



# BONDWATCH

Daily

INDIA

March 17, 2023

The 10-year benchmark 7.26% 2032 bond yield ended at 7.3511%, after closing lower at 7.3526% on Thursday. The yield, however, fell 8 basis points (bps) this week, after remaining largely unchanged for the last two weeks.

Issues in the global banking sector had raised bets of a pause in the Fed's rate hike cycle. However, a majority now expect the central bank to go ahead with a hike after financial aid was extended to embattled lenders Credit Suisse and First Republic Bank.

The 2-year U.S. Treasury note was at 4.0839%, while the 10-year traded at 3.4847%.

Fed funds futures are now pricing in over 80% chance for a 25 bps hike from 65% a day before.

A decision of the RBI's monetary policy committee is due Apr. 6. India's headline retail inflation was above the central bank's target for the second consecutive month in February, increasing bets of another hike next month.

In the near term, the benchmark yield is expected to move in the 7.30%-7.40% band, but a pause by the Fed could lead to a rally in bond prices pushing yields below 7.30% levels.

The Indian rupee strengthened 0.23% versus the U.S. dollar, and quoted at 82.55 per dollar as broader market sentiment improved after rescue of crisis-hit banks in the U.S. and Europe

Repo: The weighted average call rates in the interbank segment increased to 6.52% vs 6.34% as on the previous day while that the TREP segment increased to 6.61% vs 6.29% as on the previous day.

## Market Observations

### G-sec

- Indian government bond yields ended little changed on Friday, tracking overnight movement in U.S. peers, while awaiting the Federal Reserve's policy decision due Wednesday.

### Corporate Bonds

- Market activity was comparatively dull from yesterday though levels remained unchanged.  
- Participation remains the same with insurances selling in short and deploying in the longer end. Mutual Funds seen switching 2025/ 2026 maturity bonds.

### CP/CD

- Demand seen in 1 month to 1 yr segment.

GOI Yield	17-Mar	16-Mar	10-Mar	17-Feb
1 Year	7.220	7.240	7.380	7.140
5 Year	7.228	7.249	7.398	7.349
10 Year	7.351	7.353	7.432	7.391

AAA Bmk	17-Mar	16-Mar	10-Mar	17-Feb
1 Year	7.83	7.83	7.97	7.85
5 Year	7.82	7.82	7.90	7.75
10 Year	7.75	7.75	7.85	7.75

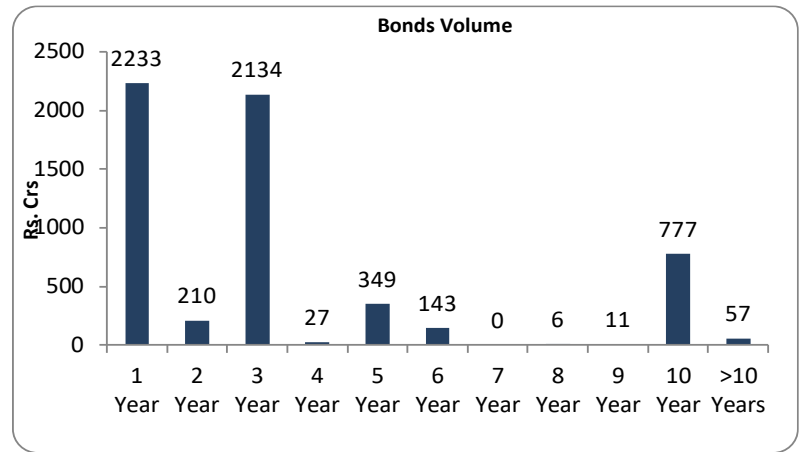
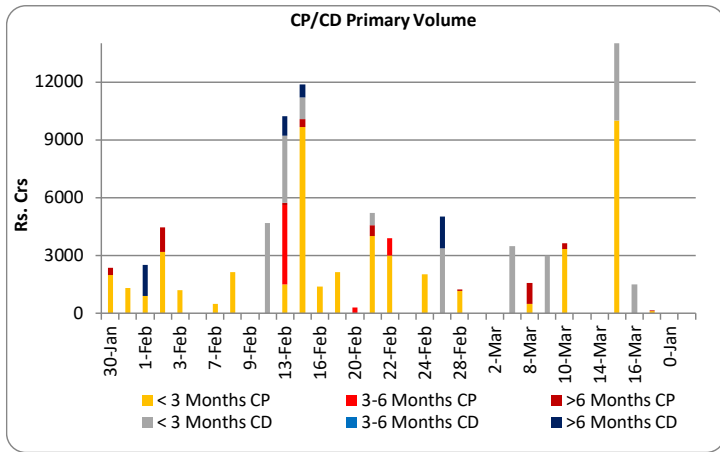
CD	17-Mar	16-Mar	10-Mar	17-Feb
3 Month	7.50	7.50	7.45	7.35
6 Month	7.65	7.65	7.65	7.65
1 Year	7.80	7.80	7.85	7.80

