



# BONDWATCH

Daily

October 11, 2023

INDIA

Indian government bond yields settled lower on Wednesday as traders continued to make fresh investments after the recent spike in yields, while easing U.S. peers provided comfort.

The benchmark 10-year bond yield closed at 7.3049% after ending the previous session at 7.3471%. It had touched a seven-month high of 7.3952% on Monday on speculations about the Reserve Bank of India's (RBI) bond sale announcement.

However, the recent surge in yields provided a value-buying opportunity for traders, leading to yields easing in the last two sessions.

The 10-year benchmark U.S. yield extended declines to below 4.55% on Wednesday on safe-haven demand due to the conflict in the Middle East, while remarks from Federal Reserve officials reassured investors that the Fed may not hike rates further.

Broader market sentiment also received support as oil prices did not show any major rise despite the conflict between Israel and the Islamist group Hamas, with the benchmark Brent crude contract trading below \$90 per barrel.

Market participants now await the inflation prints for U.S. and India, both due on Thursday, to further gauge the respective central banks' policy actions. Indian retail inflation likely eased to 5.50% in September, within the RBI's tolerance band, on moderating food price rises and government subsidies that offset a surge in the cost of crude oil.

The Indian rupee strengthened 0.07% versus the U.S. dollar, and quoted at 83.1875 per dollar tracking Asian peers.

Repo: The weighted average call rates in the interbank segment decreased to 6.72% vs 6.70% as on the previous day while that the TREP segment increased to 6.76% vs 6.74% as on the previous day.

GOI Yield	11-Oct	10-Oct	5-Oct	12-Sep
1 Year	7.130	7.100	7.090	7.040
5 Year	7.349	7.390	7.250	7.238
10 Year	7.305	7.347	7.214	7.228

AAA Bmk	11-Oct	10-Oct	5-Oct	12-Sep
1 Year	7.53	7.54	7.69	7.50
5 Year	7.78	7.80	7.69	7.68
10 Year	7.75	7.75	7.63	7.63

CD	11-Oct	10-Oct	5-Oct	12-Sep
3 Month	7.15	7.15	7.05	7.05
6 Month	7.35	7.35	7.35	7.25
1 Year	7.60	7.60	7.55	7.50

CP	11-Oct	10-Oct	5-Oct	12-Sep
3 Month	7.25	7.25	7.15	7.12
6 Month	7.45	7.45	7.40	7.35
1 Year	7.70	7.70	7.65	7.60

OIS Rate	11-Oct	10-Oct	5-Oct	12-Sep
1 Year	7.00	7.03	7.08	7.08
2 Year	6.76	6.82	6.84	6.86
3 Year	6.77	6.81	6.82	6.83
5 Year	6.77	6.84	6.81	6.81

	11-Oct	10-Oct	5-Oct	12-Sep
Sensex	66,473	66,079	65,632	67,221
Nifty	19,811	19,690	19,546	19,993
USD/INR	83.19	83.25	83.25	82.92
Gold (USD)	1,872	1,860	1,820	1,913
Oil (USD)	87.47	87.65	84.07	92.06

NDF	11-Oct	10-Oct	5-Oct	12-Sep
3 Month	83.57	83.55	83.65	83.15
1 Year	84.75	84.75	84.95	84.28
2 Year	86.94	86.93	87.05	86.53
3 Year	89.54	89.53	89.65	89.33

