



BONDWATCH

Daily

April 12, 2024

INDIA

Indian government bond yields jumped on Friday, with the benchmark yield posting its biggest single-day rise in six months, tracking U.S. yields after elevated inflation reaffirmed doubts over interest rate cuts in the near future.

The yield on the benchmark Indian 10-year ended at 7.1794%, the highest since Jan. 24, after closing at 7.1112% in the previous session. For the week, the yield rose six basis points, after rising seven bps in the first week of the financial year.

Market participants await India's consumer price inflation data that will be released later in the day, which likely eased to a five-month low of 4.91% in March from 5.09% in February.

U.S. yields climbed to levels seen five months ago after the hotter-than-anticipated inflation data.

The two-year yield, the closest indicator of rate expectations, topped 5%, while the 10-year yield nearly touched 4.60%. The yield continued to remain around multi-month highs.

The inflation reading, along with strong U.S. non-farm payrolls data last week, has reduced the odds of a rate cut in June as well as the quantum of overall rate cuts in 2024.

Oil rose on Friday as heightened tensions in the Middle East raised the risk of supply disruptions.

The Indian rupee weakened 0.27% versus the U.S. dollar, and quoted at 83.4125 per dollar.

Repo: The weighted average call rates in the interbank segment increased to 6.56% vs 6.55% as on the previous day while that the TREP segment decreased to 6.52% vs 6.55% as on the previous day.

GOI Yield	12-Apr	10-Apr	5-Apr	13-Mar
1 Year	7.030	7.030	7.000	7.100
5 Year	7.164	7.090	7.081	7.052
10 Year	7.179	7.111	7.123	7.041

AAA Bmk	12-Apr	10-Apr	5-Apr	13-Mar
1 Year	7.70	7.70	7.75	7.80
5 Year	7.69	7.65	7.63	7.58
10 Year	7.55	7.55	7.52	7.53

CD	12-Apr	10-Apr	5-Apr	13-Mar
3 Month	7.20	7.20	7.30	7.62
6 Month	7.35	7.35	7.45	7.65
1 Year	7.50	7.50	7.55	7.65

CP	12-Apr	10-Apr	5-Apr	13-Mar
3 Month	7.35	7.35	7.40	7.80
6 Month	7.45	7.45	7.55	7.85
1 Year	7.60	7.60	7.65	7.85

OIS Rate	12-Apr	10-Apr	5-Apr	13-Mar
1 Year	6.86	6.81	6.79	6.72
2 Year	6.63	6.54	6.50	6.39
3 Year	6.58	6.50	6.45	6.35
5 Year	6.55	6.46	6.40	6.28

	12-Apr	10-Apr	5-Apr	13-Mar
Sensex	74,245	75,038	74,248	72,762
Nifty	22,519	22,754	22,514	21,998
USD/INR	83.41	83.19	83.30	82.86
Gold (USD)	2,393	2,333	2,330	2,174
Oil (USD)	90.77	90.48	91.17	84.03

NDF	12-Apr	10-Apr	5-Apr	13-Mar
3 Month	83.67	83.52	83.54	82.94
1 Year	84.79	84.74	84.67	84.17
2 Year	86.88	86.89	86.82	86.30
3 Year	89.44	89.34	89.27	88.95

Market Observations

G-sec

- Demand was seen in 7-8-year Illiquid G sec.
- Demand in 5-month and 6-month t-bill was Seen by Mutual Funds and Private Banks.

Corporate Bonds

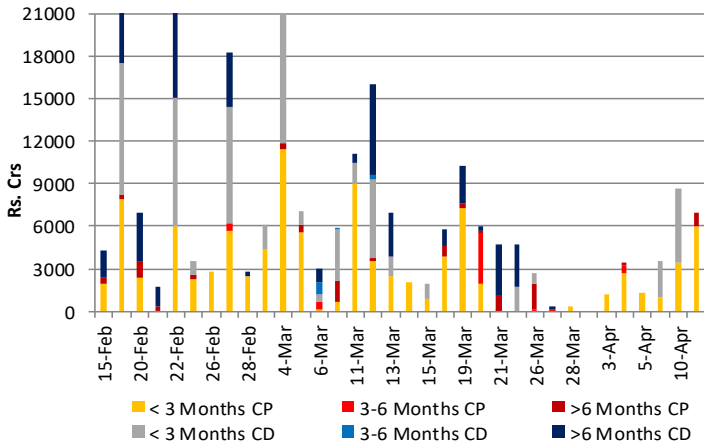
- Activity was seen throughout all segments.
- Banks and Mutual funds were active in the 2026-2029 segment.
- Corporates were seen selling in 2029 maturity papers.