CP	17-Mar	16-Mar	10-Mar	17-Feb
3 Month	7.60	7.60	8.00	7.45
6 Month	7.75	7.75	8.20	7.75
1 Year	7.90	7.90	8.30	7.90

OIS Rate	17-Mar	16-Mar	10-Mar	17-Feb
1 Year	6.79	6.73	7.02	6.96
2 Year	6.39	6.33	6.67	6.63
3 Year	6.38	6.34	6.57	6.51
5 Year	6.35	6.33	6.56	6.52

	17-Mar	16-Mar	10-Mar	17-Feb
Sensex	57,990	57,635	59,135	61,003
Nifty	17,100	16,986	17,413	17,944
USD/INR	82.55	82.73	82.04	82.83
Gold (USD)	1,936	1,919	1,868	1,842
Oil (USD)	74.97	74.70	82.78	83.00

NDF	17-Mar	16-Mar	10-Mar	17-Feb
3 Month	83.14	83.12	82.54	83.30
1 Year	84.55	84.65	83.91	84.58
2 Year	87.32	87.00	85.98	86.35
3 Year	89.55	89.70	88.80	88.87



10 Year Benchmarks	17-Mar	16-Mar	10-Mar	17-Feb
India	7.36	7.35	7.43	7.39
US	3.51	3.58	3.70	3.83
South Korea	3.41	3.39	3.58	3.63
Russia	11.08	11.03	10.92	11.03
Brazil	13.13	13.13	13.18	13.25
Germany	2.20	2.24	2.50	2.46
China	2.87	2.86	2.88	2.89

Top Traded Securities	Volume	17-Mar	16-Mar	10-Mar	17-Feb
5.74 2026	195	7.22	7.24	7.39	7.31
7.38 2027	-	7.23	7.25	7.40	7.34
7.10 2029	5	7.32	7.31	7.42	7.37
6.54 2032	-	7.37	7.38	7.45	7.39
7.26 2032	10	7.35	7.35	7.43	7.39
7.54 2036	-	7.42	7.43	7.49	7.45

