



BONDWATCH

Daily

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INDIA

Indian government bond yields ended nearly unchanged on Thursday as market participants awaited the latest inflation data at home and in the United States for directional cues.

The 10-year benchmark 7.18% 2033 bond yield closed at 7.2977% after ending at 7.3049% in the previous session.

Local bond yields eased in the past two trading sessions on value buying after the benchmark yield hit a seven-month high of 7.40% on Monday. Yields had jumped, after the RBI announced plans to conduct open market sales of bonds through auctions to absorb liquidity from the banking system.

India's retail inflation came in at 5.02%, lower than market expectations of 5.50%.

Inflation had jumped to 6.83% in August. However, the RBI kept the rates unchanged as expected, but signaled that interest rates would remain high until inflation was closer to the 4% target.

On the other hand, U.S. inflation data is expected to show that the consumer price index (CPI) rose 3.6% year-on-year in September, down from a 3.7% increase in August.

Dovish commentary from Federal Reserve officials, alongside expectations of cooling inflation, have led to bets that the central bank may not hike rates. The 10-year U.S. yield has reduced over 30 basis points from its over 16-year high of 4.89% hit last week.

The Indian rupee weakened 0.07% versus the U.S. dollar, and quoted at 83.25 per dollar, as importers bought the U.S. dollar before the release of consumer inflation data from the world's largest economy.

Repo: The weighted average call rates in the interbank segment decreased to 6.71% vs 6.72% as on the previous day while that the TREP segment remained the same at 6.76% vs 6.76% as on the previous day.

Market Observations

G-sec

- Market got further better following the drop in the US treasury yields. 10-year benchmark opened below 7.30 levels and hovered around it closing @7.2977.
- Demand was seen in 10-year SDLs @7.60 centric levels by insurance companies and banks.
- Demand was seen in 20 to 25-year G-sec by pension funds.

Corporate Bonds

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

CP/CD

- Activity was seen in the 3-month segment.

GOI Yield	12-Oct	11-Oct	6-Oct	13-Sep
1 Year	7.115	7.130	7.100	7.050
5 Year	7.319	7.349	7.399	7.157
10 Year	7.298	7.305	7.341	7.195

AAA Bmk	12-Oct	11-Oct	6-Oct	13-Sep
1 Year	7.53	7.53	7.58	7.53
5 Year	7.77	7.78	7.80	7.68
10 Year	7.73	7.75	7.72	7.63

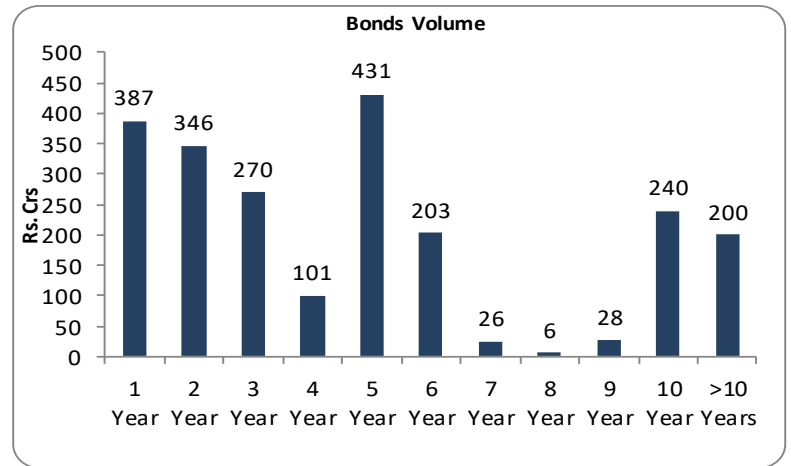
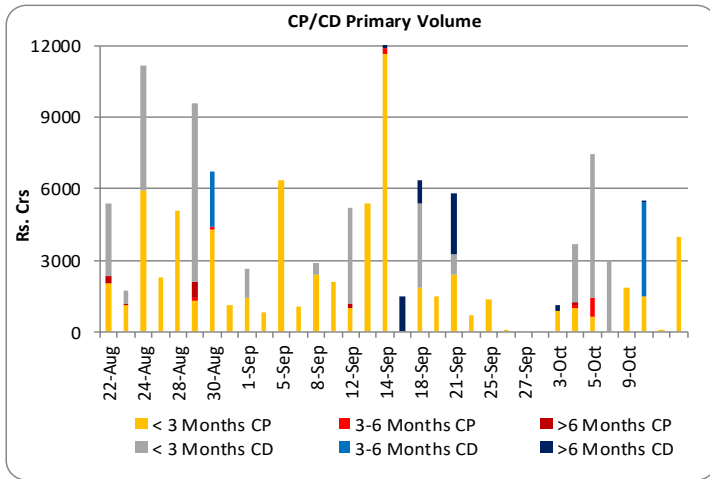
CD	12-Oct	11-Oct	6-Oct	13-Sep
3 Month	7.18	7.15	7.15	7.10
6 Month	7.40	7.35	7.35	7.25
1 Year	7.60	7.60	7.60	7.55

