



BONDWATCH

INDIA

Daily

June 12, 2023

Indian government bond yields ended lower on Monday as traders await domestic and U.S. inflation data, and ahead of the Federal Reserve's monetary policy decision this week.

The 10-year benchmark 7.26% 2033 bond yield ended at 7.0184%, after closing at 7.0356% in the previous session.

The benchmark yield last week posted its biggest weekly jump since the week ended February 10 after the Reserve Bank of India's (RBI) monetary policy guidance on inflation affected market sentiment.

India's inflation read at 4.25% in May, below the RBI's upper tolerance level for the third consecutive month.

Meanwhile, markets are anticipating that the Fed will pause its aggressive rate hiking cycle but maintain a hawkish stance to fight soaring inflation.

Markets are pricing in a 78% chance of the Fed holding a status quo on rates, after having raised them at every meeting since March 2022. The Fed funds rate currently stands at 5.00-5.25%.

Gold prices rose on Monday on a weaker dollar as investors positioned for key U.S. economic data and clues on the Federal Reserve's interest rate path at its meeting this week.

The Indian rupee strengthened 0.04% versus the U.S. dollar, and quoted at 82.43 per dollar as traders waited for domestic as well as U.S. inflation numbers ahead of the Federal Reserve's rate decision this week.

Repo: The weighted average call rates in the interbank segment decreased to 6.48% vs 6.61% as on the previous day while that the TREP segment decreased to 6.38% vs 6.54% as on the previous day.

GOI Yield	12-Jun	9-Jun	5-Jun	12-May
1 Year	6.850	6.850	6.850	7.005
5 Year	6.957	6.980	6.921	6.947
10 Year	7.018	7.036	6.996	6.994

AAA Bmk	12-Jun	9-Jun	5-Jun	12-May
1 Year	7.40	7.40	7.40	7.45
5 Year	7.48	7.43	7.43	7.48
10 Year	7.40	7.40	7.40	7.50

CD	12-Jun	9-Jun	5-Jun	12-May
3 Month	6.98	6.90	6.85	7.15
6 Month	7.20	7.20	7.15	7.35
1 Year	7.40	7.40	7.40	7.50

CP	12-Jun	9-Jun	5-Jun	12-May
3 Month	7.08	7.00	6.95	7.25
6 Month	7.30	7.30	7.25	7.45
1 Year	7.50	7.50	7.50	7.60

OIS Rate	12-Jun	9-Jun	5-Jun	12-May
1 Year	6.63	6.64	6.59	6.61
2 Year	6.32	6.32	6.25	6.23
3 Year	6.22	6.21	6.13	6.07
5 Year	6.16	6.15	6.06	6.03

	12-Jun	9-Jun	5-Jun	12-May
Sensex	62,725	62,626	62,787	62,028
Nifty	18,602	18,563	18,594	18,315
USD/INR	82.43	82.46	82.67	82.16
Gold (USD)	1,963	1,961	1,962	2,011
Oil (USD)	73.42	74.79	76.71	74.17

NDF	12-Jun	9-Jun	5-Jun	12-May
3 Month	82.71	82.68	82.80	82.61
1 Year	83.75	83.81	83.95	83.99
2 Year	86.02	85.95	86.10	86.43
3 Year	89.42	88.70	88.80	89.33

