



# BONDWATCH

Daily

March 11, 2024

INDIA

Indian government bond yields declined, with the benchmark bond yield ending at its lowest level in nine months, as the continuous downtrend in U.S. yields aided bullish sentiment, while foreign investors continued purchases.

The benchmark 10-year yield ended at 7.0147%, the lowest level since June 14, 2023, following its previous close at 7.0312%.

U.S. bond yields fell further, with the 10-year yield declining to its lowest level in five weeks on Friday, as non-farm payrolls increased by 275,000 jobs last month, above economists' expectations of 200,000 jobs gains, but the unemployment rate rose to 3.9% after holding at 3.7% for three straight months.

The weakness in data and the latest comments from Federal Reserve Chair Jerome Powell have strengthened bets that rate easing in the world's largest economy will start before the end of the first half of 2024. The odds for a rate cut in June now stand at around 75%.

Meanwhile, traders will now focus on inflation data in India as well as the U.S. due on Tuesday. The U.S. inflation print becomes more crucial as it will set the tone for the Fed's March meeting and could further firm up expectations on rate cut timings.

India's retail inflation is forecast to have edged down to a four-month low of 5.02% in February.

The Indian rupee strengthened 0.03% versus the U.S. dollar, and quoted at 82.75 per dollar amid dollar inflows, while likely central bank intervention capped gains.

Repo: The weighted average call rates in the interbank segment increased to 6.59% vs 6.54% as on the previous day while that the TREP segment increased to 6.67% vs 6.60% as on the previous day.

GOI Yield	11-Mar	7-Mar	4-Mar	9-Feb
1 Year	7.070	7.080	7.090	7.125
5 Year	7.026	7.032	7.064	7.084
10 Year	7.015	7.031	7.060	7.107

AAA Bmk	11-Mar	7-Mar	4-Mar	9-Feb
1 Year	7.85	7.85	7.85	7.90
5 Year	7.57	7.60	7.65	7.62
10 Year	7.55	7.55	7.55	7.60

CD	11-Mar	7-Mar	4-Mar	9-Feb
3 Month	7.62	7.65	7.68	7.85
6 Month	7.70	7.70	7.75	7.90
1 Year	7.65	7.75	7.75	7.85

CP	11-Mar	7-Mar	4-Mar	9-Feb
3 Month	7.80	7.80	7.80	7.95
6 Month	7.85	7.85	7.85	8.00
1 Year	7.85	7.90	7.90	8.00

OIS Rate	11-Mar	7-Mar	4-Mar	9-Feb
1 Year	6.70	6.71	6.75	6.68
2 Year	6.36	6.38	6.43	6.38
3 Year	6.30	6.32	6.37	6.34
5 Year	6.25	6.28	6.32	6.29

	11-Mar	7-Mar	4-Mar	9-Feb
Sensex	73,503	74,119	73,872	71,595
Nifty	22,333	22,494	22,406	21,783
USD/INR	82.76	82.79	82.89	83.04
Gold (USD)	2,178	2,159	2,115	2,024
Oil (USD)	81.84	82.96	82.80	82.19

NDF	11-Mar	7-Mar	4-Mar	9-Feb
3 Month	82.95	82.81	83.04	83.32
1 Year	84.14	84.04	84.27	84.50
2 Year	86.06	86.19	86.53	86.75
3 Year	89.16	88.64	89.10	89.40

## Market Observations

### G-sec

- Size Demand was seen in 1-year SDLs by MFs @7.21 levels. Major sellers were foreign banks.
- Size selling was seen in 2026 SDLs by corporates @7.30 centric level. Major buyers were banks.

### Corporate Bonds

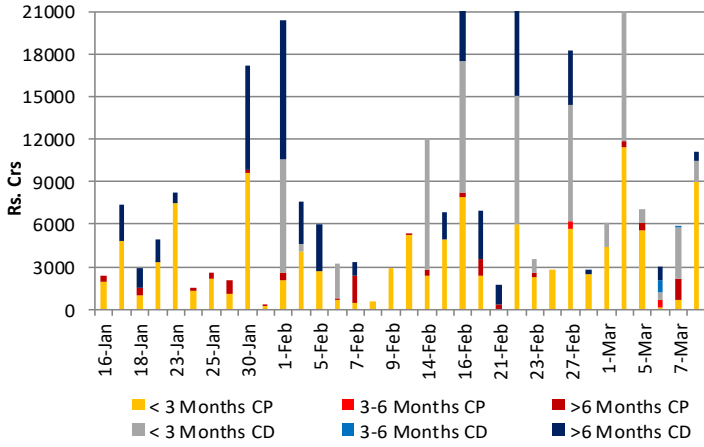
- Major activity was seen in 2027 and above papers.
- Banks were major sellers and Mutual funds and insurance companies were.

