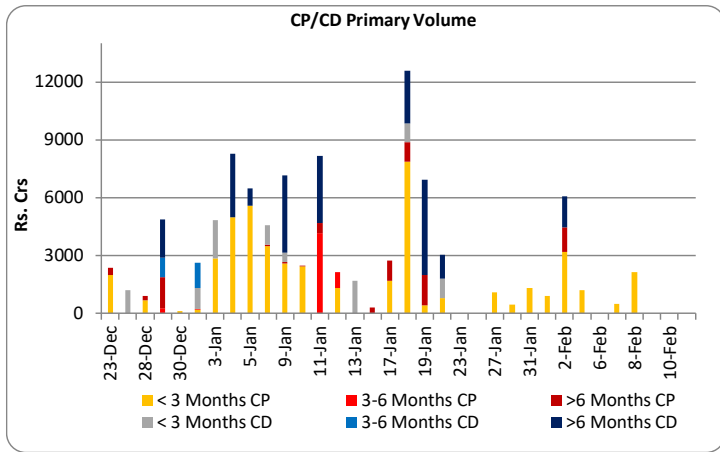
CD	10-Feb	9-Feb	3-Feb	13-Jan
3 Month	7.25	7.25	7.20	7.07
6 Month	7.60	7.60	7.65	7.45
1 Year	7.80	7.80	7.75	7.75

CP	10-Feb	9-Feb	3-Feb	13-Jan
3 Month	7.35	7.35	7.30	7.03
6 Month	7.70	7.70	7.75	7.50
1 Year	7.82	7.82	7.85	7.80

OIS Rate	10-Feb	9-Feb	3-Feb	13-Jan
1 Year	6.82	6.83	6.63	6.60
2 Year	6.47	6.46	6.23	6.25
3 Year	6.37	6.35	6.14	6.18
5 Year	6.39	6.36	6.15	6.21

	10-Feb	9-Feb	3-Feb	13-Jan
Sensex	60,683	60,806	60,842	60,261
Nifty	17,857	17,893	17,854	17,957
USD/INR	82.50	82.51	81.83	81.33
Gold (USD)	1,862	1,861	1,866	1,920
Oil (USD)	86.62	84.50	79.94	85.28

NDF	10-Feb	9-Feb	3-Feb	13-Jan
3 Month	83.10	83.05	82.98	81.76
1 Year	84.36	84.35	84.30	83.14
2 Year	80.81	86.26	86.19	85.16
3 Year	89.14	88.76	88.89	87.91



10 Year Benchmarks	10-Feb	9-Feb	3-Feb	13-Jan
India	7.36	7.34	7.28	7.30
US	3.71	3.68	3.53	3.51
South Korea	3.37	3.36	3.15	3.30
Russia	10.82	10.79	10.63	10.40
Brazil	13.43	13.43	13.36	12.38
Germany	2.37	2.31	2.20	2.14
China	2.90	2.90	2.93	2.93

Top Traded Securities	Volume	10-Feb	9-Feb	3-Feb	13-Jan
5.74 2026	685	7.24	7.23	7.08	7.07
7.38 2027	-	7.29	7.25	7.11	7.13
7.10 2029	200	7.33	7.33	7.20	7.24
6.54 2032	-	7.38	7.35	7.29	7.32
7.26 2032	-	7.36	7.34	7.28	7.30
7.54 2036	-	7.45	7.43	7.36	7.37

