



BONDWATCH

Daily

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INDIA

Indian government bond yields ended marginally higher on Monday as a rise in U.S. yields outweighed the positive impact of lower-than-expected retail inflation data for April.

The 10-year benchmark 7.26% 2033 bond yield ended at 7.0062%, compared with its close of 6.9938% on Friday.

The 10-year U.S. yield extended its gains from Friday and was last up almost three bps at 3.4887%, following data that slightly pushed up the possibility of a rate hike by the Federal Reserve in June.

India's inflation based on wholesale price index (WPI) turned negative for the first time since July 2020 at (-) 0.92% for the month of April 2023 as against 1.34% in March 2023, on account of fall in prices of non-food articles, coal, electricity and mineral oils.

India's consumer price inflation (CPI) to an 18-month low of 4.7% in April, from 5.66% in the previous month.

The RBI held rates at its last meeting in April and is widely expected to do so again when it meets next month.

The Indian rupee weakened 0.16% versus the U.S. dollar, and quoted at 82.28 per dollar on narrowing interest rate differentials between the U.S. and India.

Gold regained its footing on Monday after three straight sessions of losses as the dollar eased and investors remained wary of the U.S. debt ceiling standoff that could fuel worries of a global economic slowdown.

Repo: The weighted average call rates in the interbank segment remained the same at 6.77% vs 6.77% as on the previous day while that the TREP segment remained the same at 6.76% vs 6.76% as on the previous day.

GOI Yield	15-May	12-May	3-May	17-Apr
1 Year	6.970	7.005	6.975	6.990
5 Year	6.953	6.947	6.933	7.077
10 Year	7.006	6.994	7.006	7.230

AAA Bmk	15-May	12-May	3-May	17-Apr
1 Year	7.45	7.45	7.42	7.55
5 Year	7.48	7.48	7.50	7.55
10 Year	7.50	7.50	7.52	7.60

CD	15-May	12-May	3-May	17-Apr
3 Month	7.15	7.15	7.10	7.00
6 Month	7.35	7.35	7.30	7.25
1 Year	7.50	7.50	7.45	7.50

CP	15-May	12-May	3-May	17-Apr
3 Month	7.25	7.25	7.15	7.10
6 Month	7.45	7.45	7.35	7.35
1 Year	7.60	7.60	7.55	7.60

OIS Rate	15-May	12-May	3-May	17-Apr
1 Year	6.58	6.61	6.57	6.61
2 Year	6.21	6.23	6.17	6.25
3 Year	6.06	6.07	6.01	6.16
5 Year	6.02	6.03	5.99	6.18

	15-May	12-May	3-May	17-Apr
Sensex	62,346	62,028	61,193	59,911
Nifty	18,399	18,315	18,090	17,707
USD/INR	82.30	82.16	81.82	81.97
Gold (USD)	2,013	2,011	2,039	1,995
Oil (USD)	74.36	74.17	72.33	84.76

NDF	15-May	12-May	3-May	17-Apr
3 Month	82.62	82.61	82.14	82.39
1 Year	83.90	83.99	83.52	83.82
2 Year	86.45	86.43	85.94	86.30
3 Year	89.45	89.33	88.84	89.60

Market Observations

G-sec

- 10-year benchmark opened flat at 6.99 levels after CPI data came in better than market expectations.

- Demand was seen in 9 and 10-year SDL's at 7.35 centric levels. Major buyers were private banks.

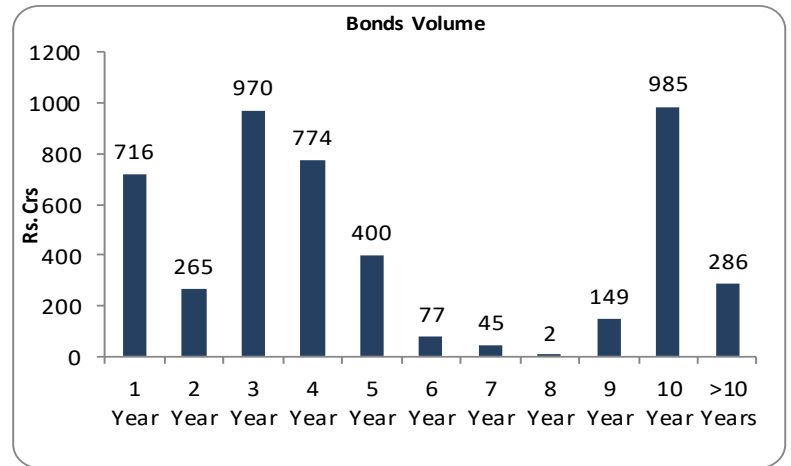
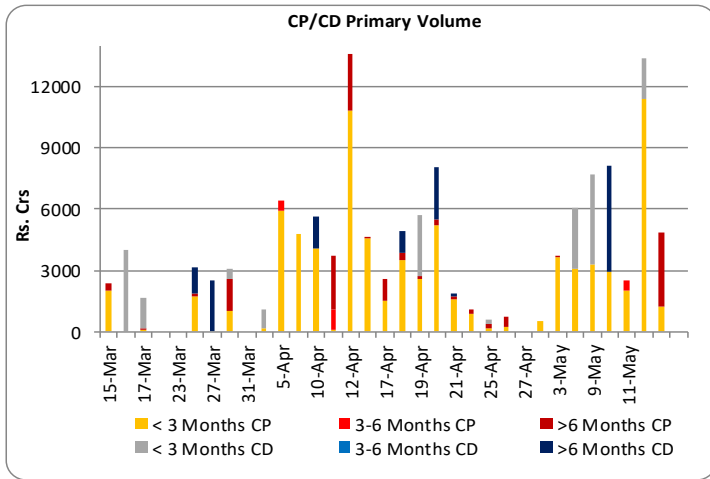
Corporate Bonds