Market Observations

G-sec

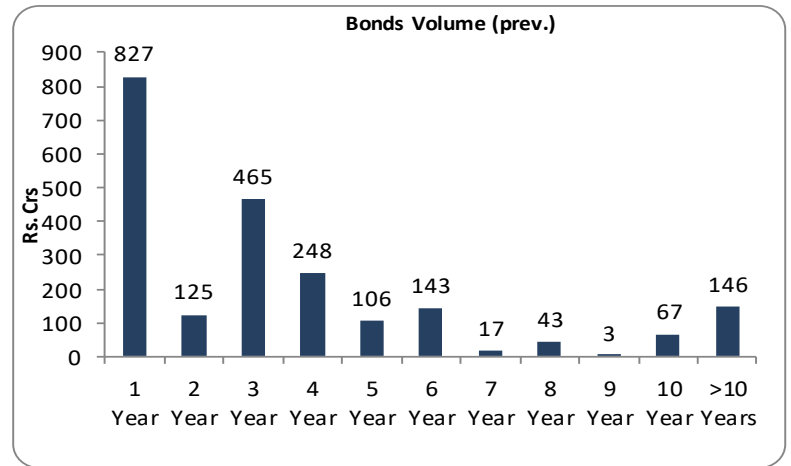
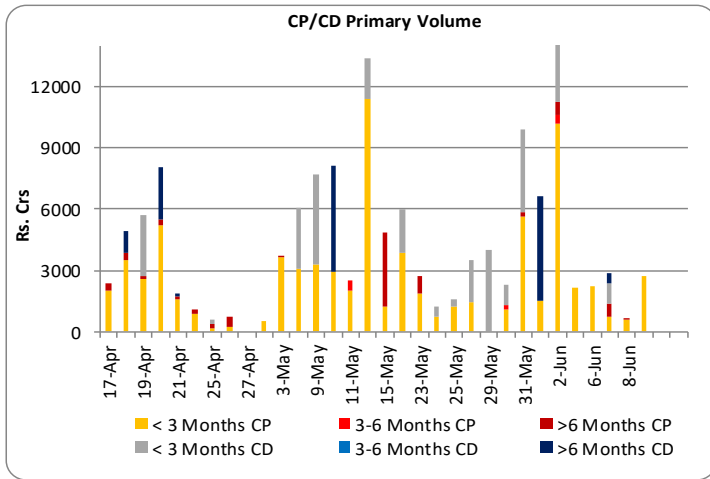
- Selling was seen in illiquid G-sec by pension fund in 5 and 10year segment.
- Demand was seen in 17-20 year SDL's by postal funds @7.45+ levels. Major seller was SBI Mutual Fund.

Corporate Bonds

- Overall market volume was thin. Market is focusing now on the Fed policy and upcoming primary issuances.
- Mutual funds and a few corporates were active.

CP/CD

- Market was active in the 3-month and 9-month segment.



10 Year Benchmarks	12-Jun	9-Jun	5-Jun	12-May
India	7.02	7.04	7.00	7.00
US	3.75	3.75	3.69	3.46
South Korea	3.57	3.59	3.56	3.27
Russia	10.86	10.86	10.81	10.69
Brazil	11.25	11.18	11.22	11.84
Germany	2.37	2.38	2.37	2.27
China	2.69	2.69	2.72	2.71

Top Traded Securities	Volume	12-Jun	9-Jun	5-Jun	12-May
5.74 2026	305	#N/A	#N/A	6.90	6.92
7.38 2027	-	6.96	6.98	6.92	6.95
7.10 2029	5	7.00	7.02	6.97	7.00
6.54 2032	5	7.07	7.09	7.04	7.06
7.26 2032	#VALUE!	7.06	7.07	7.04	7.04
7.54 2036	-	7.13	7.14	7.11	7.09

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
8-Jun-23	3976	4385	-409

EQUITY			
MF	Gross Purchase	Gross Sales	Net Investment
8-Jun-23	9351	8144	1207

TOTAL (Rs.Crs)			
MF	Gross Purchase	Gross Sales	Net Investment
8-Jun-23	13327	12528	798