CP	12-Oct	11-Oct	6-Oct	13-Sep
3 Month	7.28	7.25	7.25	7.20
6 Month	7.50	7.45	7.45	7.35
1 Year	7.70	7.70	7.70	7.65

OIS Rate	12-Oct	11-Oct	6-Oct	13-Sep
1 Year	6.98	7.00	7.06	7.05
2 Year	6.73	6.76	6.86	6.82
3 Year	6.70	6.77	6.88	6.79
5 Year	6.71	6.77	6.86	6.77

	12-Oct	11-Oct	6-Oct	13-Sep
Sensex	66,408	66,473	65,996	67,467
Nifty	19,794	19,811	19,654	20,070
USD/INR	83.24	83.19	83.25	82.99
Gold (USD)	1,882	1,874	1,832	1,906
Oil (USD)	86.86	85.82	84.58	91.88

NDF	12-Oct	11-Oct	6-Oct	13-Sep
3 Month	83.59	83.55	83.51	83.29
1 Year	84.79	84.76	84.73	84.43
2 Year	86.87	86.92	86.83	86.67
3 Year	89.47	89.52	89.43	89.52



10 Year Benchmarks	12-Oct	11-Oct	6-Oct	13-Sep
India	7.31	7.31	7.34	7.17
US	4.57	4.60	4.78	4.25
South Korea	4.09	4.15	4.24	3.95
Russia	12.28	12.41	12.27	12.45
Brazil	11.73	11.71	12.23	11.21
Germany	2.73	2.72	2.89	2.65
China	2.73	2.73	2.72	2.65

Top Traded Securities	Volume	8-Sep	7-Sep	1-Sep	10-Aug
7.26 2033	2,350	7.20	7.17	7.18	7.15
7.06 2028	1,140	7.26	7.24	7.25	7.30
7.62 2039	-	7.21	7.20	7.19	7.18
7.30 2053	465	7.35	7.33	7.33	7.36
6.64 2035	70	7.17	7.16	7.22	7.24
7.40 2035	-	7.20	7.18	7.24	7.23

