



BONDWATCH

INDIA

Daily

May 10, 2023

India's government bond yields ended largely unchanged on Wednesday ahead of the April U.S. inflation data, which could have a bearing on the U.S. Federal Reserve's interest rate policy.

The 10-year benchmark 7.26% 2033 bond yield ended at 7.0405%, after closing at 7.0445% in the previous session.

The U.S. inflation data, will show whether price pressures continue to ease or remain at levels that could prompt the Fed to hike interest rates further.

The Fed hiked its interest rate by 25 basis points in its May meeting as widely expected, while indicating a pause in its monetary policy tightening cycle.

The Fed fund rate currently stands at 5.00-5.25%.

Market participants also await local consumer inflation data, due on Friday. India's inflation likely cooled to an 18-month low in April to 4.80%, below the Reserve Bank of India's upper tolerance limit for the second consecutive month.

The Indian rupee strengthened 0.07% versus the U.S. dollar, and quoted at 81.9850 per dollar as investors await key U.S. inflation numbers.

Repo: The weighted average call rates in the interbank segment decreased to 6.79% vs 6.80% as on the previous day while that the TREP segment decreased to 6.76% vs 6.77% as on the previous day.

Market Observations

G-sec

- T-bill cut off was 4 to 5 bps higher in 3-months from last week cut off. 6-month T-bill was 3 bps higher than market expectations and 1-year cut off was finer by 1-2 bps.

- Demand was seen in 3M t-bill @6.93 level. Major buyers were Mutual Funds.

Corporate Bonds

- Major activity was seen in the 2025-2026 segment wherein Mutual funds were active.

- In the longer segment insurance companies were net sellers.

CP/CD

- Demand was seen across all the segments.

GOI Yield	10-May	9-May	3-May	12-Apr
1 Year	7.015	7.010	6.975	6.980
5 Year	6.983	6.986	6.933	7.026
10 Year	7.041	7.045	7.006	7.213

AAA Bmk	10-May	9-May	3-May	12-Apr
1 Year	7.45	7.45	7.42	7.60
5 Year	7.48	7.48	7.50	7.55
10 Year	7.50	7.45	7.52	7.58

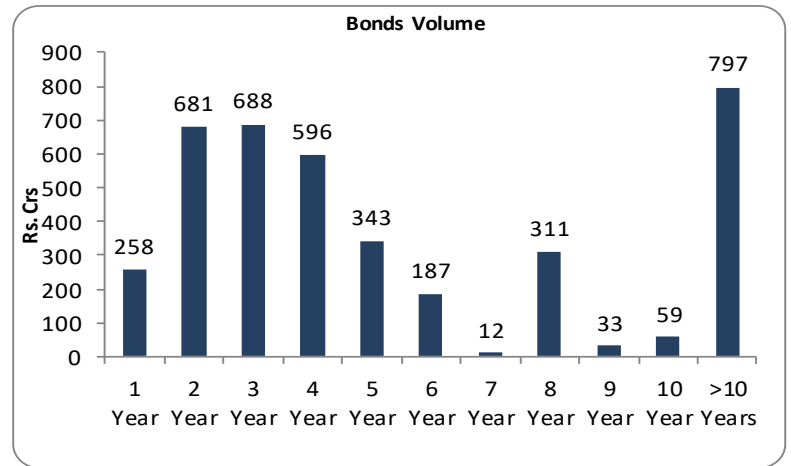
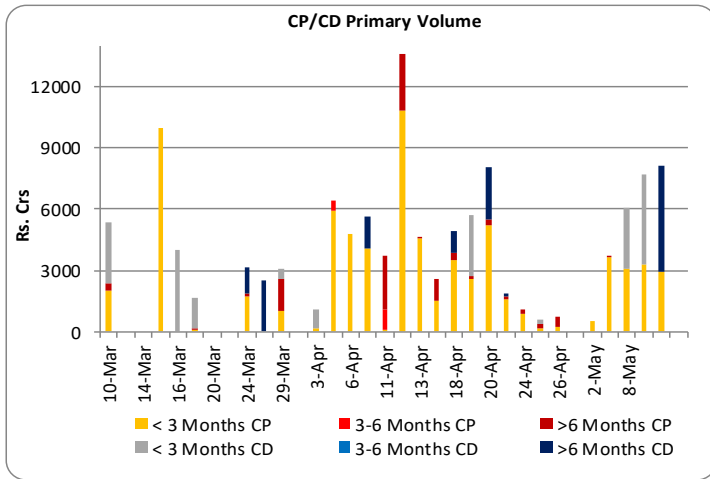
CD	10-May	9-May	3-May	12-Apr
3 Month	7.15	7.10	7.10	7.05
6 Month	7.35	7.30	7.30	7.35
1 Year	7.50	7.50	7.45	7.50

