



BONDWATCH

INDIA

Daily

April 17, 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.

U.S yields rose, with the 10-year inching above the 3.50% mark on Friday, as data showed the world's largest economy is not slowing quickly enough to deter the Fed from raising interest rates in May.

The chances of a rate hike in May have risen above 85%. The current target range is 4.75%-5.00%, up from near zero last March.

Oil prices were steady on Monday as investors eyed Chinese economic data for signs of demand recovery in the world's second-largest oil consumer.

The Indian rupee weakened 0.15% versus the U.S. dollar, and quoted at 81.9725 per dollar as the dollar index recovered some ground, tracking a rise in Treasury yields following mixed U.S. data.

Repo: The weighted average call rates in the interbank segment increased to 6.43% vs 6.15% as on the previous day while that the TREP segment increased to 6.51% vs 6.24% as on the previous day.

GOI Yield	17-Apr	13-Apr	10-Apr	17-Mar
1 Year	6.990	6.980	7.040	7.220
5 Year	7.077	7.050	7.043	7.228
10 Year	7.230	7.225	7.231	7.351

AAA Bmk	17-Apr	13-Apr	10-Apr	17-Mar
1 Year	7.55	7.60	7.60	7.83
5 Year	7.55	7.55	7.50	7.82
10 Year	7.60	7.58	7.63	7.75

CD	17-Apr	13-Apr	10-Apr	17-Mar
3 Month	7.00	7.00	7.05	7.50
6 Month	7.25	7.25	7.25	7.65
1 Year	7.50	7.50	7.50	7.80

CP	17-Apr	13-Apr	10-Apr	17-Mar
3 Month	7.10	7.10	7.10	7.60
6 Month	7.35	7.35	7.30	7.75
1 Year	7.60	7.60	7.60	7.90

OIS Rate	17-Apr	13-Apr	10-Apr	17-Mar
1 Year	6.61	6.59	6.59	6.79
2 Year	6.25	6.20	6.17	6.39
3 Year	6.16	6.12	6.08	6.38
5 Year	6.18	6.12	6.11	6.35

	17-Apr	13-Apr	10-Apr	17-Mar
Sensex	59,911	60,431	59,847	57,990
Nifty	17,707	17,828	17,624	17,100
USD/INR	81.97	81.85	81.98	82.55
Gold (USD)	2,009	2,040	1,990	1,988
Oil (USD)	85.81	86.09	84.18	72.97

NDF	17-Apr	13-Apr	10-Apr	17-Mar
3 Month	82.41	82.08	82.40	83.09
1 Year	83.94	83.47	83.96	84.52
2 Year	86.44	86.07	86.40	86.72
3 Year	89.62	89.37	89.70	89.47

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

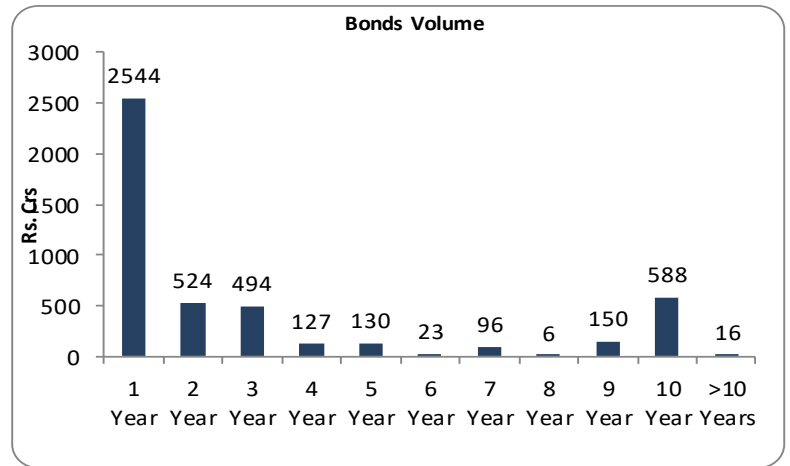
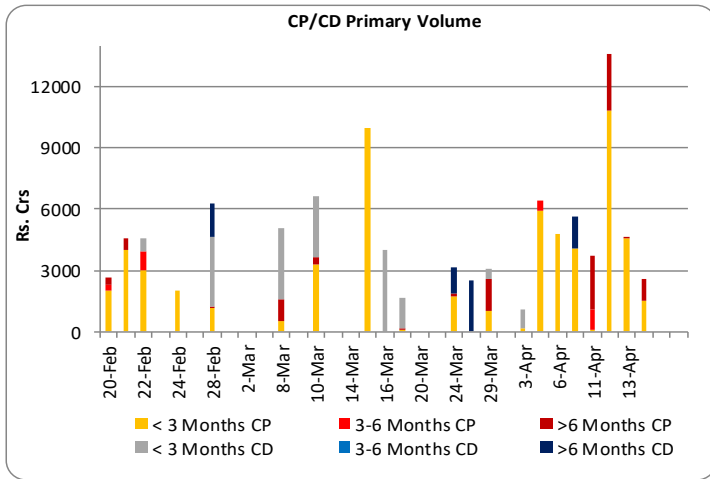
- Volumes were relatively thin.