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
11-Oct-23	227	250	-23

EQUITY		
Gross Purchase	Gross Sales	Net Investment
1181	100	1081

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
1408	350	1058

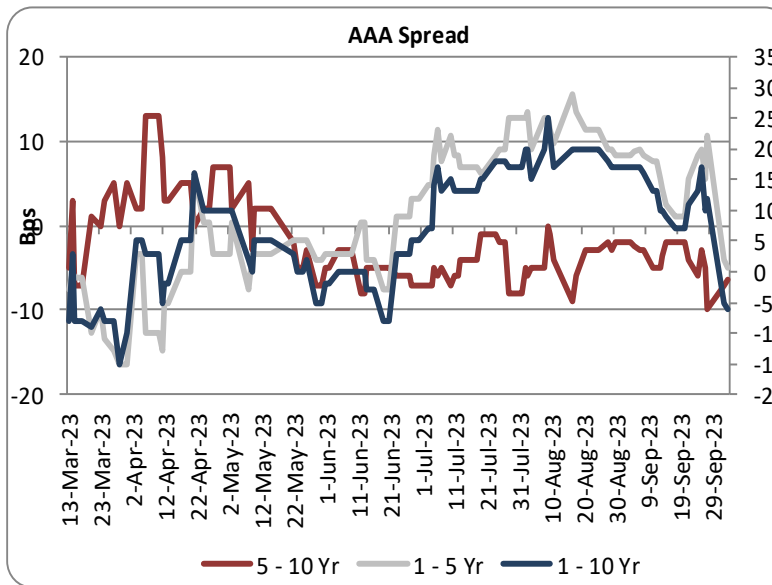
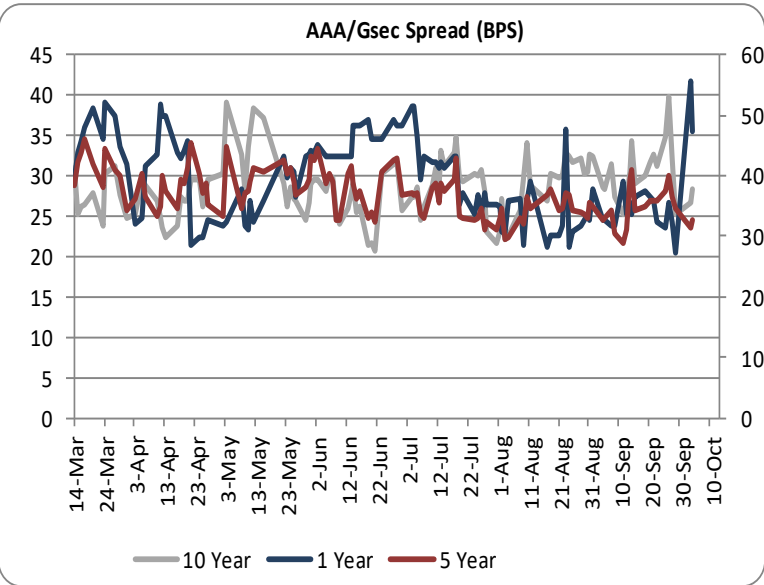
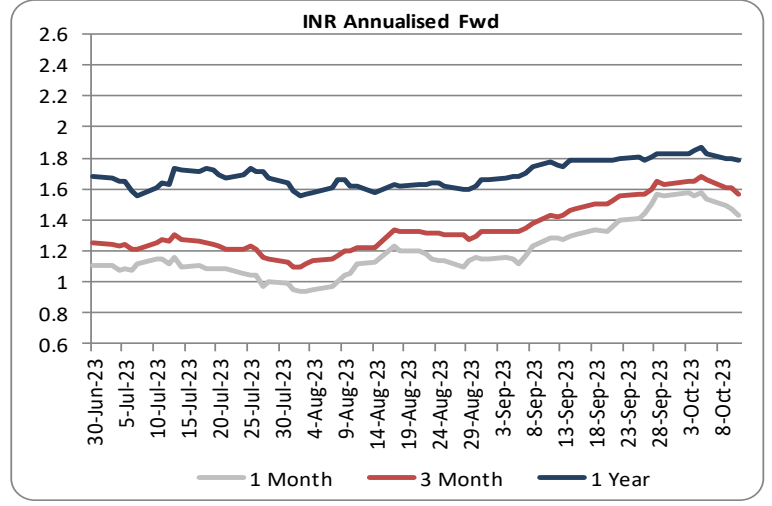
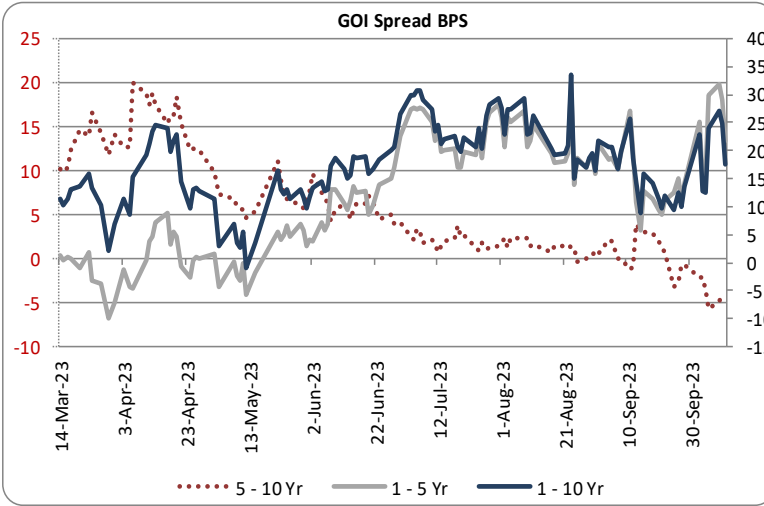
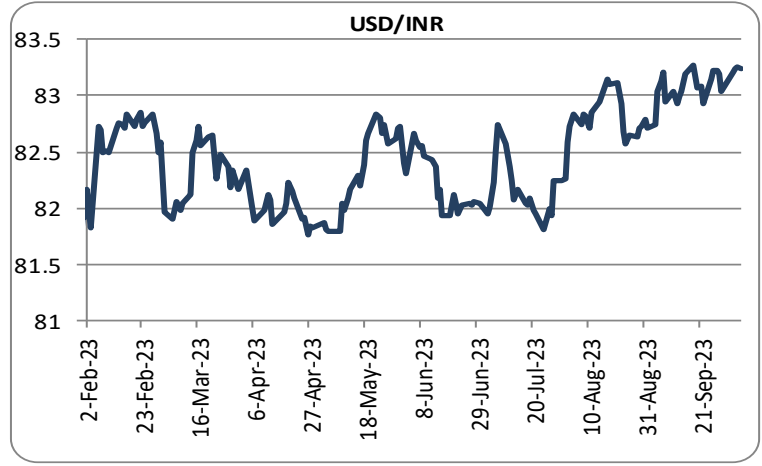
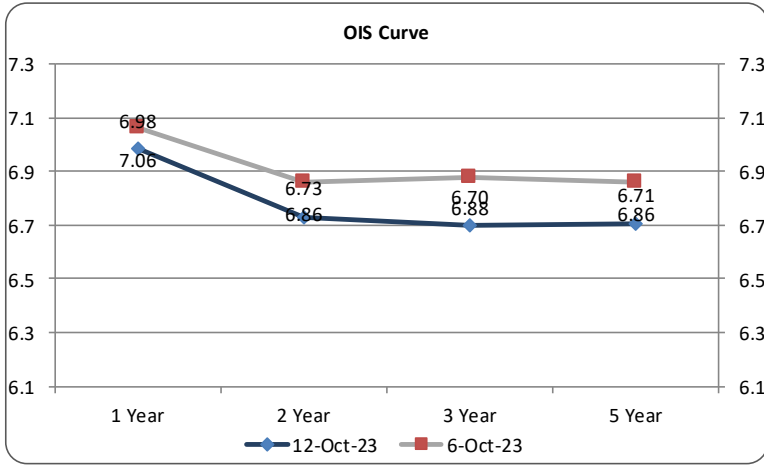
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
12-Oct-23	790	770	19