CP	10-May	9-May	3-May	12-Apr
3 Month	7.25	7.20	7.15	7.15
6 Month	7.45	7.40	7.35	7.45
1 Year	7.60	7.60	7.55	7.60

OIS Rate	10-May	9-May	3-May	12-Apr
1 Year	6.63	6.63	6.57	6.59
2 Year	6.25	6.24	6.17	6.19
3 Year	6.08	6.06	6.01	6.10
5 Year	6.05	6.04	5.99	6.12

	10-May	9-May	3-May	12-Apr
Sensex	61,940	61,761	61,193	60,393
Nifty	18,315	18,266	18,090	17,812
USD/INR	81.99	82.04	81.82	82.08
Gold (USD)	2,031	2,034	2,039	2,015
Oil (USD)	76.61	77.44	72.33	87.33

NDF	10-May	9-May	3-May	12-Apr
3 Month	82.40	82.43	82.14	82.36
1 Year	83.79	83.86	83.52	83.54
2 Year	86.13	86.24	85.94	86.32
3 Year	89.35	89.14	88.84	89.62



10 Year Benchmarks	10-May	9-May	3-May	12-Apr
India	7.04	7.05	7.01	7.21
US	3.50	3.52	3.40	3.42
South Korea	3.34	3.31	3.33	3.26
Russia	10.64	10.65	10.61	10.54
Brazil	12.45	12.38	12.20	12.57
Germany	2.32	2.34	2.25	2.36
China	2.73	2.76	2.79	2.82

Top Traded Securities	Volume	10-May	9-May	3-May	12-Apr
5.74 2026	195	6.97	6.95	6.91	7.02
7.38 2027	10	6.98	6.99	6.93	7.03
7.10 2029	-	7.03	7.04	6.98	7.12
6.54 2032	5	7.11	7.11	7.07	7.24
7.26 2032	200	7.09	7.10	7.06	7.21
7.54 2036	-	7.14	7.16	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

