



# BONDWATCH

INDIA

Daily

April 13, 2023

Bond yields edged higher on Thursday as retail inflation based on Consumer Price Index (CPI) fell to a 15-month low of 5.66 per cent in March 2023 and came back to the Reserve Bank of India's (RBI) comfort level of 6 per cent.

the yields on new 10-year Government Stock were trading 1 basis point higher at 7.22% from its previous close of 7.21% on Wednesday. The benchmark five-year interest rates were trading 1 basis point higher at 7.05% from its previous close of 7.04% on Wednesday.

It is clear that 7.20% will act as a strong bottom for 10-year point, and hence we are seeing some position lightening ahead of long weekend. Bond yields had dropped after the RBI last week maintained status quo, but have been in thin range since then.

In the global market, U.S. Treasury yields dropped on Wednesday after data showing cooler-than-expected headline inflation for March but elevated core consumer prices, suggesting the Federal Reserve could still raise interest rates at the next policy meeting - but may pause after that.

Oil prices rose on Wednesday to their highest in more than a month as cooling U.S. inflation data spurred hopes that the Federal Reserve is getting closer to ending its cycle of interest-rate hikes.

Gold prices rallied for the third consecutive day while traders eye the Fed for any rate hike cues.

Repo: The weighted average call rates in the interbank segment increased to 6.37% vs 6.31% as on the previous day while that the TREP segment increased to 6.34% vs 6.27% as on the previous day.

## Market Observations

### G-sec

- Demand was seen in Aug T-bills. Around 3000crs traded @6.86 to 6.90 levels. Banks were major buyers.
- Demand was seen in 11year SDL @7.55 levels. Major sellers were nationalized banks.

### Corporate Bonds

- Volumes were relatively thin.
- Mutual funds were active in 3-year segment and insurance companies active in the longer end.

### CP/CD

- 3-month segment was active.

GOI Yield	13-Apr	12-Apr	6-Apr	14-Mar
1 Year	6.980	6.980	7.060	7.270
5 Year	7.050	7.026	7.013	7.283
10 Year	7.225	7.213	7.212	7.384

AAA Bmk	13-Apr	12-Apr	6-Apr	14-Mar
1 Year	7.60	7.60	7.60	7.80
5 Year	7.55	7.55	7.50	7.80
10 Year	7.58	7.58	7.63	7.83

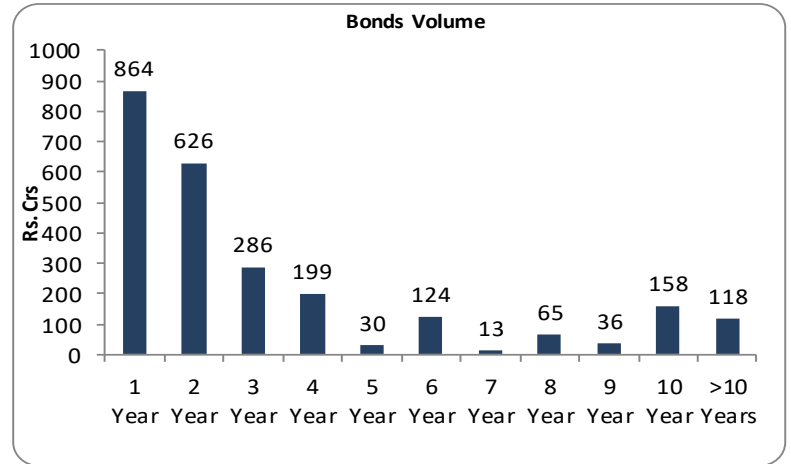
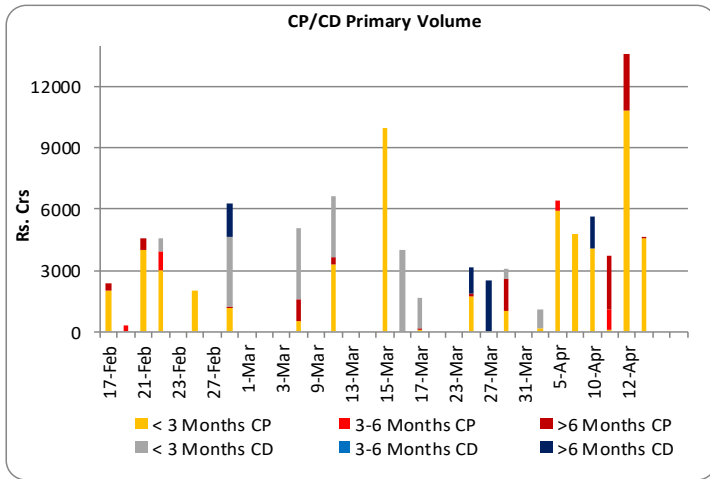
CD	13-Apr	12-Apr	6-Apr	14-Mar
3 Month	7.00	7.05	7.10	7.45
6 Month	7.25	7.35	7.30	7.65
1 Year	7.50	7.50	7.40	7.85

