



# BONDWATCH

Daily

INDIA

March 23, 2023

The 10-year benchmark 7.26% 2032 bond yield ended at 7.3480%, after closing at 7.3495% on Tuesday. India's fixed income market was shut on Wednesday for a local holiday.

Earlier in the session, bond yields fell, mirroring their U.S. counterpart, after the Federal Reserve raised interest rates by an expected 25 basis points, and signalled one more hike in coming months.

The two-year U.S. yield was at 3.97%, while the 10-year yield was at 3.48%.

With the key Fed announcement out of the way, the market is now focusing on domestic events such as the borrowing calendar as well as the RBI policy decision on April 6.

India's February retail inflation was at 6.44%, above the RBI's target band for the second month. The RBI has raised the repo rate by 250 bps since last March to 6.50%.

The Indian government's borrowing for April-September is likely to be between 55% and 58% of its gross annual borrowing target of 15.43 trillion rupees. The government is likely to meet the central bank officials to discuss a plan on Monday.

The Indian rupee strengthened 0.48% versus the U.S. dollar and quoted at 82.26 per dollar as investors anticipated that the Federal Reserve was near the end of its rate hiking cycle.

Repo: The weighted average call rates in the interbank segment decreased to 6.61% vs 6.68% as on the previous day while that the TREP segment decreased to 6.50% vs 6.67% as on the previous day

## Market Observations

### G-sec

- Indian government bond yields were off their day's low to end little unchanged on Thursday as traders shifted focus to the government borrowing calendar for April-September and the Reserve Bank of India's (RBI) monetary policy decision.

### Corporate Bonds

- The 2-3 year was actively being traded between Mutual Funds.  
- Yields were lower than previous trading session tracking Gsec.

### CP/CD

- Demand seen in 1month to 6month segment.

GOI Yield	23-Mar	20-Mar	16-Mar	23-Feb
1 Year	7.190	7.200	7.240	7.210
5 Year	7.209	7.190	7.249	7.379
10 Year	7.348	7.336	7.353	7.391

AAA Bmk	23-Mar	20-Mar	16-Mar	23-Feb
1 Year	7.78	7.84	7.83	7.85
5 Year	7.72	7.74	7.82	7.80
10 Year	7.72	7.75	7.75	7.77

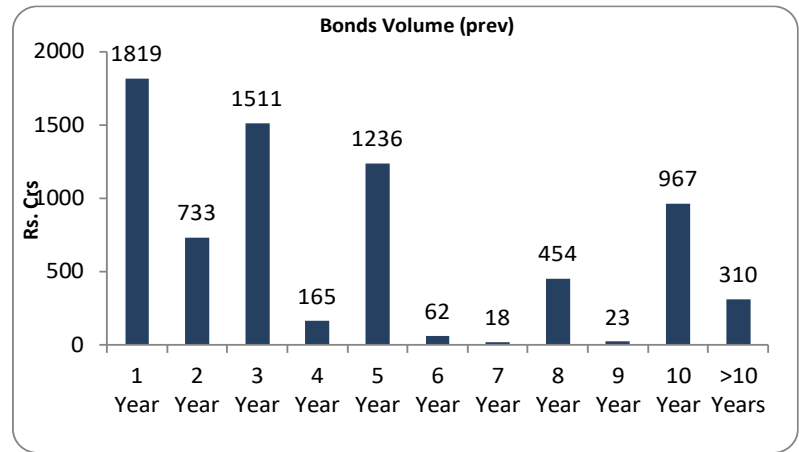
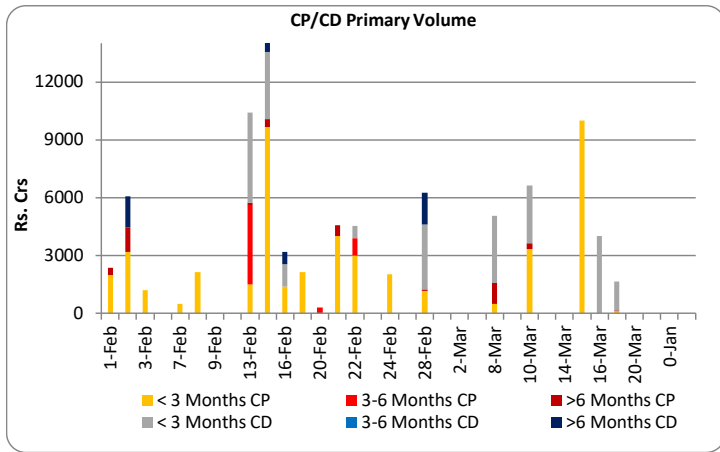
CD	23-Mar	20-Mar	16-Mar	23-Feb
3 Month	7.30	7.35	7.50	7.40
6 Month	7.60	7.60	7.65	7.70
1 Year	7.75	7.80	7.80	7.85

