



# BONDWATCH

Daily

INDIA

February 24, 2023

The 10-year benchmark 7.26% 2032 bond yield ended at 7.4181%, after closing lower at 7.3905% on Thursday. The yield rose three basis points this week, after rising nine and three basis points in the previous two.

The Govt. raised 260 billion rupees (\$3.14 billion) through the sale of bonds, while the cutoff yield for the liquid 14-year paper was higher than expected which further dampened sentiment.

The central government's debt auction cycle ended on Friday, but it aims to raise 15.43 trillion rupees through the sale of bonds in the next financial year.

The 10-year U.S. yield though off its recent highs, is set to post its third consecutive weekly climb, hovering close to 3.90%.

U.S. yields have gained on bets that the Federal Reserve may hike rates by 75 bps over the next few months. The Fed has raised rates by 450 bps to 4.50%-4.75% since March 2022.

Meanwhile, the minutes of the RBI's latest monetary policy meeting reiterated the hawkish stance, while a majority of market participants now expect the central bank to hike one more time in April.

The RBI raised its key repo rate for the sixth consecutive time earlier this month, taking it to 6.50%, and left the door open to more tightening.

The Indian rupee closed nearly flat at 82.75 per dollar and was little changed over the week, avoiding the decline in other Asian currencies, thanks to a likely intervention by the country's central bank.

Repo: The weighted average call rates in the interbank segment increased to 6.72% vs 6.55% on the previous day while that the TREP segment increased to 6.38% vs 6.35% as on the previous day.

## Market Observations

### G-sec

- Indian government bond yields ended higher on Friday, as the financial year's last debt auction added to supply, propelling yields to rise for the third consecutive week.

### Corporate Bonds

- The market was dull overall.  
- Yields were flat. The shorter segment 2023 saw buying activity by Mutual Funds.

### CP/CD

- Major demand was witnessed in the 3month segment.

GOI Yield	24-Feb	23-Feb	17-Feb	24-Jan
1 Year	7.250	7.210	7.140	6.890
5 Year	7.391	7.379	7.349	7.152
10 Year	7.418	7.391	7.391	7.345

AAA Bmk	24-Feb	23-Feb	17-Feb	24-Jan
1 Year	7.87	7.85	7.85	7.66
5 Year	7.85	7.80	7.75	7.63
10 Year	7.78	7.77	7.75	7.68

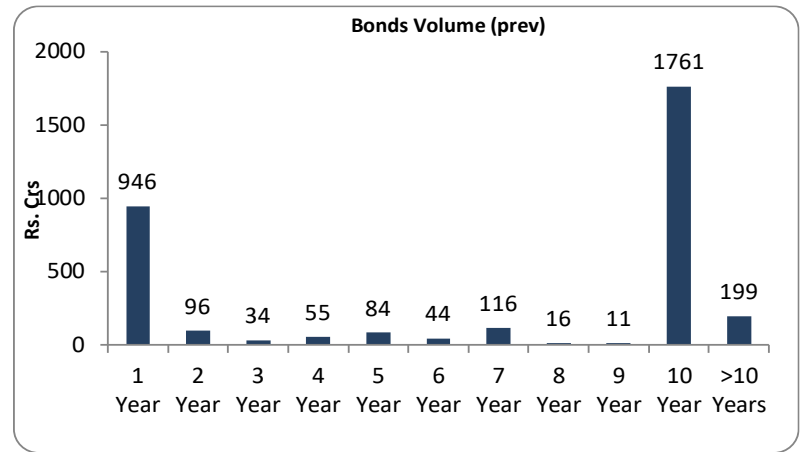
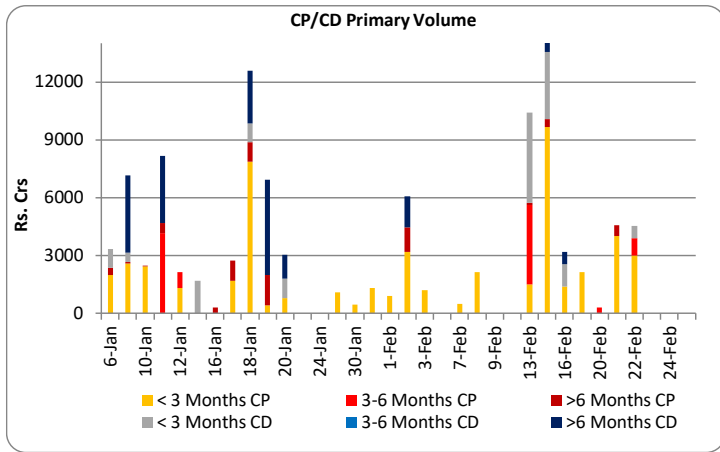
CD	24-Feb	23-Feb	17-Feb	24-Jan
3 Month	7.40	7.40	7.35	7.15
6 Month	7.70	7.70	7.65	7.55
1 Year	7.85	7.85	7.80	7.72