CP	13-Apr	12-Apr	6-Apr	14-Mar
3 Month	7.10	7.15	7.20	7.55
6 Month	7.35	7.45	7.40	7.75
1 Year	7.60	7.60	7.50	8.05

OIS Rate	13-Apr	12-Apr	6-Apr	14-Mar
1 Year	6.59	6.59	6.63	6.75
2 Year	6.20	6.19	6.19	6.34
3 Year	6.12	6.10	6.08	6.32
5 Year	6.12	6.12	6.12	6.32

	13-Apr	12-Apr	6-Apr	14-Mar
Sensex	60,431	60,393	59,833	57,900
Nifty	17,828	17,812	17,599	17,043
USD/INR	81.85	82.08	81.89	82.49
Gold (USD)	2,039	2,015	2,008	1,902
Oil (USD)	86.84	87.33	85.12	77.45

NDF	13-Apr	12-Apr	6-Apr	14-Mar
3 Month	82.15	82.36	82.27	82.81
1 Year	83.62	83.54	83.72	84.29
2 Year	86.25	86.32	86.46	86.60
3 Year	89.44	89.62	89.66	89.25



10 Year Benchmarks	13-Apr	12-Apr	6-Apr	14-Mar
India	7.23	7.21	7.22	7.38
US	3.39	3.42	3.29	3.64
South Korea	3.27	3.26	3.28	3.30
Russia	10.55	10.54	10.45	10.98
Brazil	12.58	12.57	12.74	13.08
Germany	2.37	2.36	2.18	2.45
China	2.84	2.82	2.87	2.89

Top Traded Securities	Volume	13-Apr	12-Apr	6-Apr	14-Mar
5.74 2026	485	7.01	7.02	7.01	7.27
7.38 2027	-	7.05	7.03	7.01	7.28
7.10 2029	-	7.13	7.12	7.10	7.35
6.54 2032	30	7.25	7.24	7.23	7.40
7.26 2032	-	7.23	7.21	7.21	7.38
7.54 2036	-	7.36	7.35	7.30	7.45

	DEBT		
	Gross Purchase	Gross Sales	Net Investment
<b>MF</b>			
5-Apr-23	5289	6380	-1091