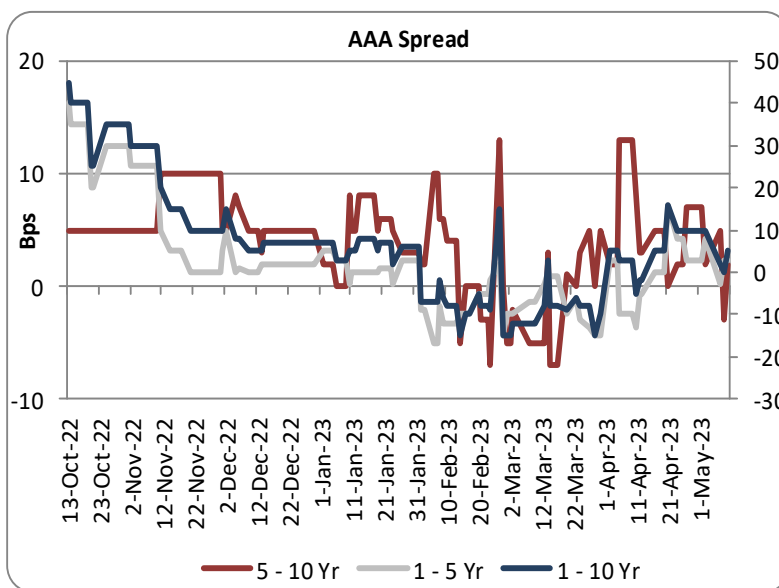
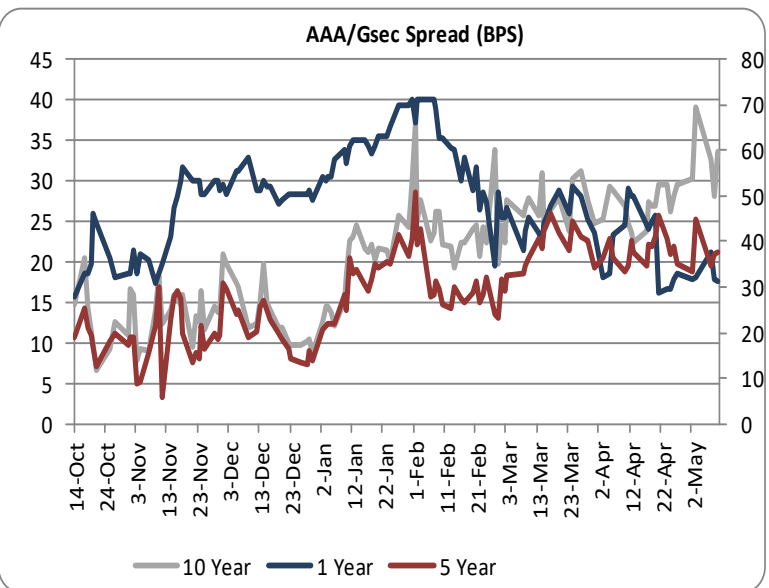
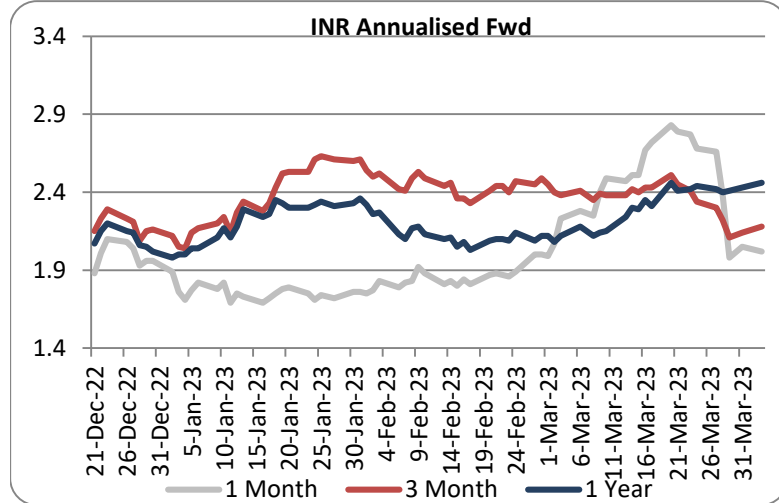
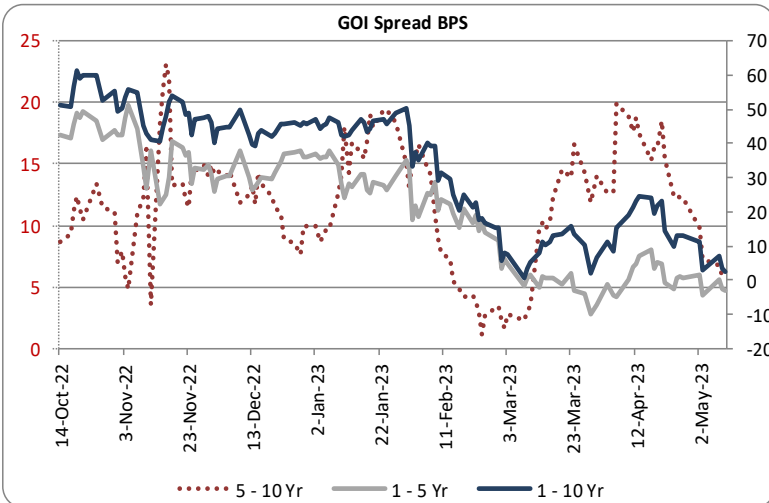
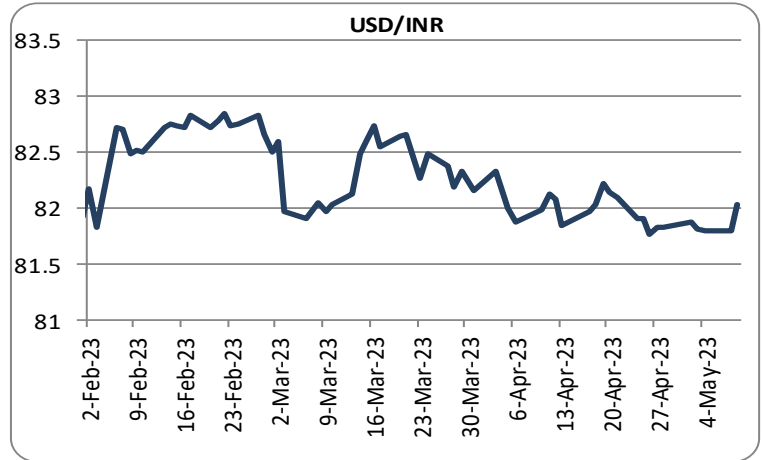
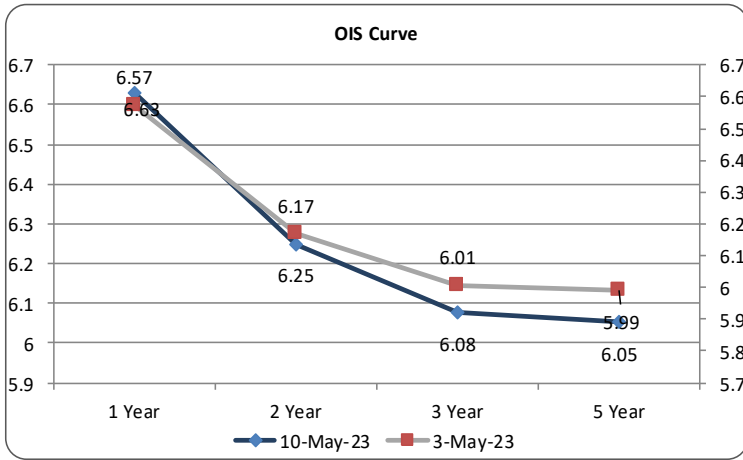
	DEBT		
	Gross Purchase	Gross Sales	Net Investment
FII			
10-May-23	386	1329	-943