CP	24-Feb	23-Feb	17-Feb	24-Jan
3 Month	7.50	7.50	7.45	7.40
6 Month	7.80	7.80	7.75	7.85
1 Year	8.00	8.00	7.90	8.00

OIS Rate	24-Feb	23-Feb	17-Feb	24-Jan
1 Year	7.00	6.99	6.96	6.67
2 Year	6.73	6.70	6.63	6.28
3 Year	6.63	6.61	6.51	6.18
5 Year	6.63	6.62	6.52	6.17

	24-Feb	23-Feb	17-Feb	24-Jan
Sensex	59,464	59,606	61,003	60,979
Nifty	17,466	17,511	17,944	18,118
USD/INR	82.75	82.73	82.83	81.72
Gold (USD)	1,819	1,823	1,842	1,937
Oil (USD)	82.66	82.21	83.00	86.13

NDF	24-Feb	23-Feb	17-Feb	24-Jan
3 Month	83.28	83.11	83.30	82.12
1 Year	84.63	84.44	84.58	83.54
2 Year	86.56	86.26	86.35	85.38
3 Year	89.42	88.96	88.87	88.40



10 Year Benchmarks	24-Feb	23-Feb	17-Feb	24-Jan
India	7.42	7.39	7.39	7.35
US	3.91	3.88	3.83	3.47
South Korea	3.53	3.59	3.63	3.28
Russia	10.96	10.96	11.03	10.53
Brazil	13.31	13.31	13.25	13.18
Germany	2.49	2.48	2.46	2.16
China	2.92	2.93	2.89	2.99

Top Traded Securities	Volume	24-Feb	23-Feb	17-Feb	24-Jan
5.74 2026	35	7.38	7.36	7.31	7.13
7.38 2027	-	7.39	7.38	7.34	7.15
7.10 2029	25	7.40	7.40	7.37	7.28
6.54 2032	-	7.43	7.39	7.39	7.36
7.26 2032	355	7.42	7.39	7.39	7.35
7.54 2036	-	7.47	7.45	7.45	7.40