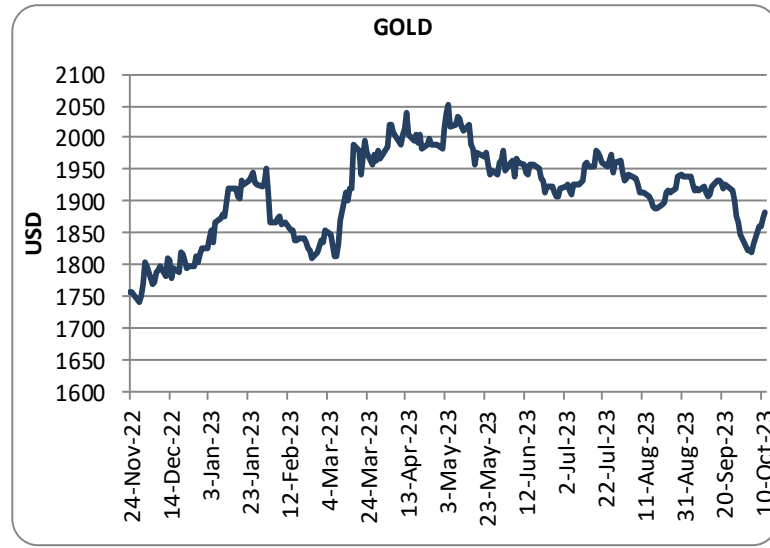
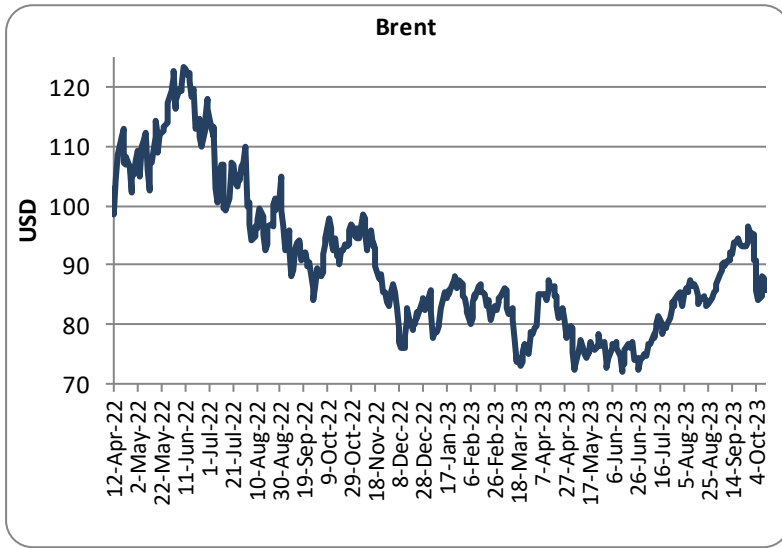
EQUITY		
Gross Purchase	Gross Sales	Net Investment
12645	12823	-178

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
13434	13593	-159

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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