	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	8611	4694	3916

	TOTAL (Rs.Crs)		
	Gross Purchase	Gross Sales	Net Investment
	13900	11074	2826

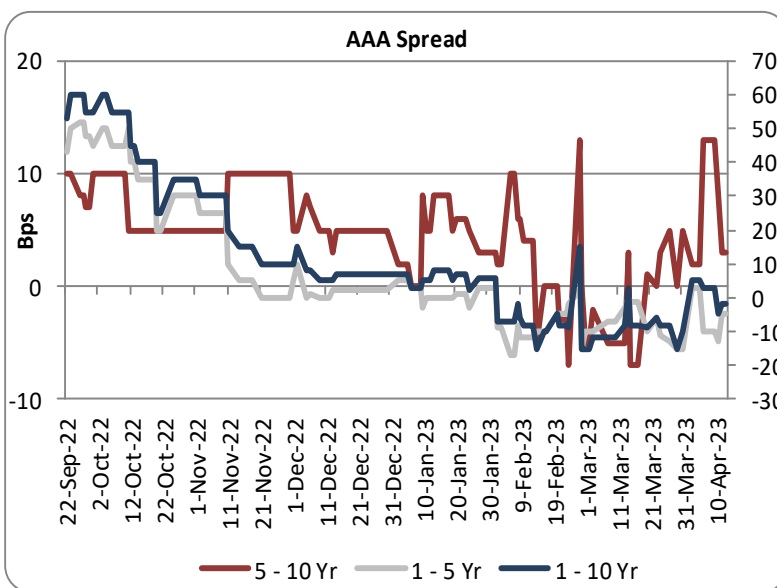
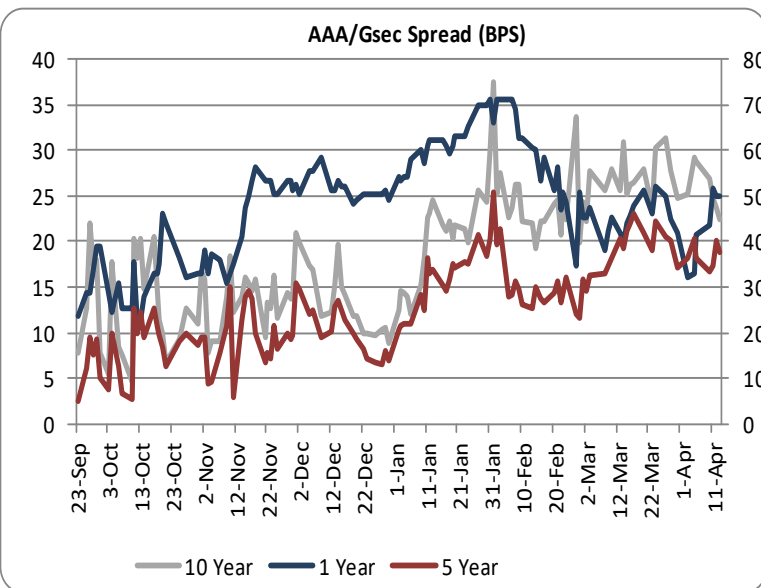