CP/CD

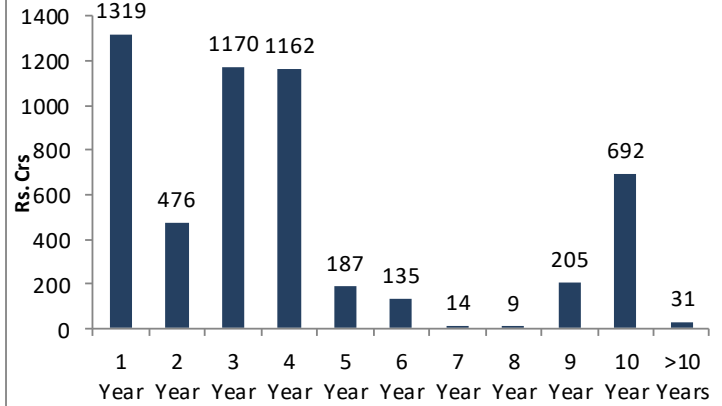
- Demand was seen in the 1-month and 1-year segment.



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	12-Apr	10-Apr	5-Apr	13-Mar
India	7.18	7.12	7.12	7.04
US	4.53	4.56	4.38	4.19
South Korea	3.54	3.50	3.43	3.34
Russia	14.33	14.26	14.21	13.34
Brazil	11.35	11.20	11.20	10.71
Germany	2.37	2.43	2.40	2.36
China	2.28	2.30	2.29	2.34

Top Traded Securities	Volume	28-Mar	27-Mar	21-Mar	28-Feb
7.26 2033	545	7.08	7.11	7.09	7.09
7.06 2028	465	7.06	7.10	7.07	7.06
7.62 2039	-	7.09	7.11	7.09	7.10
7.30 2053	1,125	7.12	7.16	7.14	7.15
6.64 2035	290	7.10	7.13	7.14	7.12
7.40 2035	5	7.08	7.15	7.14	7.12