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
15-Feb-23	4351	4303	48

EQUITY		
Gross Purchase	Gross Sales	Net Investment
6384	6452	-69

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
10735	10756	-21

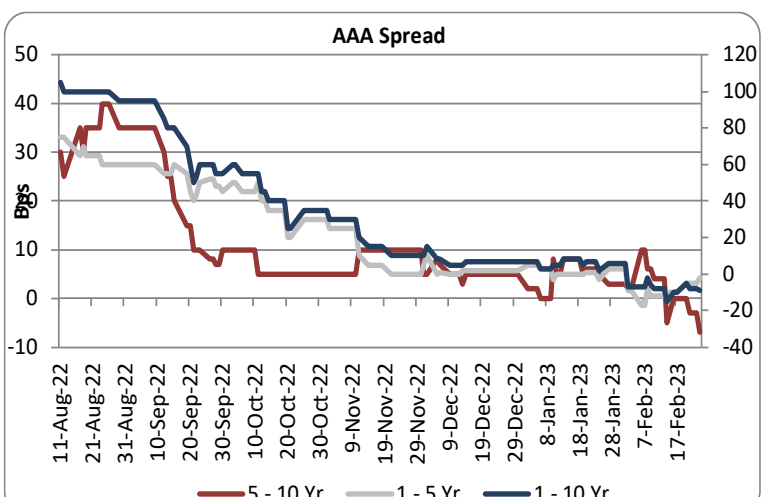
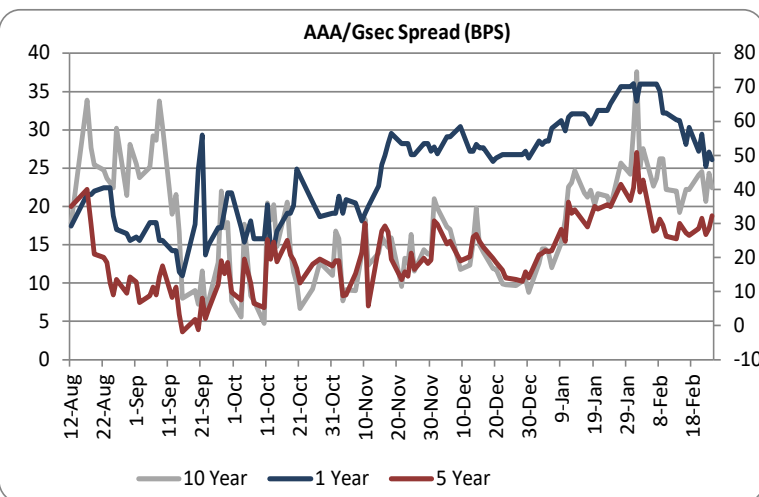
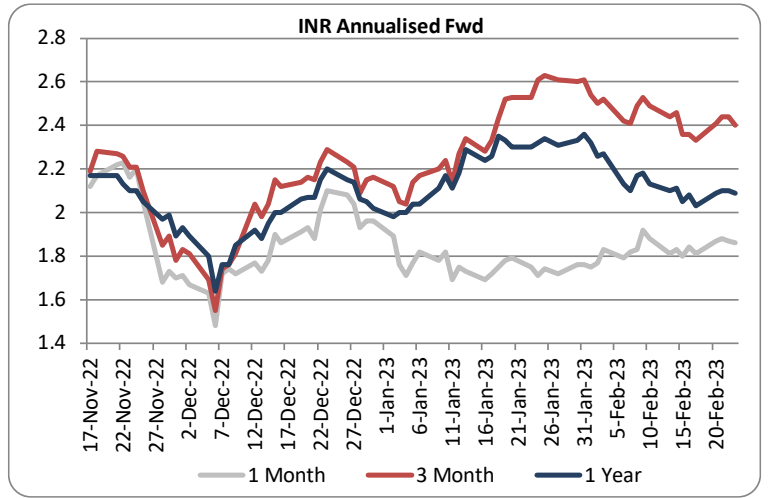
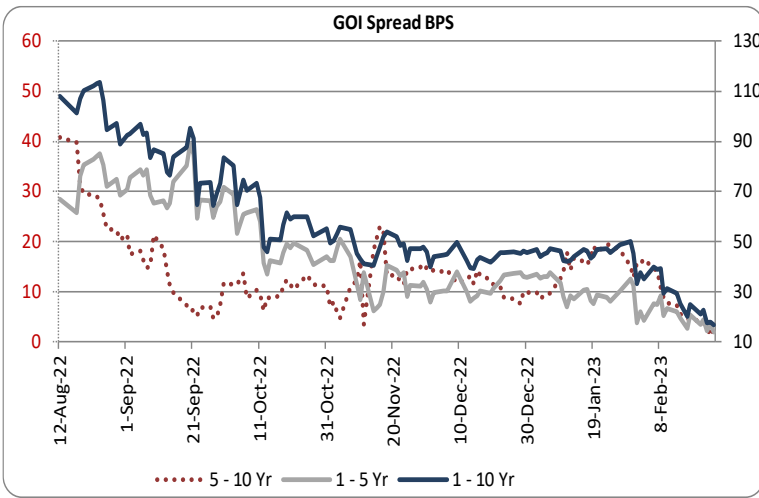
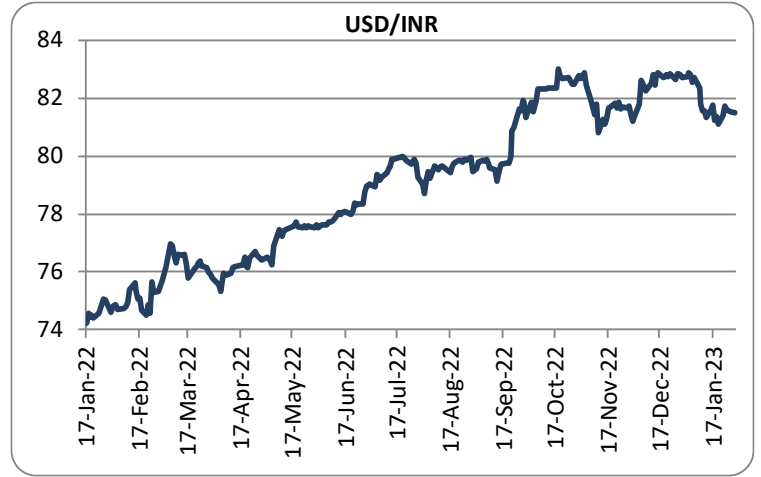
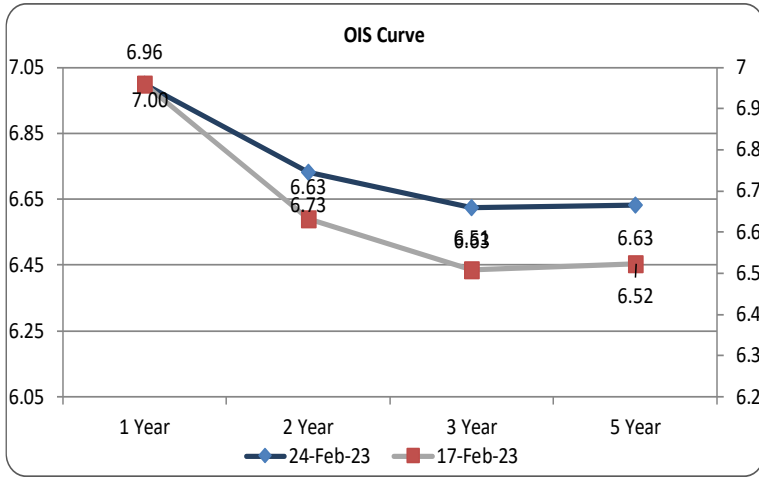
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
24-Feb-23	1565	1457	108