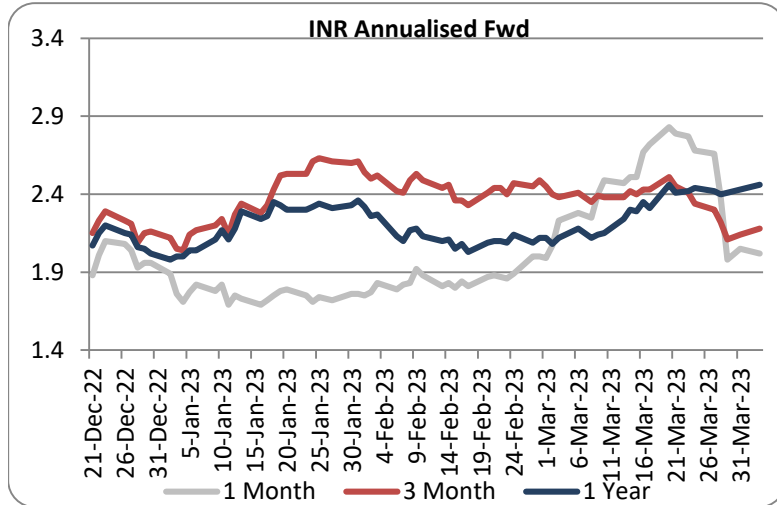
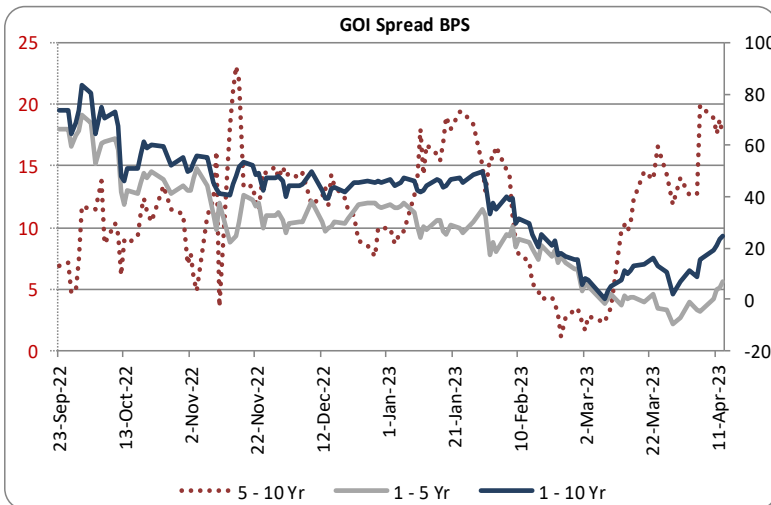
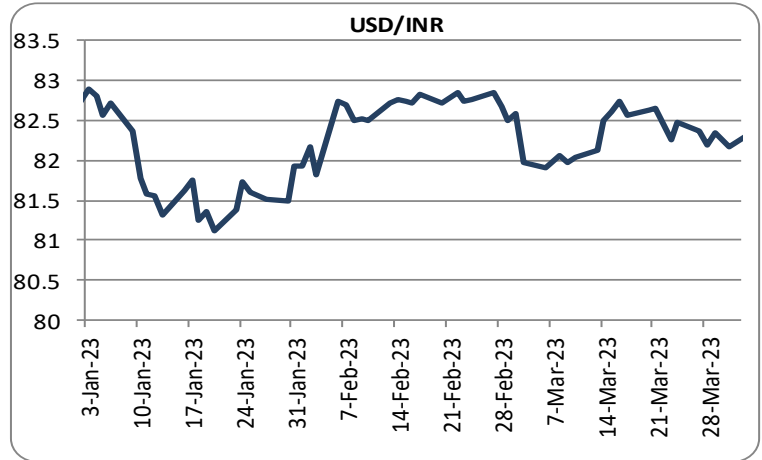
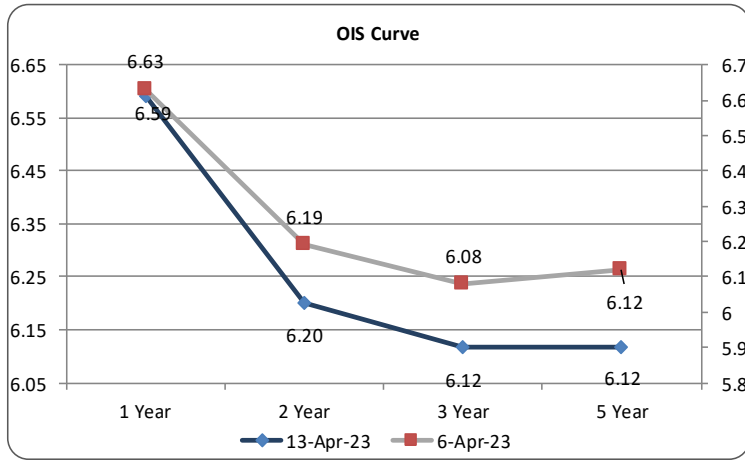
	DEBT		
	Gross Purchase	Gross Sales	Net Investment
<b>FII</b>			
13-Apr-23	615	605	10