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
10-Apr-24	9390	7029	2361

EQUITY	Gross Purchase	Gross Sales	Net Investment
	55	31	25

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
9445	7060	2386

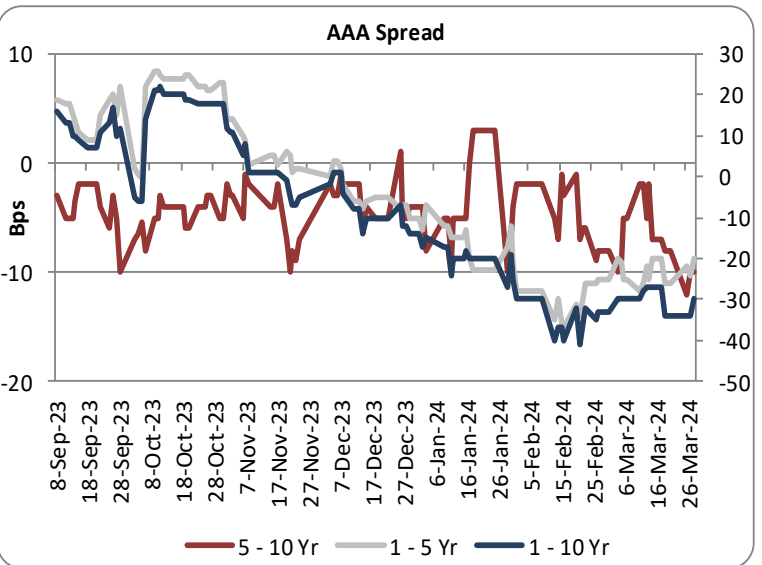
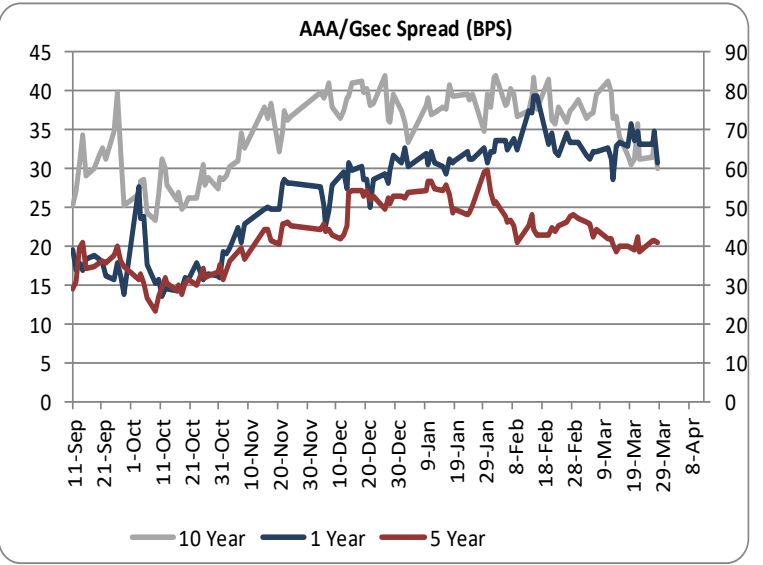
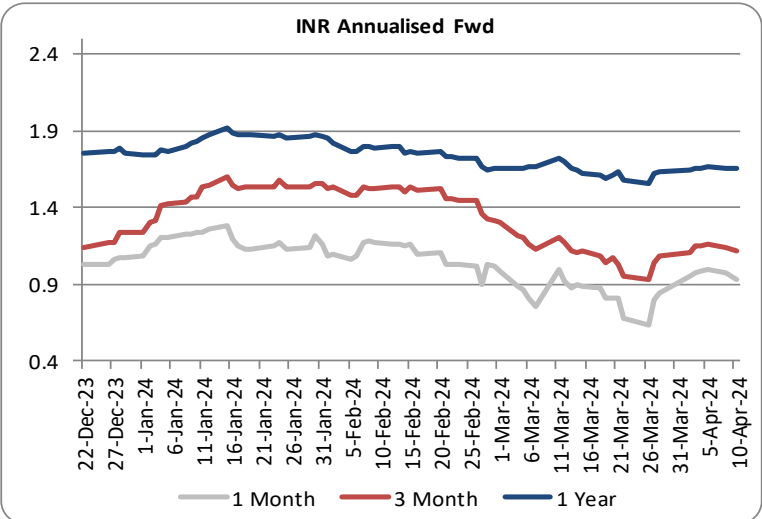
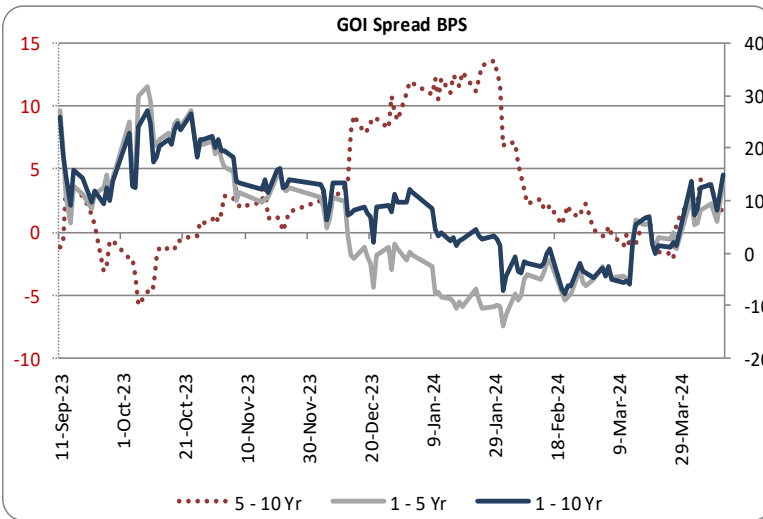
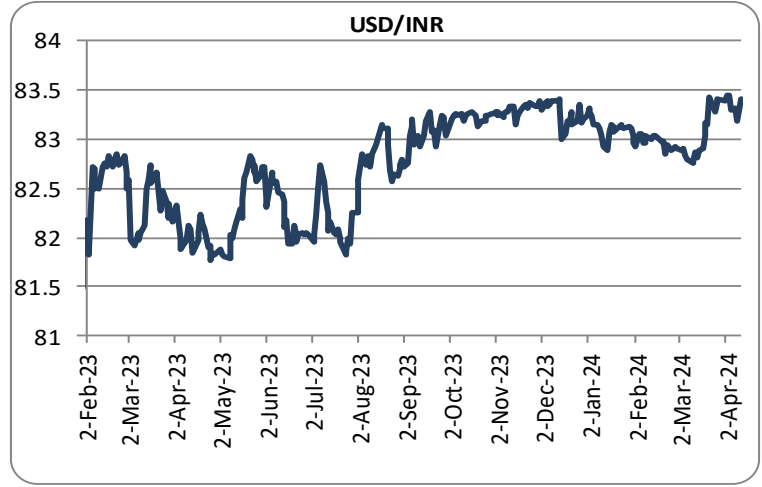
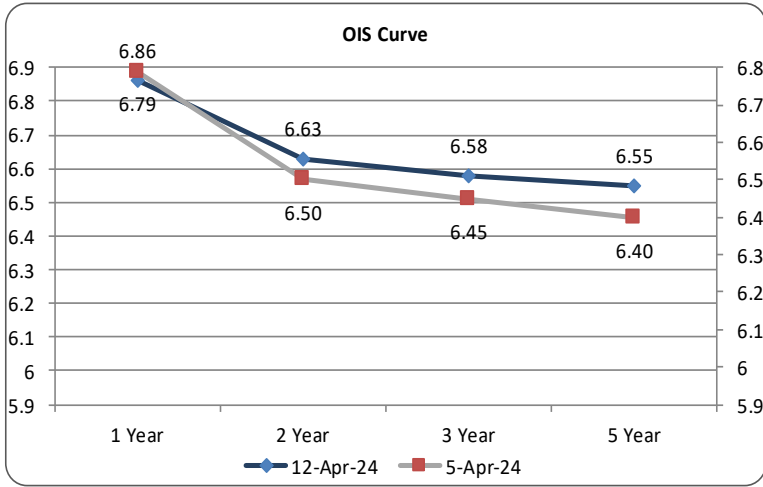
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
12-Apr-24	3458	2082	1377