- Demand was seen for longer end 10-year papers between private banks and insurance.

- More selling was seen in the 2025 segment where insurance companies were the major sellers and Mutual funds were buyers.

CP/CD

- Demand was seen across 3-month to 1-year segment.



10 Year Benchmarks	15-May	12-May	3-May	17-Apr
India	7.00	7.00	7.01	7.25
US	3.49	3.46	3.40	3.59
South Korea	3.33	3.27	3.33	3.35
Russia	10.69	10.69	10.61	10.56
Brazil	11.92	11.84	12.20	12.41
Germany	2.30	2.27	2.25	2.48
China	2.73	2.71	2.79	2.84

Top Traded Securities	Volume	15-May	12-May	3-May	17-Apr
5.74 2026	75	6.92	6.92	6.91	7.03
7.38 2027	90	6.96	6.95	6.93	7.08
7.10 2029	-	7.01	7.00	6.98	7.15
6.54 2032	-	7.06	7.06	7.07	7.26
7.26 2032	-	7.05	7.04	7.06	7.25
7.54 2036	-	7.10	7.09	7.12	7.37

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
9-May-23	5045	4658	386

EQUITY			
MF	Gross Purchase	Gross Sales	Net Investment
9-May-23	5336	5311	25

TOTAL (Rs.Crs)			
MF	Gross Purchase	Gross Sales	Net Investment
9-May-23	10380	9969	411