## Market Observations

### G-sec

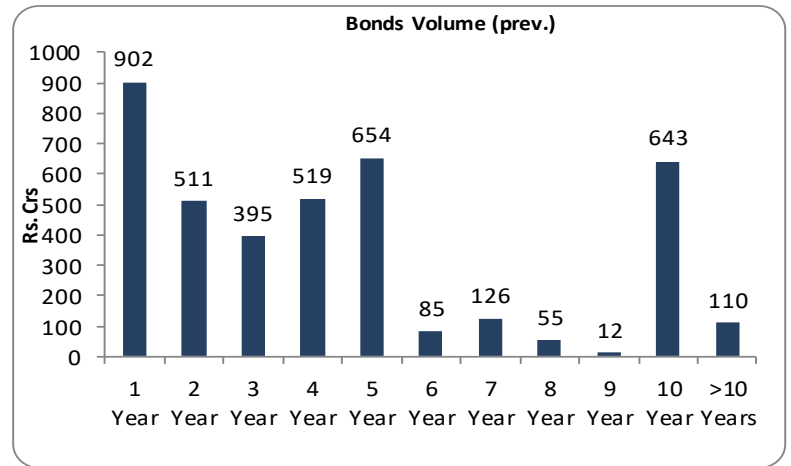
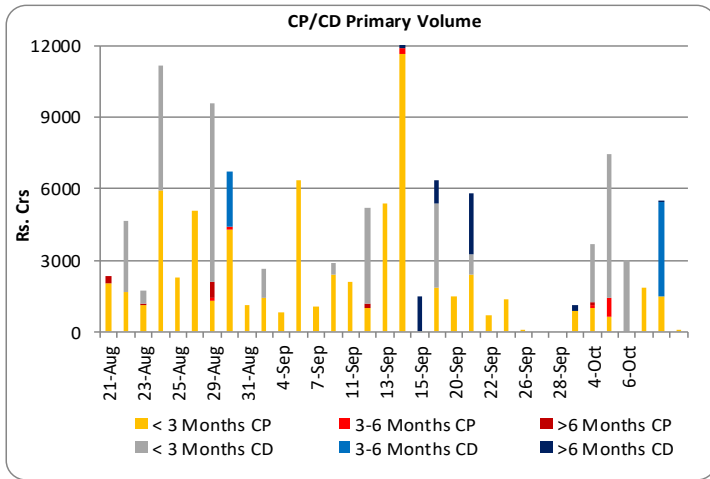
- T-bill cut off was in line with market expectations in 3-month maturity and a few bps higher in 6-month and 1-year maturity.
- Demand was seen in 3-Month t-bill @88 levels by Mutual funds. Major sellers were nationalized and foreign banks.

### Corporate Bonds

- 2026-2028 continues to be the active segment.
- Insurance companies and Mutual funds were active.

### CP/CD

- Activity was seen in the 1-3-month segment.



10 Year Benchmarks	11-Oct	10-Oct	5-Oct	12-Sep
India	7.30	7.35	7.21	7.20
US	4.56	4.66	4.72	4.26
South Korea	4.15	4.22	4.33	3.96
Russia	12.46	12.37	12.24	12.45
Brazil	11.79	11.71	11.98	11.22
Germany	2.71	2.78	2.89	2.64
China	2.73	2.71	2.72	2.66

Top Traded Securities	Volume	8-Sep	7-Sep	1-Sep	10-Aug
7.26 2033	3,190	7.20	7.17	7.18	7.15
7.06 2028	1,725	7.26	7.24	7.25	7.30
7.62 2039	-	7.21	7.20	7.19	7.18
7.30 2053	850	7.35	7.33	7.33	7.36
6.64 2035	310	7.17	7.16	7.22	7.24
7.40 2035	5	7.20	7.18	7.24	7.23