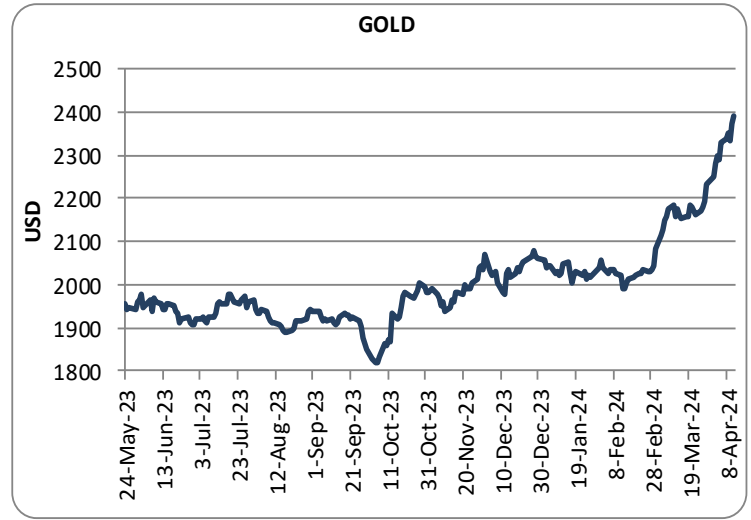
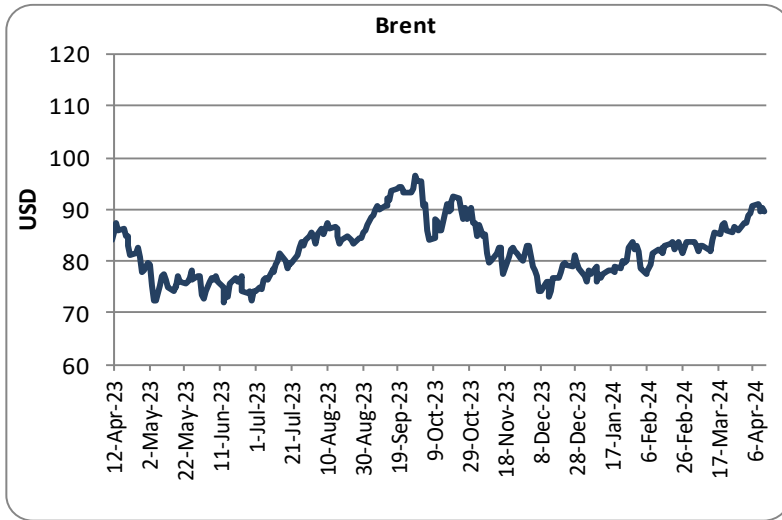
EQUITY	Gross Purchase	Gross Sales	Net Investment
	13830	10599	3230

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
17288	12681	4607

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-23	8.4	8.1
CAD (\$ Bn)	Dec-23	-10.5	-11.4
Trade Deficit (\$ Bn)	Dec-23	-71.6	-61.0
WPI (%)	Feb-24	0.2	0.3
CPI (%)	Feb-24	5.1	5.1
IIP (%)	Jan-24	3.8	4.2
PMI Manufacturing	Mar-24	59.1	56.9
PMI Service	Mar-24	61.2	60.6

Economic Calender	Country	Date	Poll	Prior
CPI	USA	10-Apr-24	0	3.2
CPI	China	11-Apr-24	-	0.70
Refinancing Rate	Euro Zone	11-Apr-24	-	4.50
CPI	Germany	12-Apr-24	2.20	2.20
CPI	India	12-Apr-24	4.90	5.09
WPI	India	15-Apr-24	0.55	0.20
Industrial Production	Euro Zone	15-Apr-24	-	(6.70)
GDP YY	China	16-Apr-24	5.00	5.20





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

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