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
10-Mar-23	1892	1540	352

EQUITY		
Gross Purchase	Gross Sales	Net Investment
3637	3786	-148

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
5529	5326	203

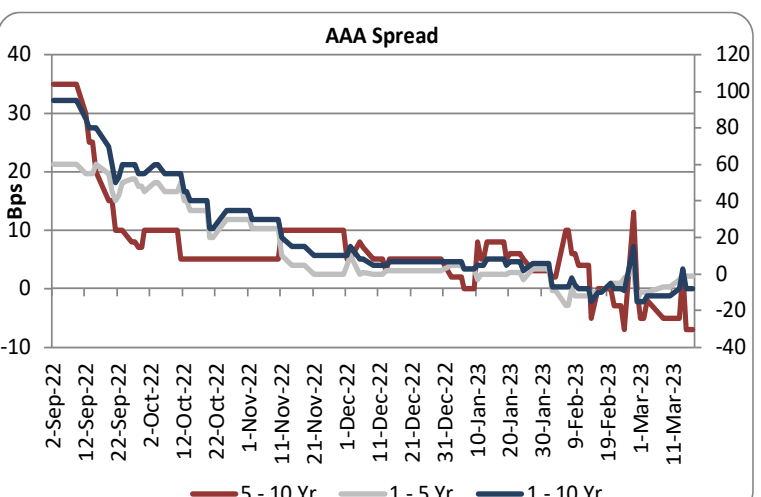
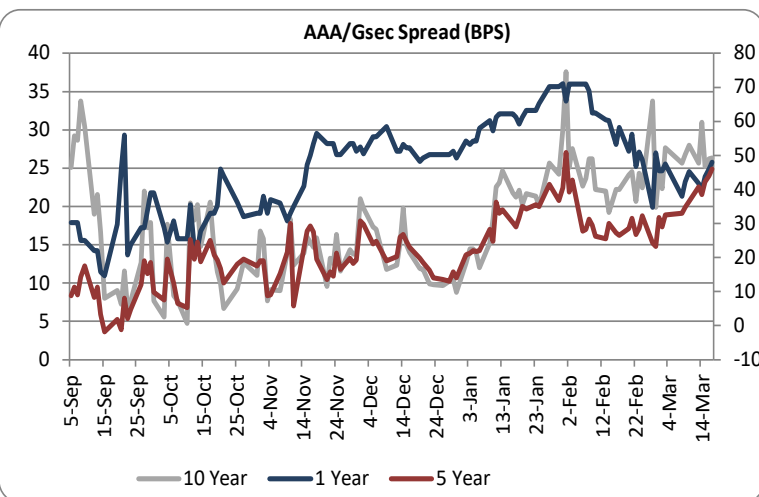
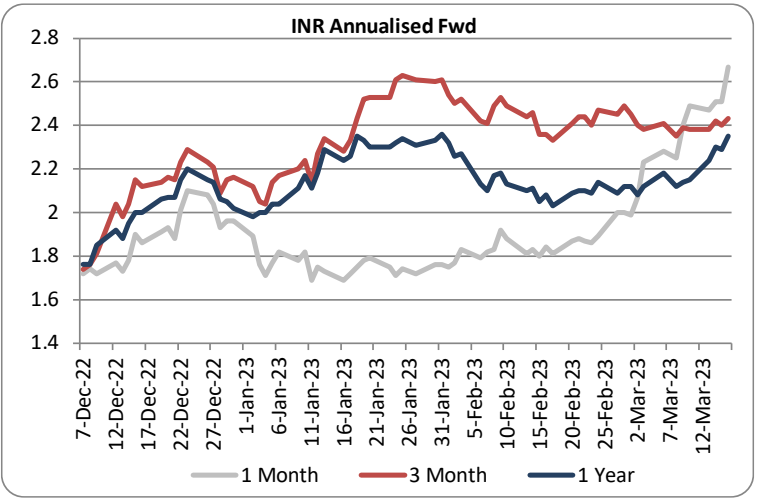
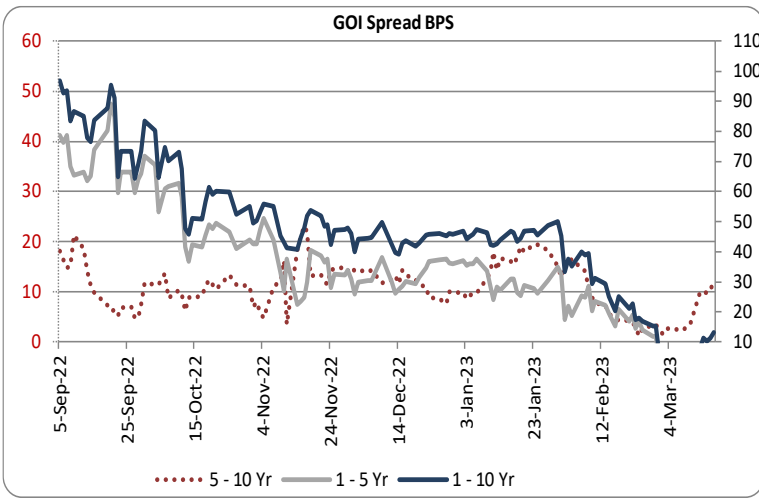
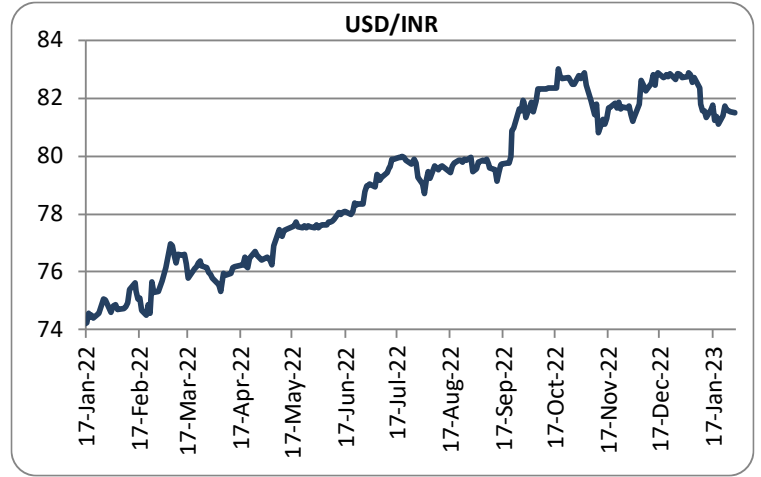
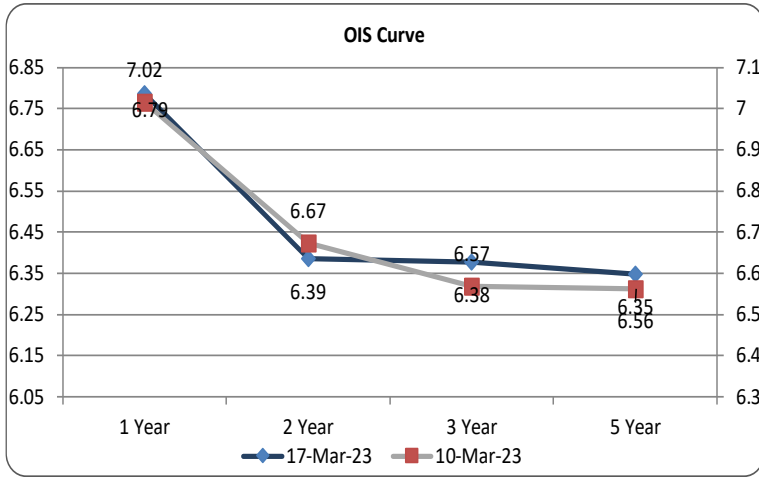
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
17-Mar-23	309	353	-45