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
9-Oct-23	6197	3931	2266

EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	4848	5598	-750

TOTAL (Rs.Crs)			
	Gross Purchase	Gross Sales	Net Investment
	11045	9529	1516

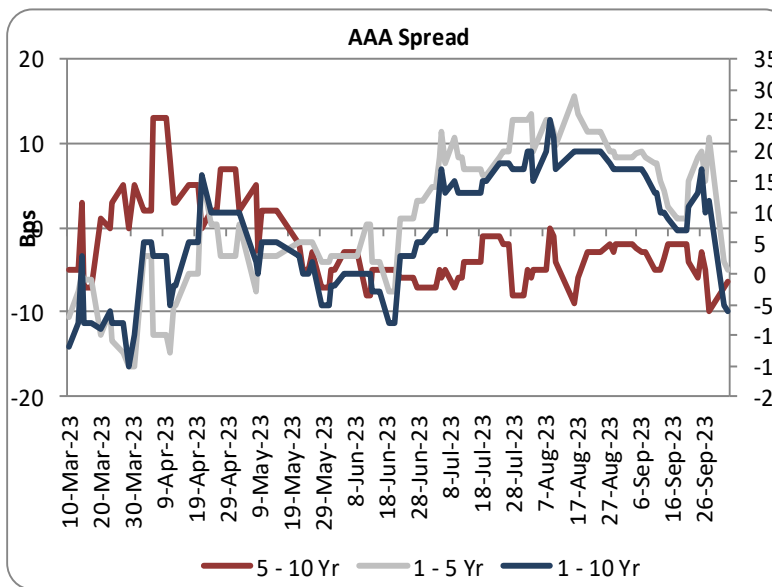