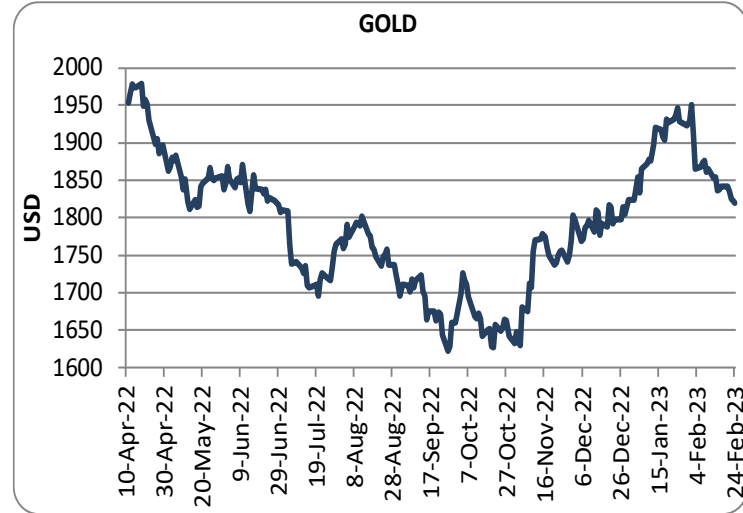
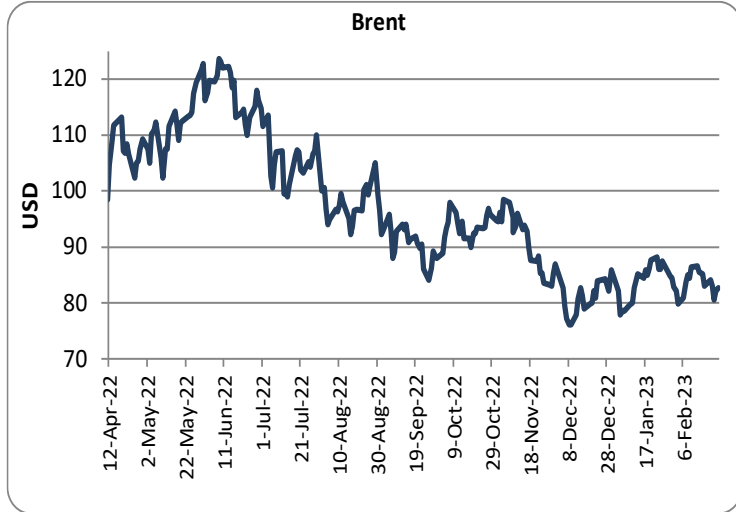
EQUITY		
Gross Purchase	Gross Sales	Net Investment
7800	8799	-999

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
9364	10256	-891

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Sep-22	6.3	13.5
CAD (\$ Bn)	Sep-22	-36.4	-18.2
Trade Deficit (\$ Bn)	Sep-22	-83.5	-68.6
WPI (%)	Jan-23	4.7	5.0
CPI (%)	Jan-23	6.5	5.7
IIP (%)	Dec-22	4.3	7.1
PMI Manufacturing	Jan-23	55.4	57.8
PMI Service	Jan-23	57.2	58.5

Economic Calender	Country	Date	Poll	Prior
WPI	India	14-Feb-23	4.54	4.95
Unemployment Rate	UK	14-Feb-23	3.70	3.70
CPI	USA	14-Feb-23	6.20	6.50
CPI	UK	15-Feb-23	10.20	10.50
Industrial Output	Poland	20-Feb-23	4.30	-
Exports	Thailand	28-Feb-23	-	(12.90)
Imports	Thailand	28-Feb-23	-	(10.50)
GDP	Switzerland	28-Feb-23	-	0.50





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

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