### CP/CD

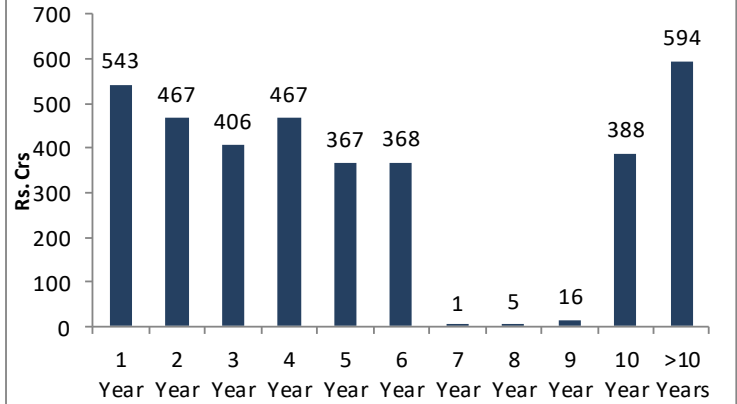
- Major activity was seen in the 3-month segment.



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	11-Mar	7-Mar	4-Mar	9-Feb
India	7.02	7.03	7.06	7.11
US	4.08	4.09	4.22	4.19
South Korea	3.34	3.40	3.43	3.40
Russia	13.28	13.27	13.02	12.49
Brazil	10.79	10.68	10.71	10.68
Germany	2.27	2.30	2.40	2.38
China	2.31	2.30	2.36	2.46

Top Traded Securities	Volume	5-Mar	4-Mar	27-Feb	5-Feb
7.26 2033	1,305	7.09	7.10	7.10	7.12
7.06 2028	920	7.07	7.08	7.07	7.04
7.62 2039	-	7.10	7.10	7.10	7.11
7.30 2053	505	7.12	7.12	7.16	7.16
6.64 2035	170	7.13	7.11	7.12	7.13
7.40 2035	60	7.14	7.11	7.12	7.10