CP	23-Mar	20-Mar	16-Mar	23-Feb
3 Month	7.40	7.45	7.60	7.50
6 Month	7.70	7.70	7.75	7.80
1 Year	7.85	7.90	7.90	8.00

OIS Rate	23-Mar	20-Mar	16-Mar	23-Feb
1 Year	6.71	6.68	6.73	6.99
2 Year	6.31	6.26	6.33	6.70
3 Year	6.23	6.23	6.34	6.61
5 Year	6.24	6.22	6.33	6.62

	23-Mar	20-Mar	16-Mar	23-Feb
Sensex	57,925	57,629	57,635	59,606
Nifty	17,077	16,988	16,986	17,511
USD/INR	82.26	82.64	82.73	82.73
Gold (USD)	1,976	1,979	1,919	1,823
Oil (USD)	76.34	73.79	74.70	82.21

NDF	23-Mar	20-Mar	16-Mar	23-Feb
3 Month	82.77	83.07	83.12	83.11
1 Year	84.29	84.54	84.65	84.44
2 Year	86.68	87.10	87.00	86.26
3 Year	89.82	89.90	89.70	88.96



10 Year Benchmarks	23-Mar	20-Mar	16-Mar	23-Feb
India	7.35	7.33	7.35	7.39
US	3.48	3.48	3.58	3.88
South Korea	3.26	3.31	3.39	3.59
Russia	11.13	11.19	11.03	10.96
Brazil	12.93	13.05	13.13	13.31
Germany	2.27	2.10	2.24	2.48
China	2.87	2.86	2.86	2.93

Top Traded Securities	Volume	23-Mar	20-Mar	16-Mar	23-Feb
5.74 2026	130	7.20	7.19	7.24	7.36
7.38 2027	-	7.21	7.19	7.25	7.38
7.10 2029	90	7.28	7.28	7.31	7.40
6.54 2032	100	7.36	7.35	7.38	7.39
7.26 2032	-	7.35	7.34	7.35	7.39
7.54 2036	50	7.42	7.41	7.43	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