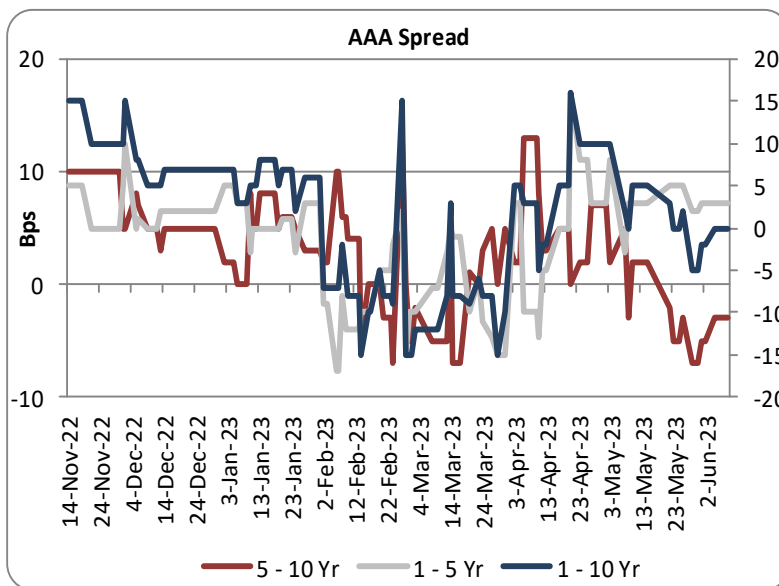
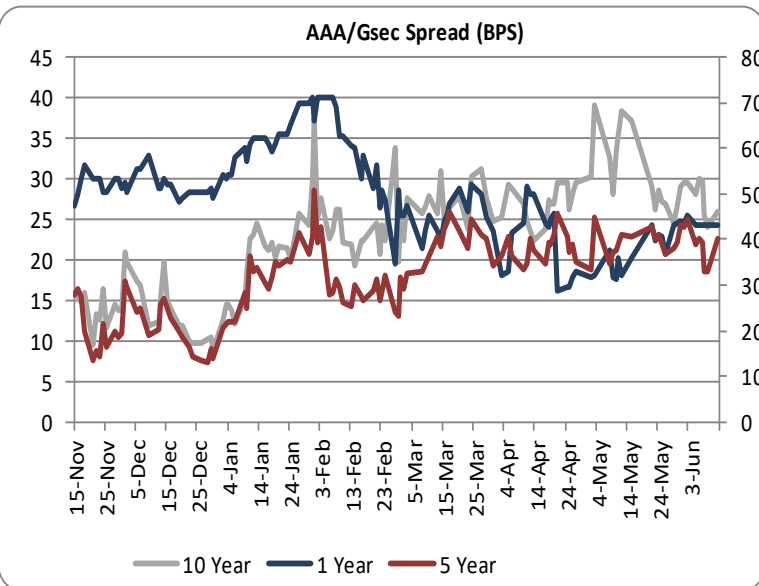
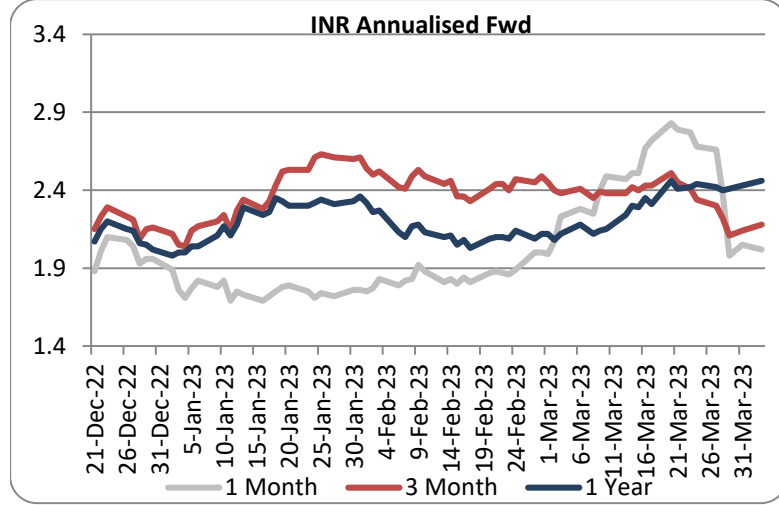
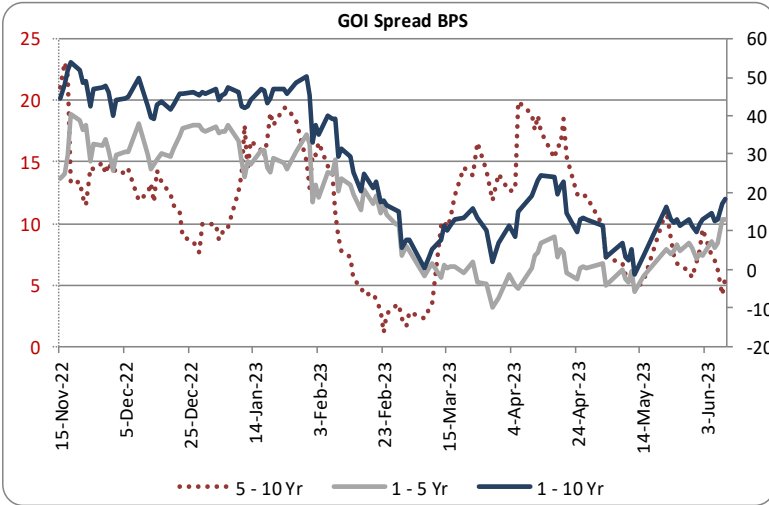
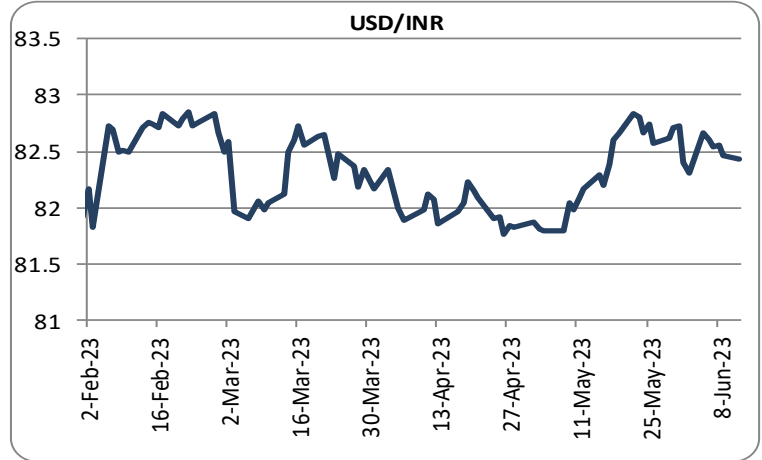
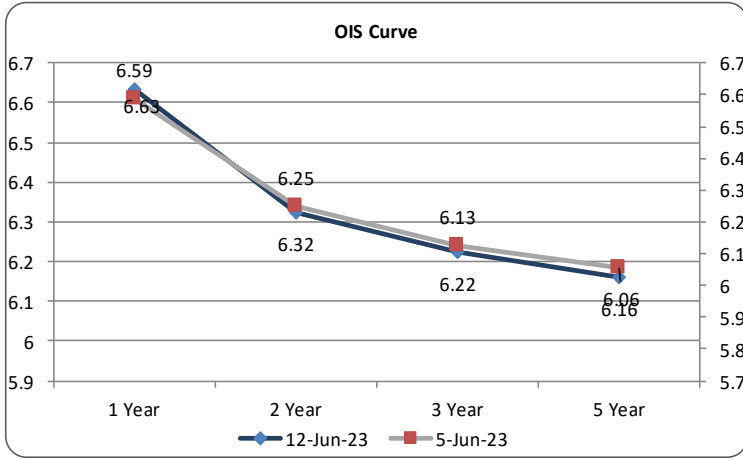
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
12-Jun-23	667	566	101