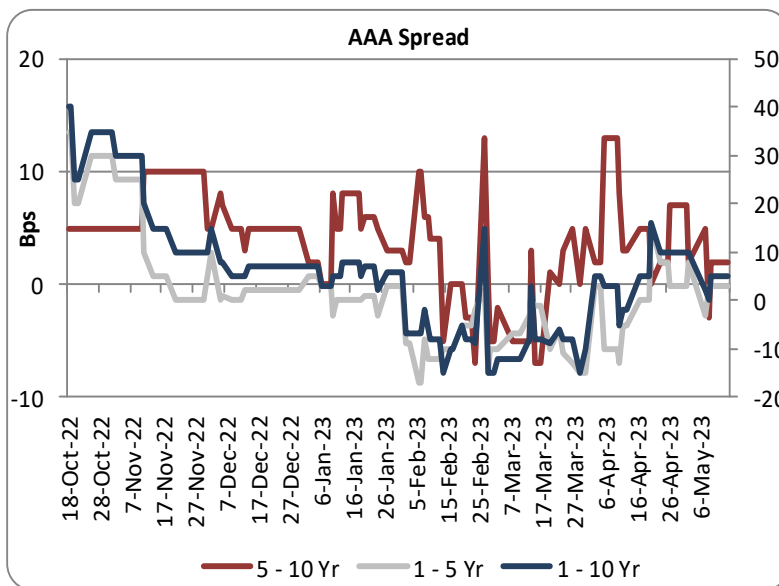
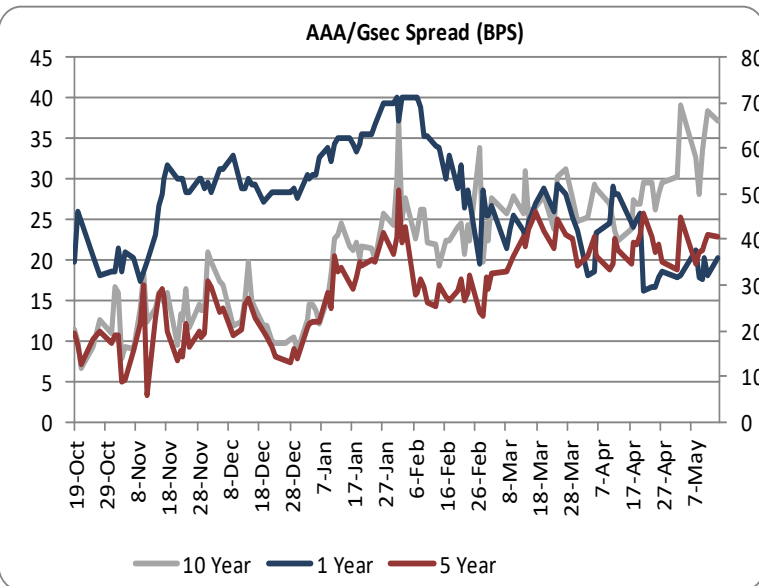
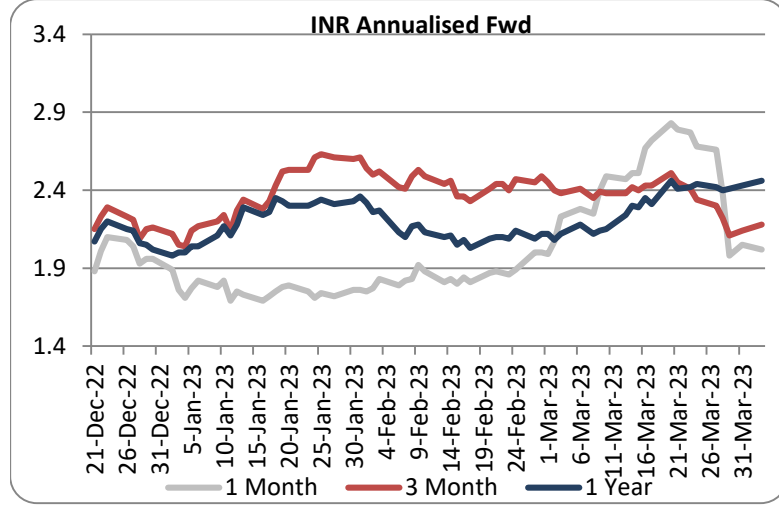
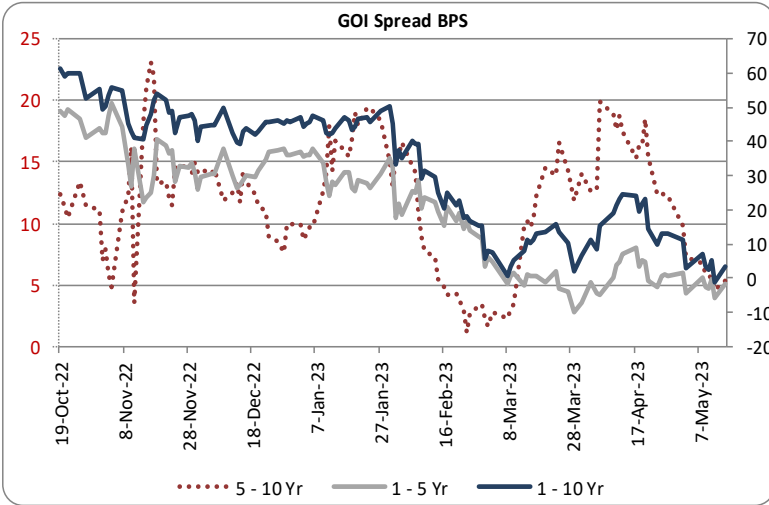
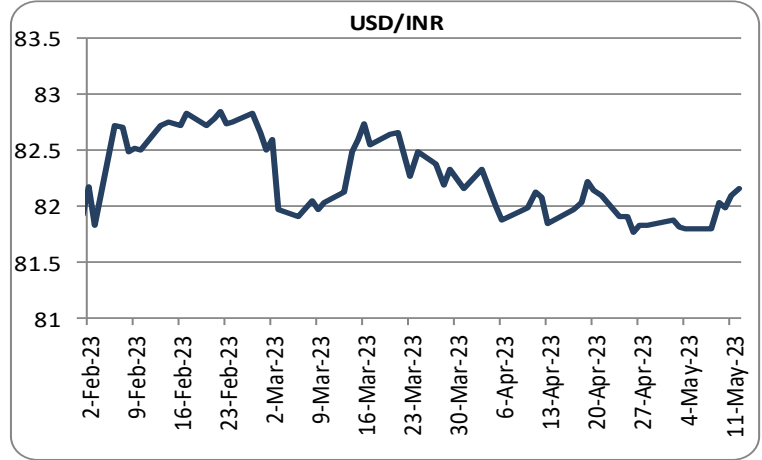
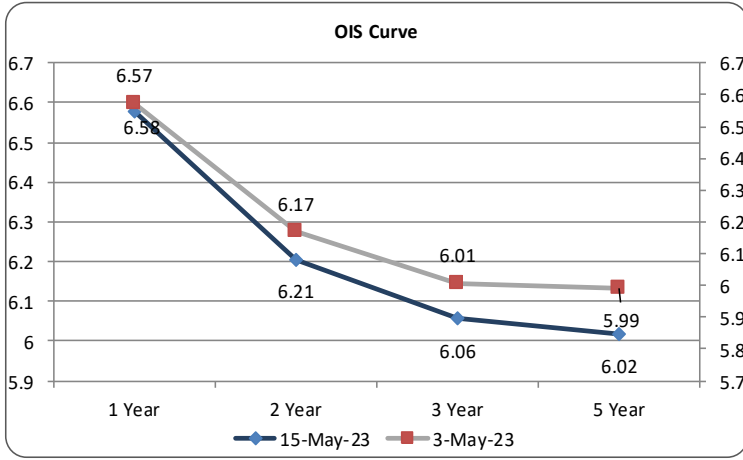
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
15-May-23	609	1761	-1152