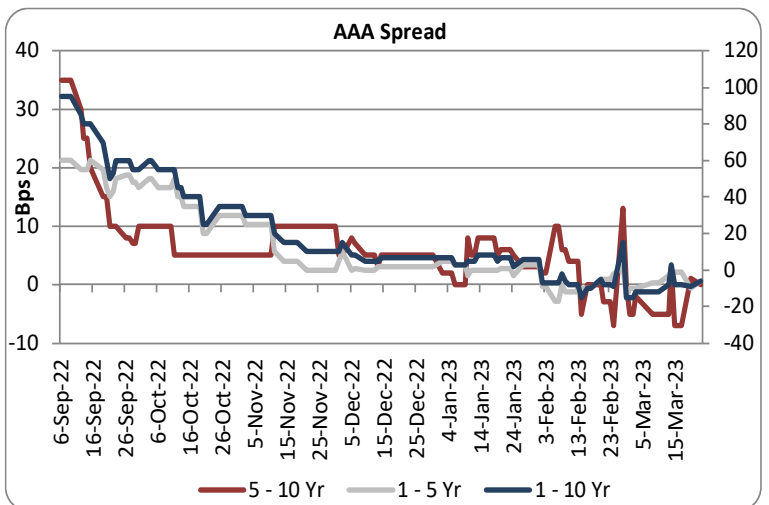
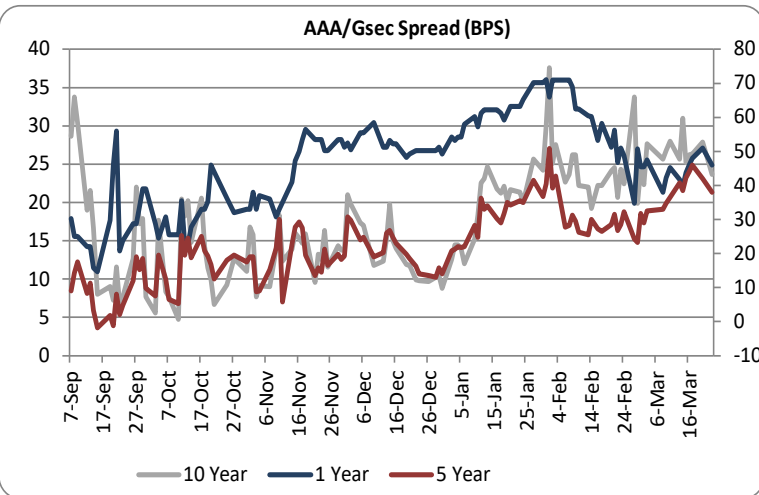
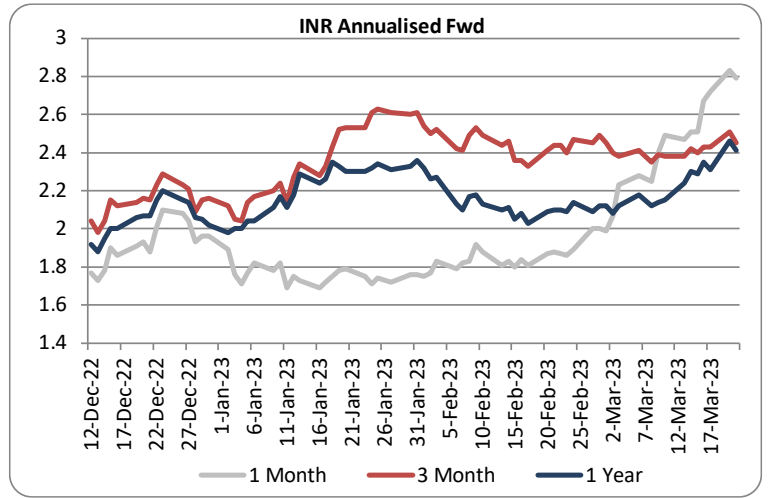
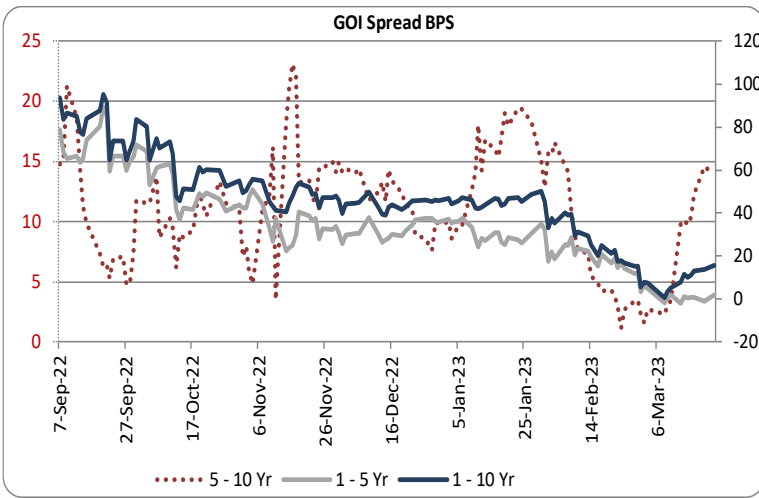
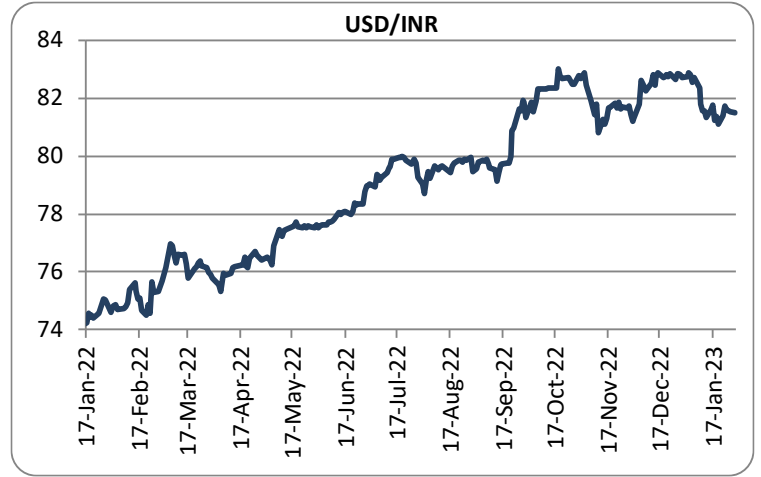
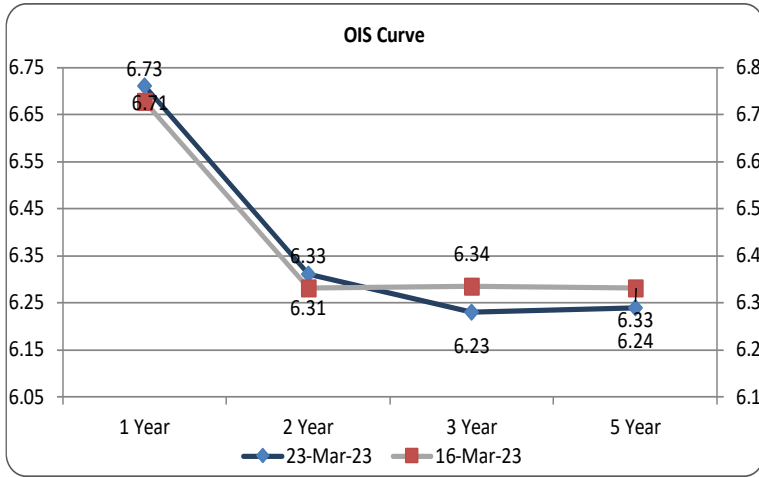
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
23-Mar-23	2272	377	1895