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
7-Mar-24	8183	5855	2327

EQUITY	Gross Purchase	Gross Sales	Net Investment
	12076	13163	-1087

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
20258	19018	1240

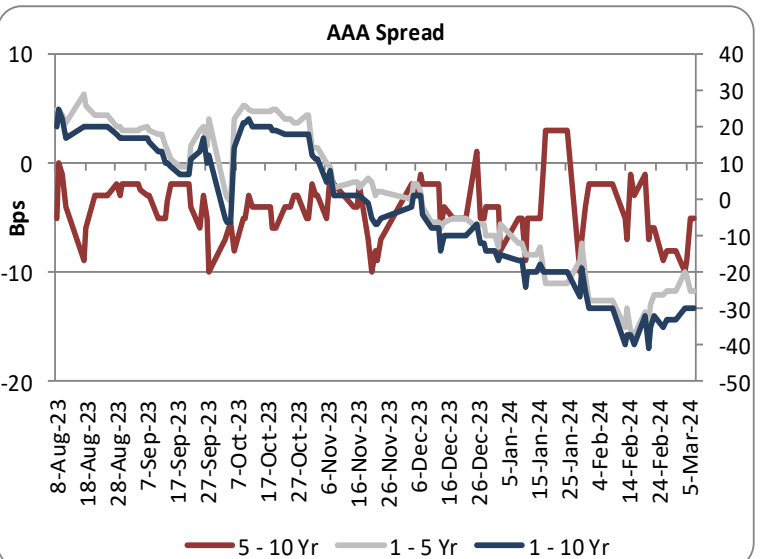
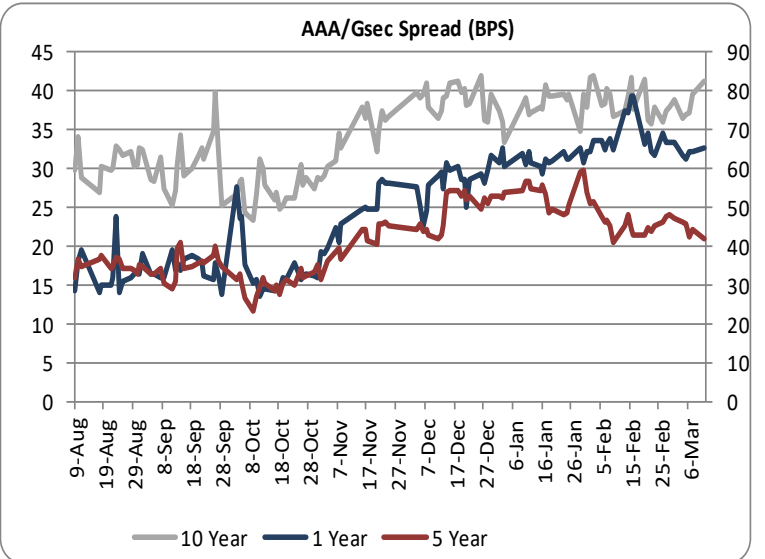
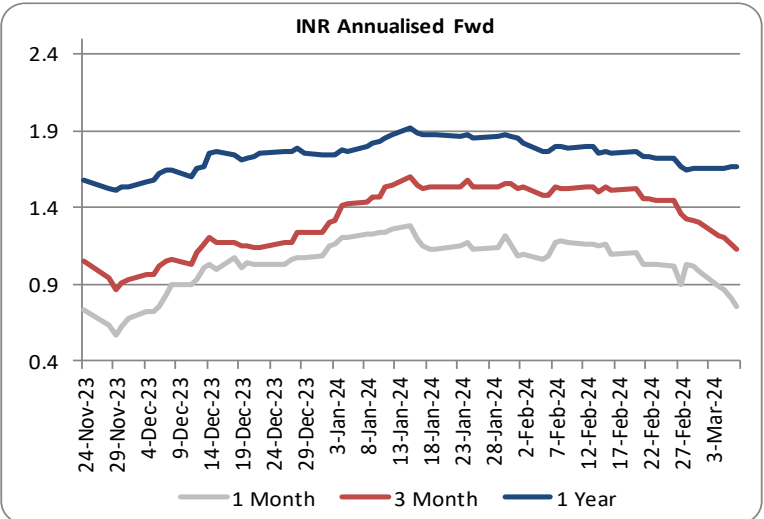
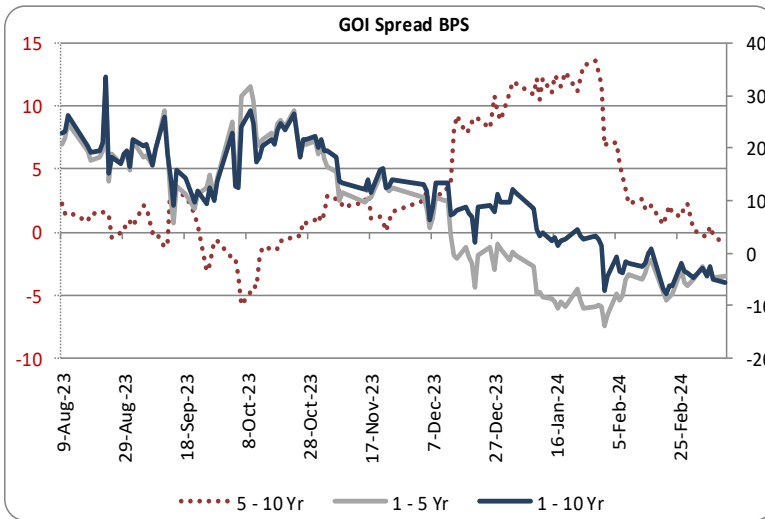
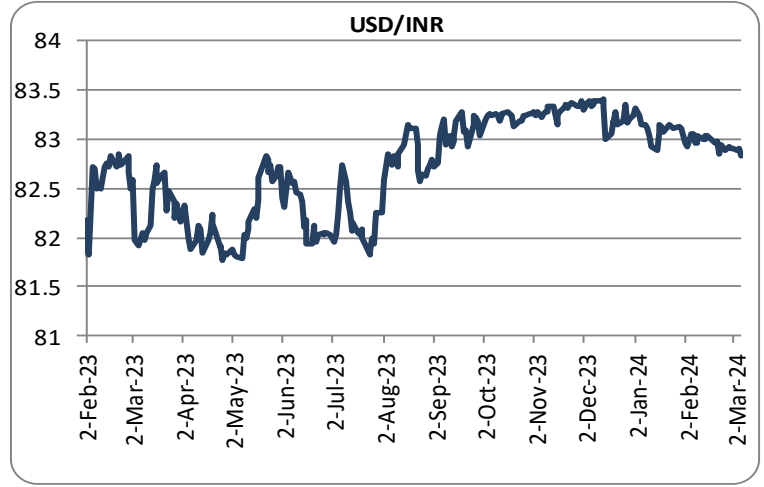
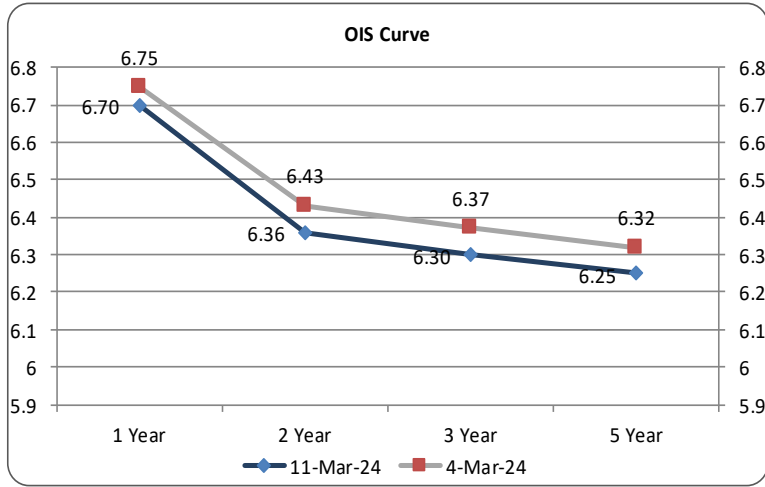
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
11-Mar-24	5152	769	4382