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

- In the 5-Year segment insurance and Pension funds were on the selling side.

CP/CD

- Demand was seen across segment from 3 months to 1-year.



10 Year Benchmarks	17-Apr	13-Apr	10-Apr	17-Mar
India	7.25	7.23	7.23	7.35
US	3.55	3.45	3.42	3.40
South Korea	3.35	3.27	3.24	3.41
Russia	10.54	10.54	10.47	11.14
Brazil	12.45	12.36	12.80	13.14
Germany	2.47	2.37	2.18	2.12
China	2.84	2.84	2.85	2.87

Top Traded Securities	Volume	17-Apr	13-Apr	10-Apr	17-Mar
5.74 2026	#NAME?	7.03	7.01	7.02	7.22
7.38 2027	#NAME?	7.08	7.05	7.04	7.23
7.10 2029	#NAME?	7.15	7.13	7.14	7.32
6.54 2032	#NAME?	7.26	7.25	7.25	7.37
7.26 2032	#NAME?	7.25	7.23	7.23	7.35
7.54 2036	#NAME?	7.37	7.36	7.34	7.42

	DEBT		
	Gross Purchase	Gross Sales	Net Investment
MF			
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

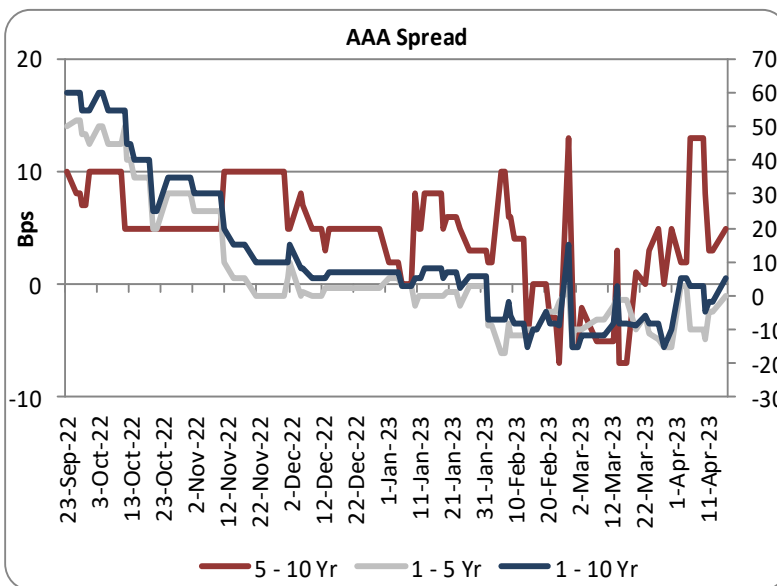
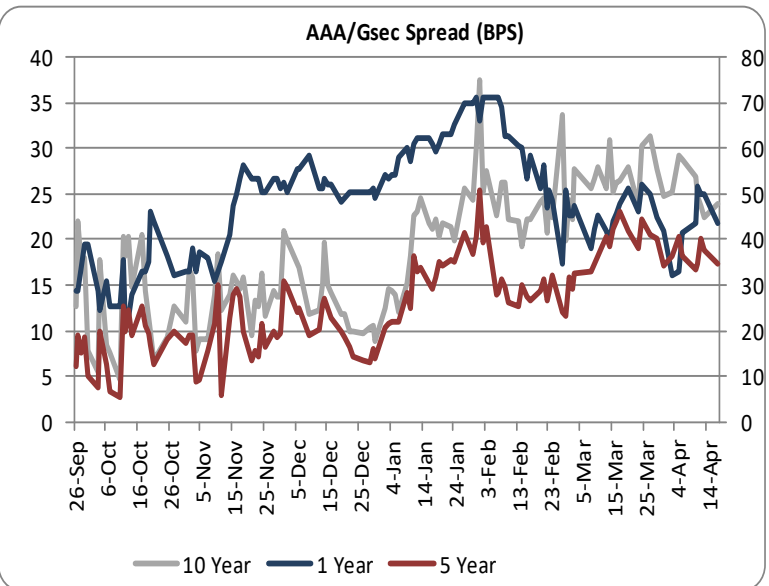
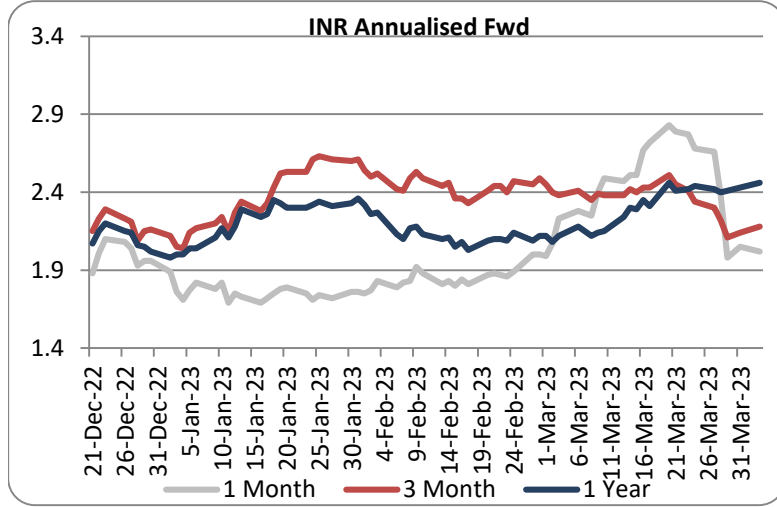
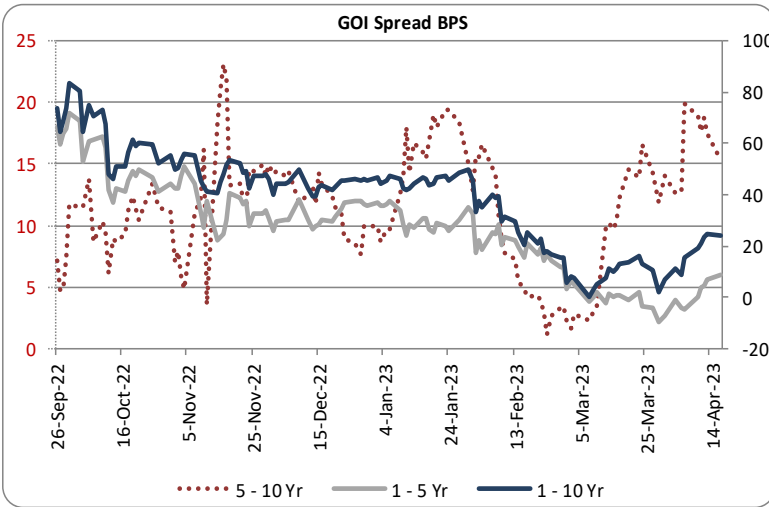
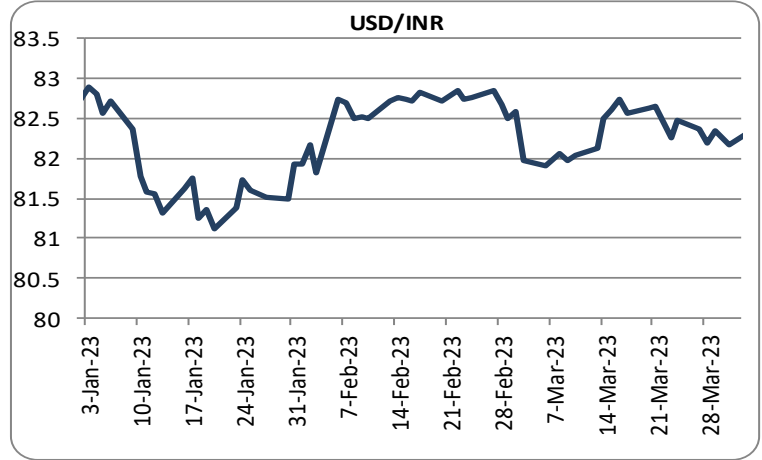
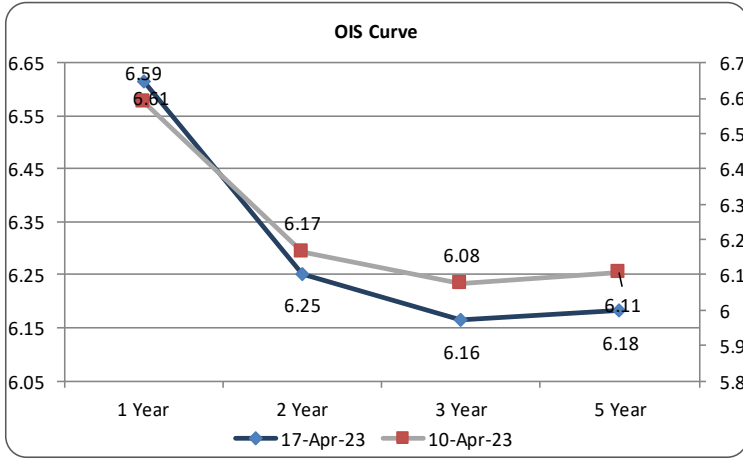
	DEBT		
	Gross Purchase	Gross Sales	Net Investment
FII			
17-Apr-23	1480	717	763