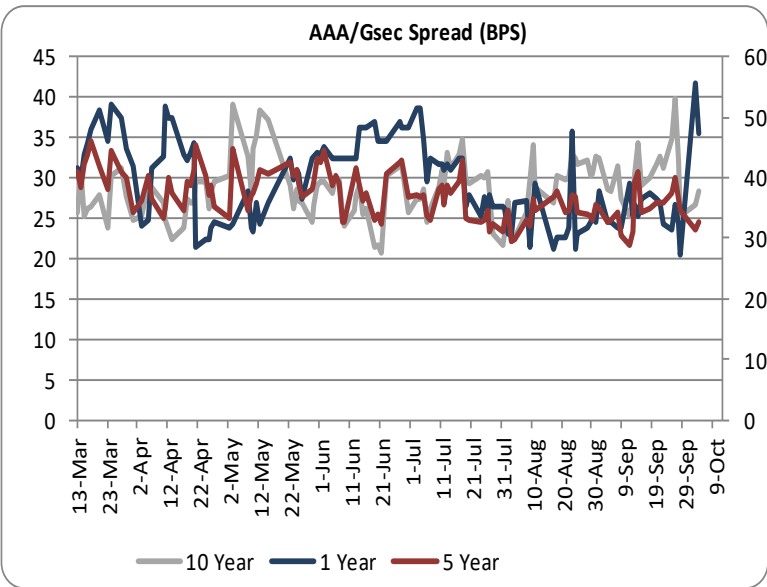
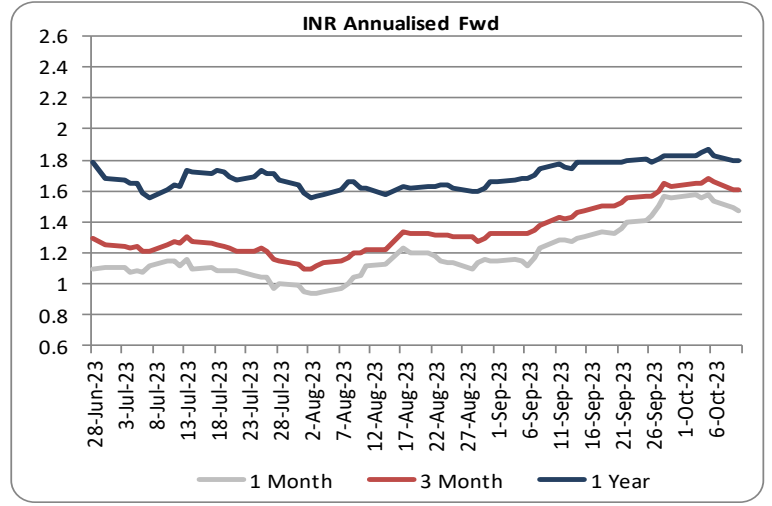
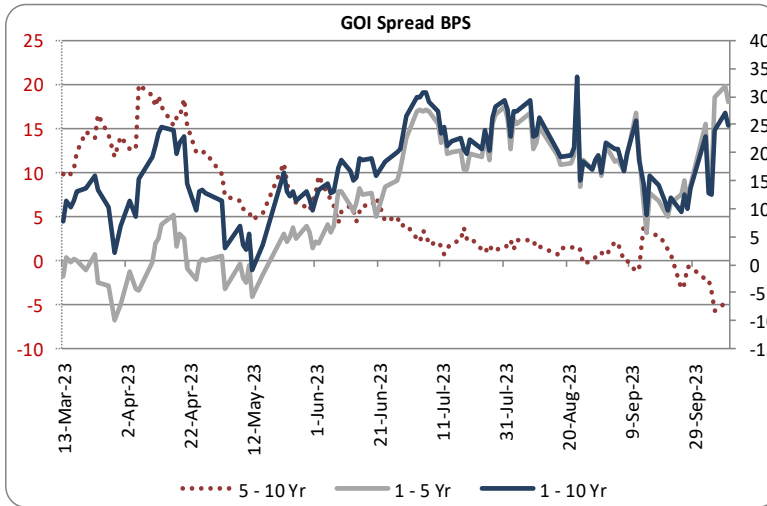
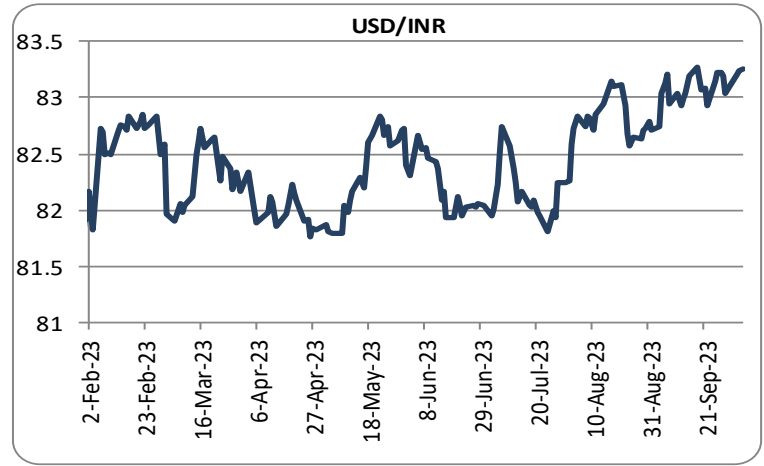
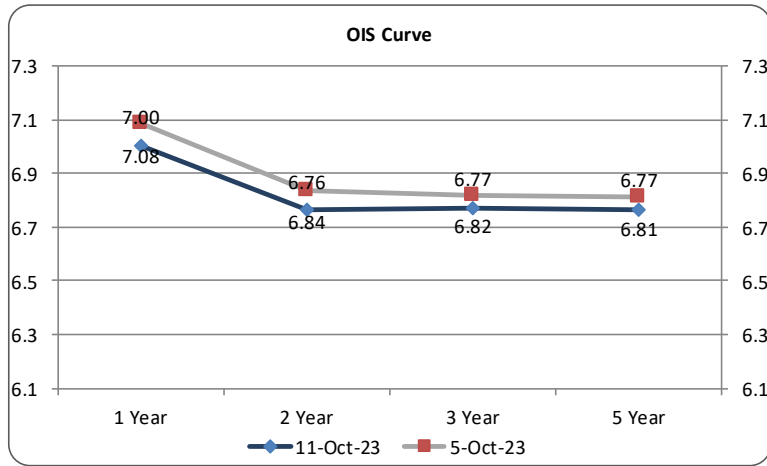
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
11-Oct-23	978	466	513