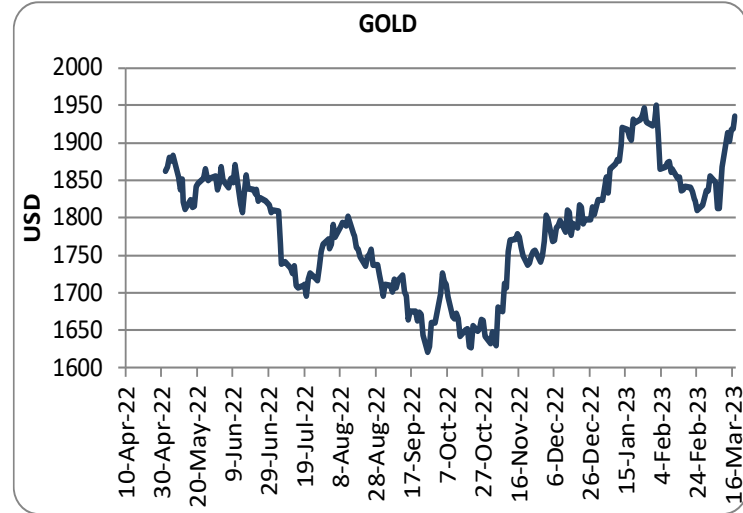
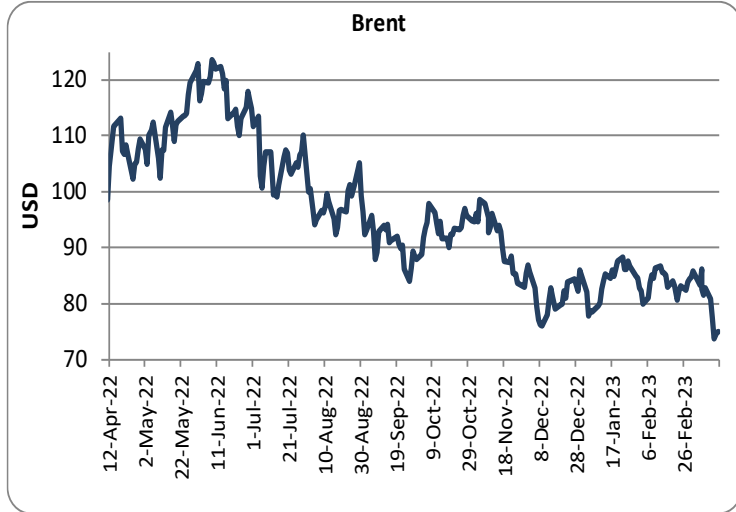
EQUITY		
Gross Purchase	Gross Sales	Net Investment
8252	8085	167

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
8560	8438	122

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-22	4.4	6.3
CAD (\$ Bn)	Sep-22	-36.4	-18.2
Trade Deficit (\$ Bn)	Sep-22	-83.5	-68.6
WPI (%)	Feb-23	3.9	4.7
CPI (%)	Feb-23	6.4	6.5
IIP (%)	Jan-23	5.2	4.3
PMI Manufacturing	Feb-23	55.3	55.4
PMI Service	Feb-23	59.4	57.2

Economic Calender	Country	Date	Poll	Prior
Industrial Output	Poland	20-Mar-23	1.00	2.60
Retail Sales	Poland	21-Mar-23	15.00	15.10
CPI	UK	22-Mar-23	-	10.10
CPI	South Africa	22-Mar-23	-	6.90
Unemployment rate	Russia	29-Mar-23	3.80	3.60
Industrial Output	Brazil	30-Mar-23	-	(1.30)
GDP Final	USA	30-Mar-23	-	2.70
Repo Rate	South Africa	30-Mar-23	-	7.25





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

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