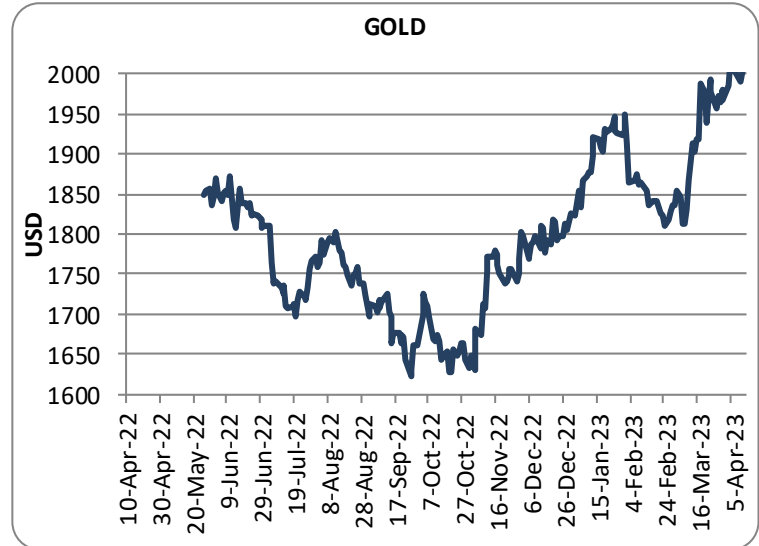
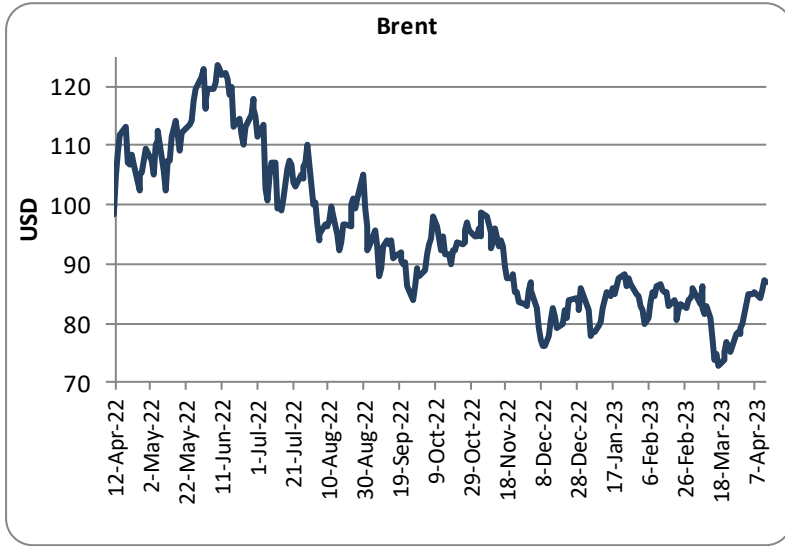
	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	8452	6300	2152

	TOTAL (Rs. Crs)		
	Gross Purchase	Gross Sales	Net Investment
	9067	6905	2162

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-22	4.4	6.3
CAD (\$ Bn)	Dec-22	-18.2	-30.9
Trade Deficit (\$ Bn)	Dec-22	-72.7	-78.3
WPI (%)	Feb-23	3.9	4.7
CPI (%)	Mar-23	5.7	6.4
IIP (%)	Feb-23	5.6	5.2
PMI Manufacturing	Mar-23	56.4	55.3
PMI Service	Mar-23	57.8	59.4

Economic Calender	Country	Date	Poll	Prior
CPI	India	12-Apr-23	-	6.44
Industrial Output	India	12-Apr-23	-	5.20
CPI	USA	12-Apr-23	-	6.00
CPI	Russia	12-Apr-23	3.40	11.00
GDP	UK	13-Apr-23	0.30	-
WPI	India	14-Apr-23	1.87	3.85
Industrial Output	China	18-Apr-23	-	2.40
CPI	UK	19-Apr-23	-	10.40





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

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