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
6-Feb-23	4828	3628	1201

EQUITY		
Gross Purchase	Gross Sales	Net Investment
7933	8276	-343

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
12761	11904	857

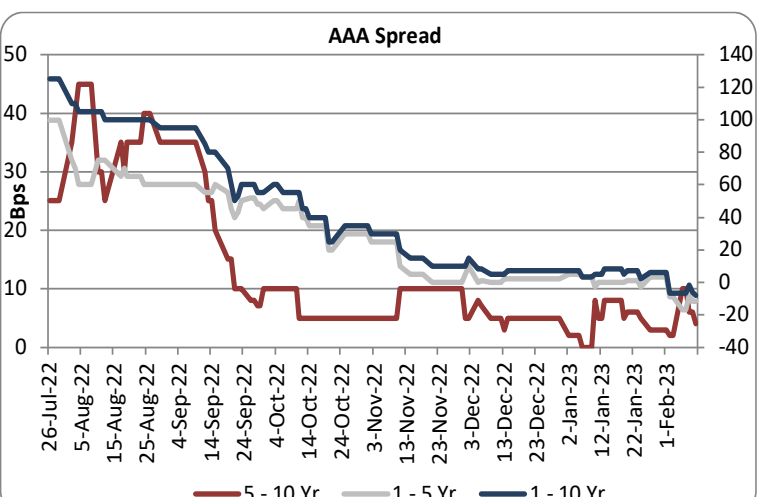
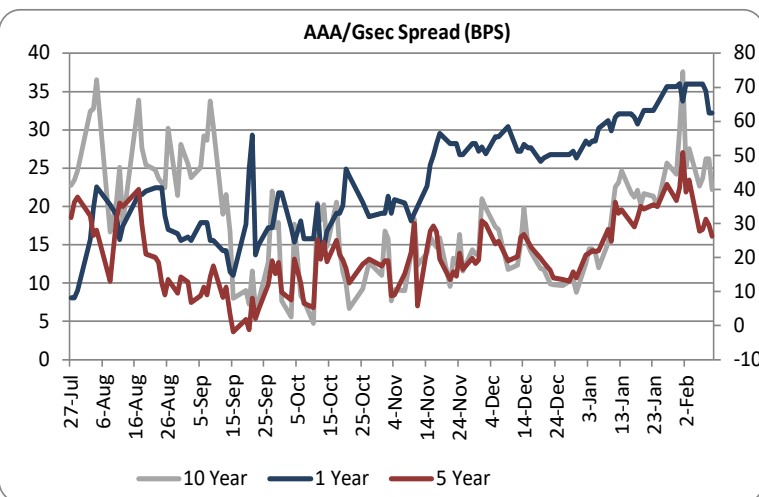
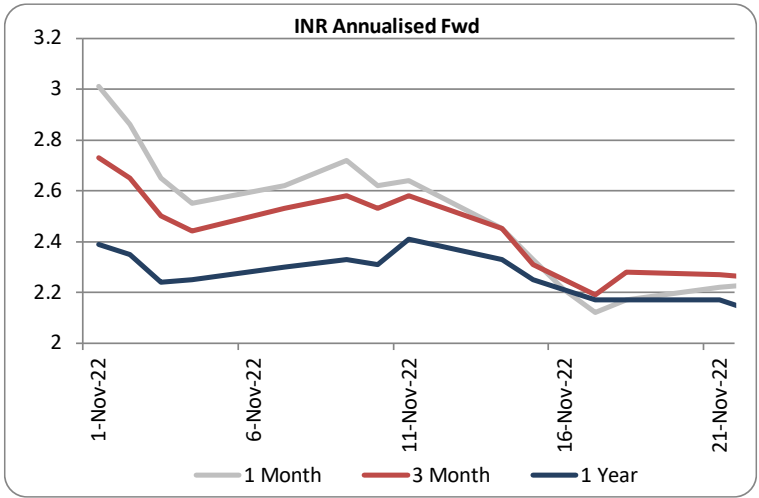
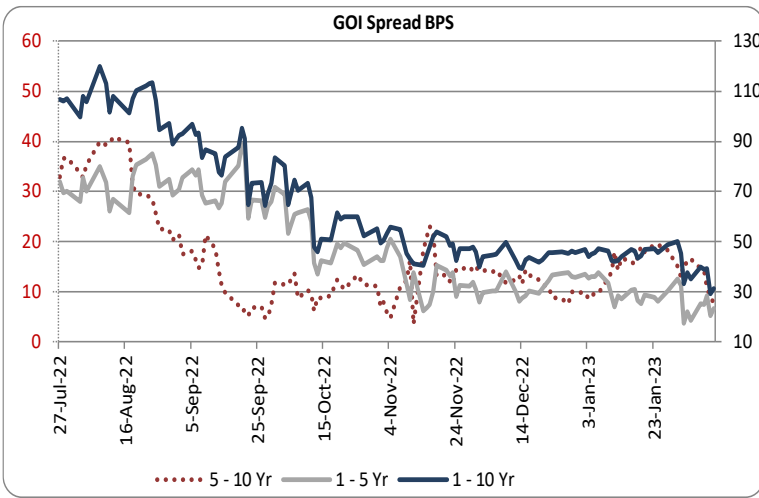
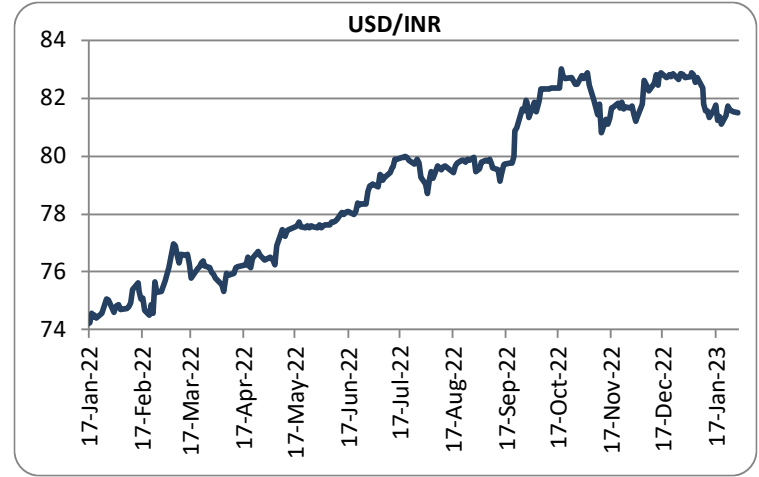
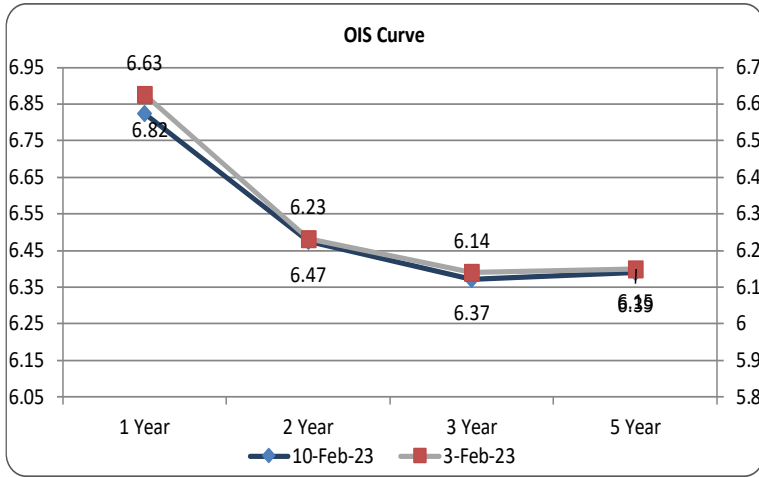
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
10-Feb-23	348	1608	-1260