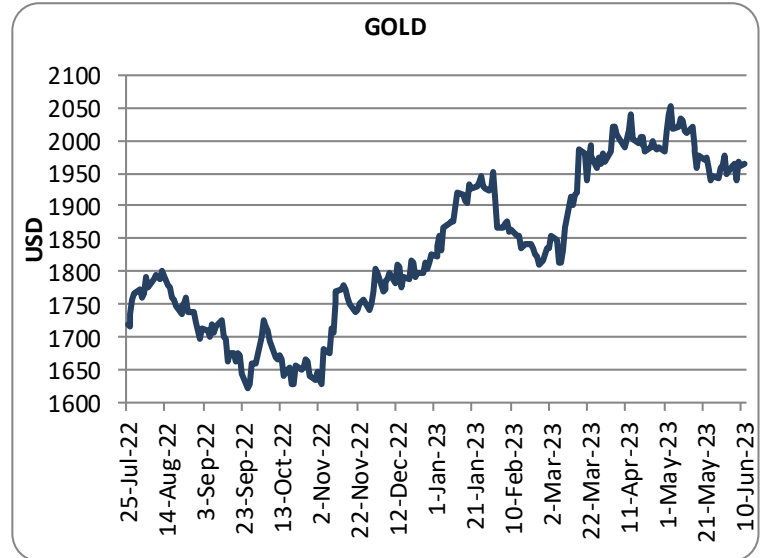
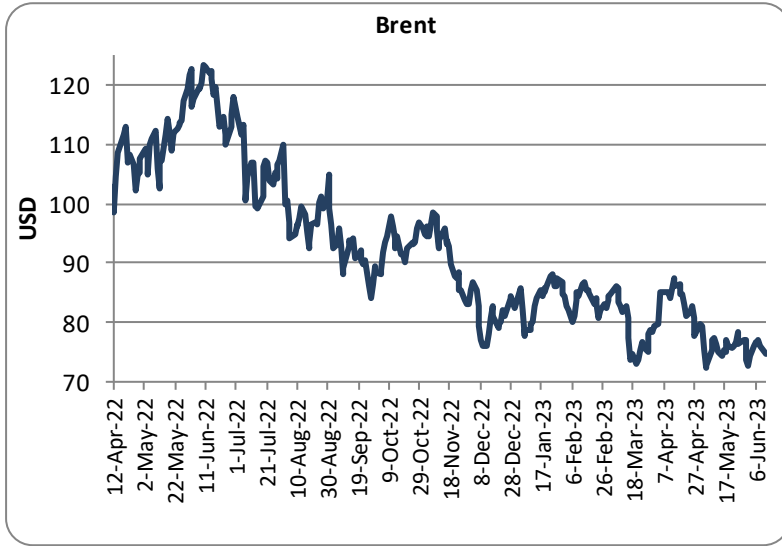
EQUITY			
FII	Gross Purchase	Gross Sales	Net Investment
12-Jun-23	13636	13769	-133