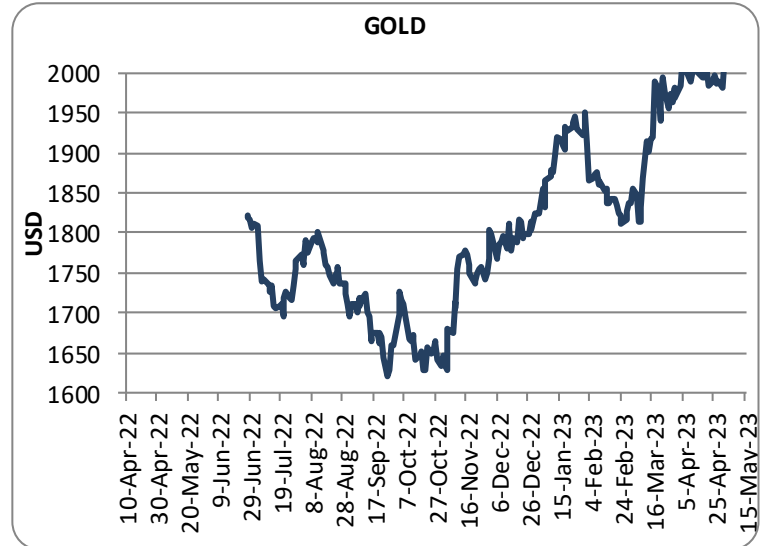
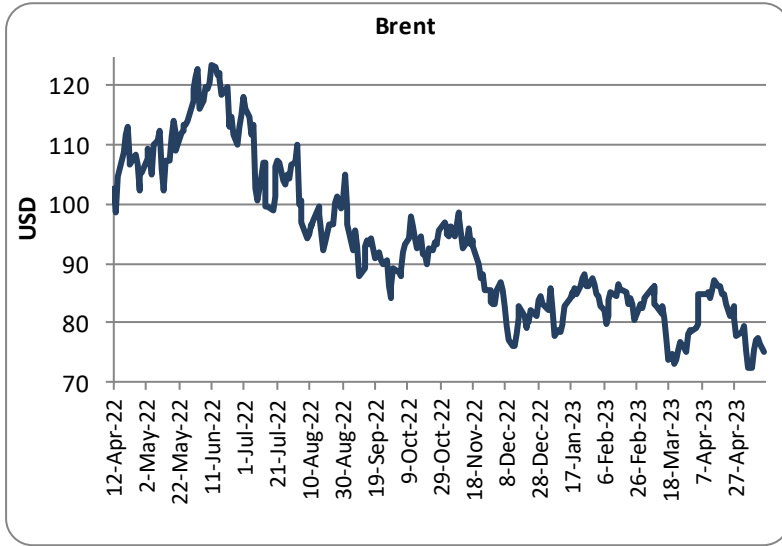
EQUITY			
FII	Gross Purchase	Gross Sales	Net Investment
15-May-23	9178	7591	1587

TOTAL (Rs. Crs)			
FII	Gross Purchase	Gross Sales	Net Investment
15-May-23	9788	9352	435

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 (%)	Apr-23	-0.9	1.3
CPI (%)	Apr-23	4.7	5.7
IIP (%)	Mar-23	1.1	5.6
PMI Manufacturing	Apr-23	57.2	56.4
PMI Service	Apr-23	62	57.8

Economic Calender	Country	Date	Poll	Prior
CPI	China	11-May-23	-	7.20
GDP	UK	12-May-23	0.20	0.60
CPI	India	12-May-23	4.80	5.66
WPI	India	15-May-23	(0.20)	1.34
Industrial Output	China	16-May-23	10.10	3.90
Exports	Japan	18-May-23	-	4.30
Unemployment Rate	Australia	18-May-23	3.50	3.50
CPI	UK	24-May-23	-	10.10





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

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