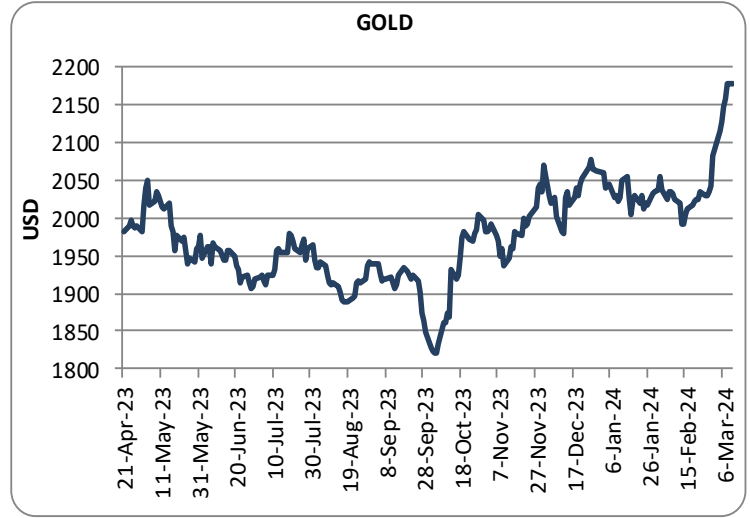
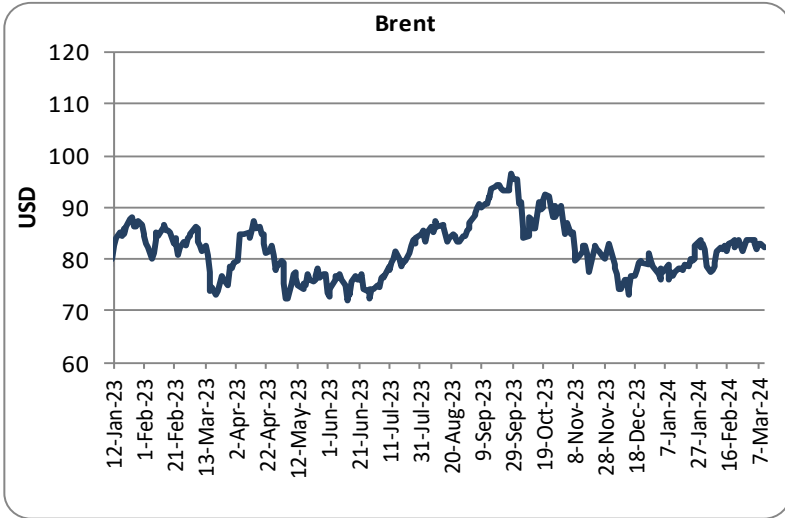
EQUITY	Gross Purchase	Gross Sales	Net Investment
	26288	15699	10589

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
31439	16469	14971

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-23	8.4	8.1
CAD (\$ Bn)	Sep-23	-8.3	-9.2
Trade Deficit (\$ Bn)	Sep-23	-61.0	-56.6
WPI (%)	Jan-24	0.3	0.7
CPI (%)	Jan-24	5.1	5.7
IIP (%)	Dec-23	3.8	2.4
PMI Manufacturing	Feb-24	56.9	56.5
PMI Service	Feb-24	60.6	61.8

Economic Calender	Country	Date	Poll	Prior
CPI	Germany	12-Mar-24	0	2.5
CPI	India	12-Mar-24	5.02	5.10
CPI	USA	12-Mar-24	3.10	3.10
Industrial Output	UK	13-Mar-24	0.70	0.60
WPI	India	14-Mar-24	0.25	0.27
CPI	Euro Zone	18-Mar-24	-	2.60
Cash Rate	Australia	19-Mar-24	-	4.35
CPI	Canada	19-Mar-24	-	2.90





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

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