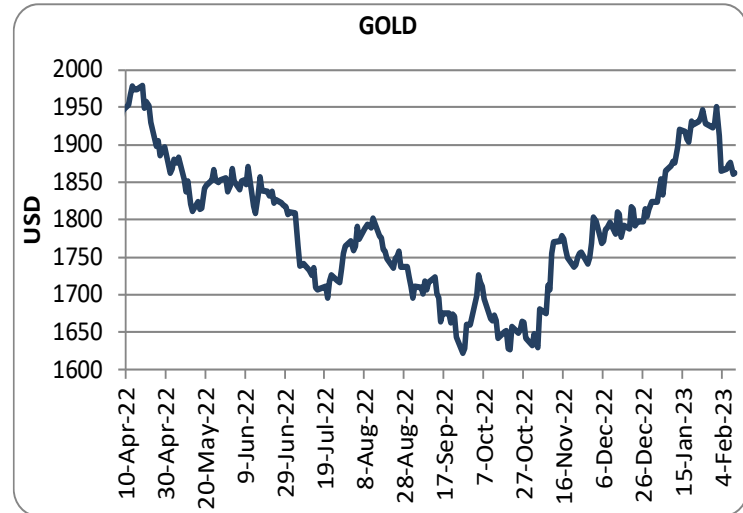
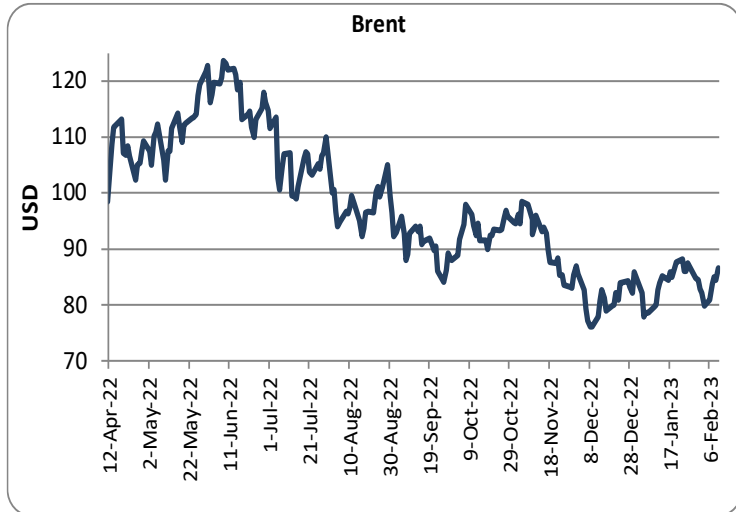
EQUITY		
Gross Purchase	Gross Sales	Net Investment
7032	6999	33

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
7380	8607	-1227

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Sep-22	6.3	13.5
CAD (\$ Bn)	Sep-22	-36.4	-18.2
Trade Deficit (\$ Bn)	Sep-22	-83.5	-68.6
WPI (%)	Jan-00	44926.0	44895.0
CPI (%)	Jan-00	44895.0	44865.0
IIP (%)	Jan-00	44957.0	44926.0
PMI Manufacturing	Feb-00	44957	44926
PMI Service	Feb-00	57.2	58.5

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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