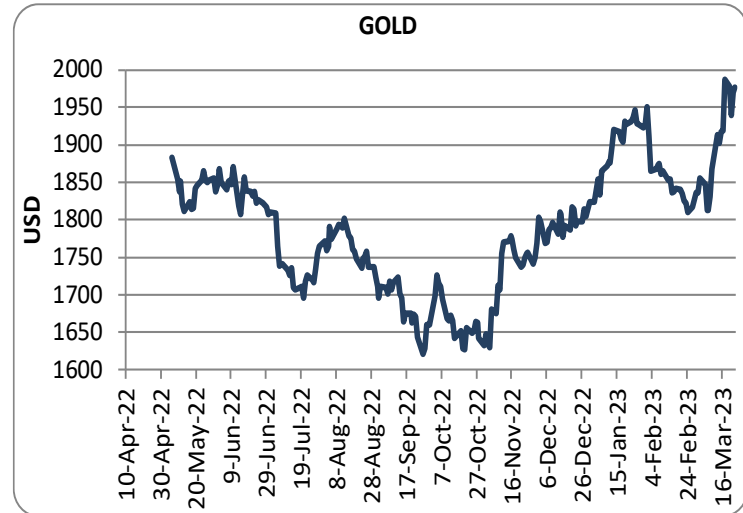
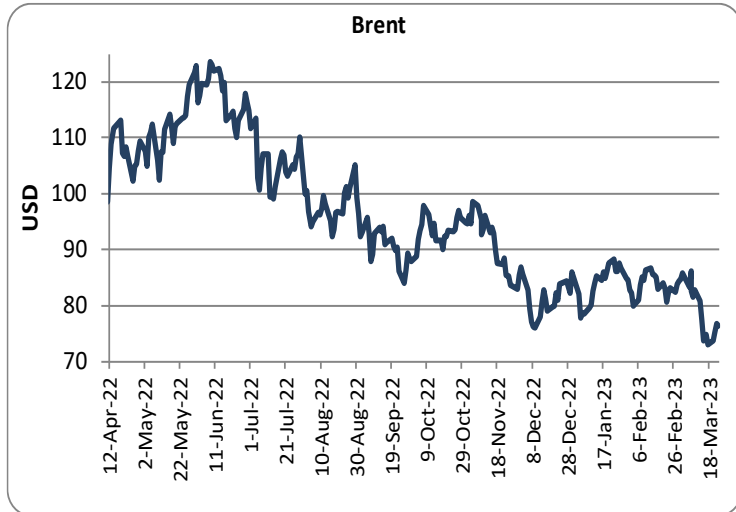
EQUITY		
Gross Purchase	Gross Sales	Net Investment
12211	13256	-1044

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
14483	13632	851

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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