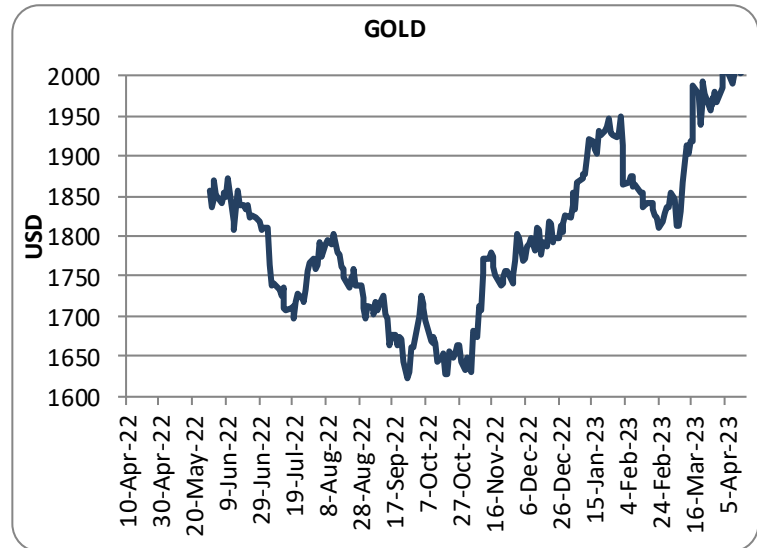
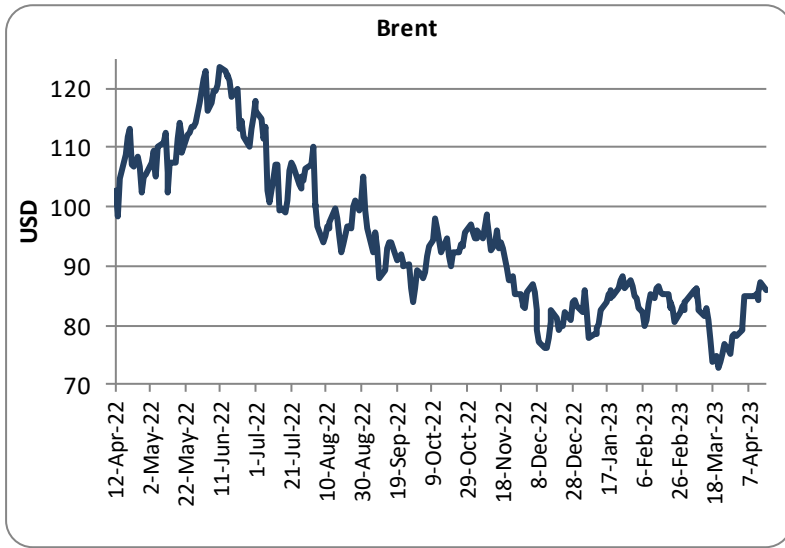
	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	8432	7627	804

	TOTAL (Rs. Crs)		
	Gross Purchase	Gross Sales	Net Investment
	9912	8344	1567

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 (%)	Mar-23	1.3	3.9
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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