TOTAL (Rs. Crs)			
FII	Gross Purchase	Gross Sales	Net Investment
12-Jun-23	14303	14335	-32

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Mar-23	6.1	4.4
CAD (\$ Bn)	Dec-22	-18.2	-30.9
Trade Deficit (\$ Bn)	Dec-22	-72.7	-78.3
WPI (%)	Apr-23	-0.9	1.3
CPI (%)	Apr-23	4.7	5.7
IIP (%)	Mar-23	1.1	5.6
PMI Manufacturing	May-23	58.7	57.2
PMI Service	May-23	61.2	62

Economic Calender	Country	Date	Poll	Prior
Repo Rate	India	8-Jun-23	6.5	6.5
GDP YY	Euro Zone	08-Jun-23	1.20	1.30
CPI	China	09-Jun-23	-	0.10
CPI	Russia	09-Jun-23	2.40	2.30
CPI	Germany	13-Jun-23	-	6.10
GDP YY	UK	14-Jun-23	-	0.30
WPI	India	14-Jun-23	-	(0.92)
Retail Sales	Brazil	14-Jun-23	-	3.20





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

LKP SECURITIES LTD., 203, Embassy Centre, Nariman Point, Mumbai- 400021

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For any queries contact - LKP Securities Ltd. Ph: (91-22) 66306555 Fax: (91-22) 2284 2415 E Mail: FixedIncomeResearch@lkpsec.com

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