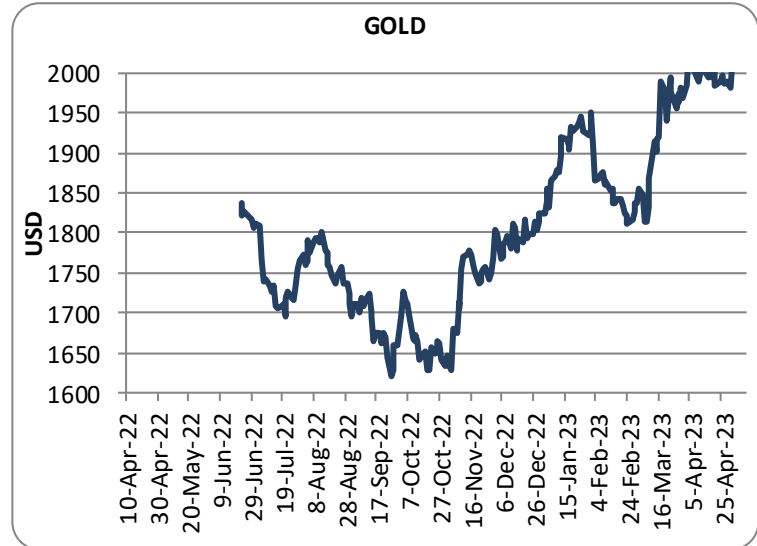
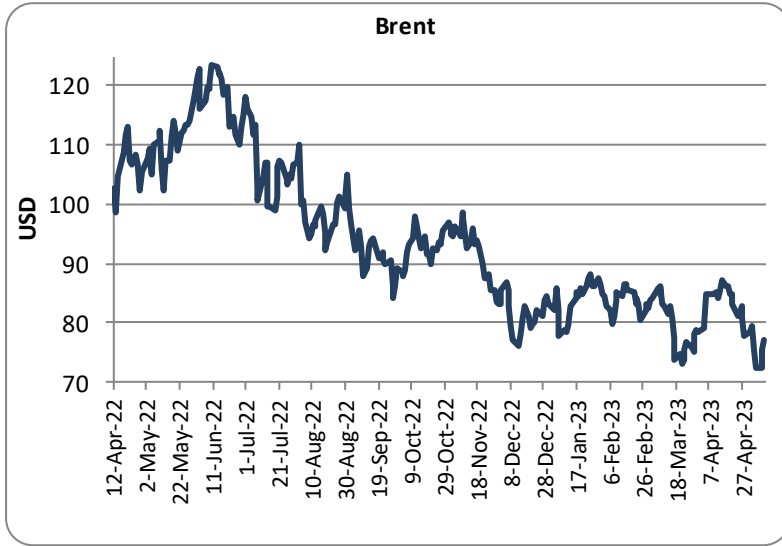
	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	9388	7387	2001

	TOTAL (Rs. Crs)		
	Gross Purchase	Gross Sales	Net Investment
	9774	8716	1058

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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