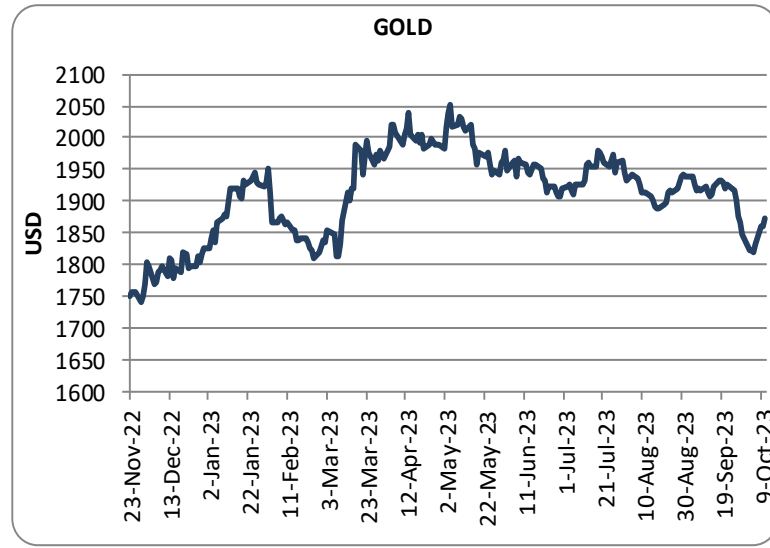
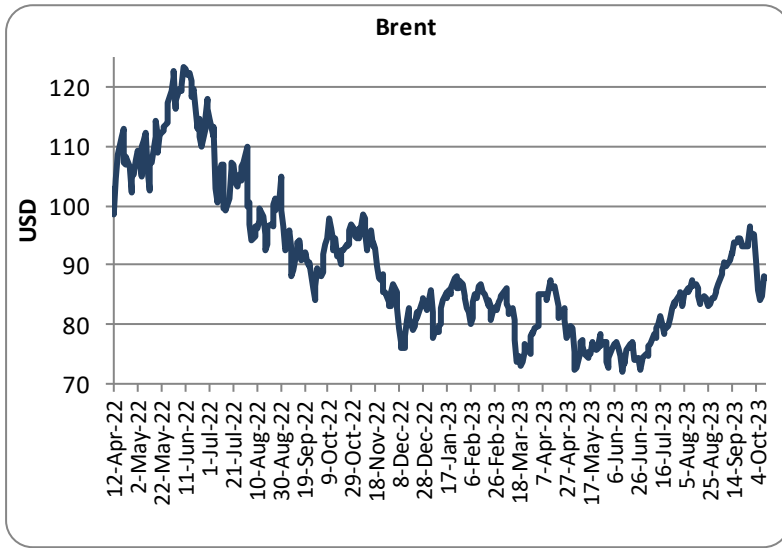
EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	8083	8988	-904

TOTAL (Rs. Crs)			
	Gross Purchase	Gross Sales	Net Investment
	9062	9453	-392

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-23	7.8	6.1
CAD (\$ Bn)	Jun-23	-9.2	-1.3
Trade Deficit (\$ Bn)	Jun-23	-56.6	-52.6
WPI (%)	Aug-23	-0.5	-1.4
CPI (%)	Aug-23	6.8	7.4
IIP (%)	Jul-23	5.7	3.7
PMI Manufacturing	Sep-23	57.5	58.6
PMI Service	Sep-23	61	60.1

Economic Calender	Country	Date	Poll	Prior
Repo Rate	India	6-Oct-23	6.5	6.5
Unemployment Rate	USA	06-Oct-23	3.70	3.80
Industrial Output	Germany	09-Oct-23	-	(2.25)
CPI	Germany	11-Oct-23	-	4.50
CPI	India	12-Oct-23	-	6.83
CPI	USA	12-Oct-23	-	3.70
CPI	China	13-Oct-23	-	0.10
WPI	India	13-Oct-23	-	(0.52)





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

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