



BONDWATCH

Daily

May 24, 2023

INDIA

Indian government bond yields ended lower on Wednesday after the central bank chief's comments on vostro accounts triggered purchases, especially in longer-duration papers.

The 10-year benchmark 7.26% 2033 bond yield ended at 6.9920%, after closing at 7.0144% in the previous session.

Earlier in the day, Reserve Bank of India Governor Shaktikanta Das said countries holding excess rupees in their Vostro accounts in India can invest the surplus in government securities and Treasury bills. The RBI has allowed this since July 2022.

State-run banks have bought bonds worth 87.6 billion rupees (\$1.07 billion) on a net basis in the last four sessions through Tuesday, after having sold 111 billion rupees in the first 11 days of May.

Meanwhile, U.S. yields eased marginally on Wednesday but remained around the 3.70% mark as traders monitored the progress of the U.S. debt ceiling talks and awaited minutes of the latest Fed meeting.

Yields have also been rising as several Federal Reserve officials have struck a hawkish tone towards inflation and interest rates, which increased the odds of a 25-bps hike next month to 30%, against nearly 5% in early May.

The Indian rupee strengthened 0.17% versus the U.S. dollar, and quoted at 82.66 per dollar, amid possible dollar inflows and as the Chinese yuan recovered.

Repo: The weighted average call rates in the interbank segment decreased to 6.36% vs 6.37% as on the previous day while that the TREP segment decreased to 6.30% vs 6.31% as on the previous day.

Market Observations

G-sec

- T-bill cut off was in line with market expectation. An inverse in 6-month and 1-year segment seen for another week.
- Demand was seen in illiquid 2026 G-sec by foreign banks @6.93 centric levels.
- Nationalized banks were active in SDL's in 2026-2029 segment.

Corporate Bonds

- Market volume was thin with participants awaiting market cues.
- Mutual funds and insurances were the active segment.

CP/CD

- Demand was seen in the 3-month segment.

GOI Yield	24-May	23-May	15-May	24-Apr
1 Year	6.870	6.885	6.970	7.000
5 Year	6.919	6.926	6.953	6.974
10 Year	6.992	7.014	7.006	7.098

AAA Bmk	24-May	23-May	15-May	24-Apr
1 Year	7.40	7.40	7.45	7.42
5 Year	7.45	7.45	7.48	7.50
10 Year	7.40	7.40	7.50	7.52

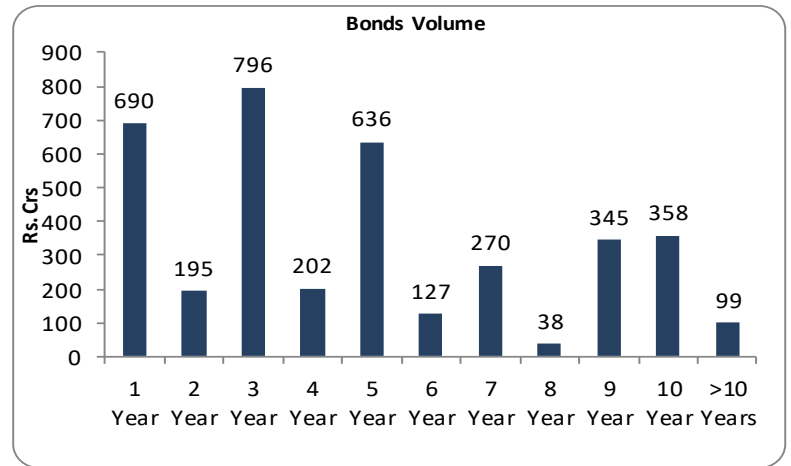
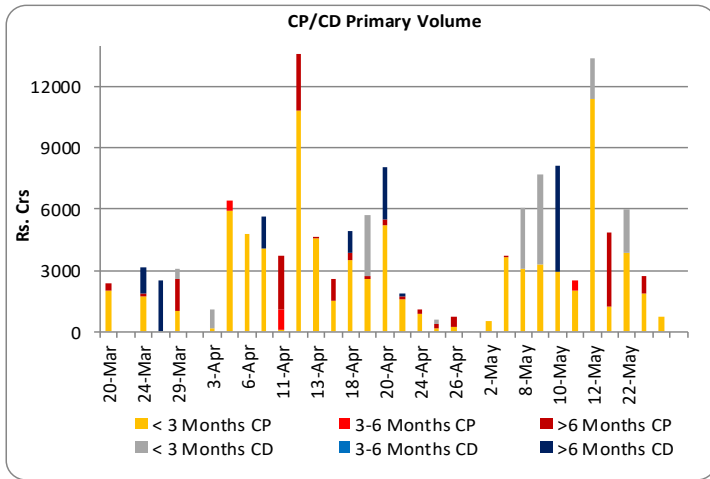
CD	24-May	23-May	15-May	24-Apr
3 Month	6.90	6.90	7.15	7.05
6 Month	7.25	7.20	7.35	7.25
1 Year	7.45	7.45	7.50	7.50

CP	24-May	23-May	15-May	24-Apr
3 Month	7.00	7.00	7.25	7.15
6 Month	7.35	7.30	7.45	7.35
1 Year	7.55	7.55	7.60	7.60

OIS Rate	24-May	23-May	15-May	24-Apr
1 Year	6.56	6.55	6.58	6.60
2 Year	6.21	6.21	6.21	6.21
3 Year	6.11	6.08	6.06	6.09
5 Year	6.06	6.02	6.02	6.09

	24-May	23-May	15-May	24-Apr
Sensex	61,774	61,982	62,346	60,056
Nifty	18,285	18,348	18,399	17,743
USD/INR	82.66	82.80	82.30	81.91
Gold (USD)	1,977	1,975	2,021	1,989
Oil (USD)	77.98	76.84	75.23	82.73

NDF	24-May	23-May	15-May	24-Apr
3 Month	83.01	83.22	82.58	82.24
1 Year	84.34	84.51	83.99	83.57
2 Year	86.66	86.76	86.34	85.89
3 Year	89.42	89.61	89.24	88.77



10 Year Benchmarks	24-May	23-May	15-May	24-Apr
India	6.99	7.02	7.00	7.11
US	3.68	3.70	3.51	3.52
South Korea	3.50	3.47	3.33	3.31
Russia	10.71	10.72	10.68	10.59
Brazil	11.81	11.89	11.93	12.70
Germany	2.44	2.46	2.31	2.49
China	2.71	2.70	2.73	2.82

Top Traded Securities	Volume	24-May	23-May	15-May	24-Apr
5.74 2026	-	6.89	6.89	6.92	6.95
7.38 2027	165	6.92	6.93	6.95	6.97
7.10 2029	-	6.97	6.99	7.01	7.06
6.54 2032	-	7.05	7.06	7.07	7.16
7.26 2032	#VALUE!	7.03	7.05	7.06	7.14
7.54 2036	-	7.08	7.10	7.10	7.22

	DEBT		
	Gross Purchase	Gross Sales	Net Investment
MF			
22-May-23	245	76	169

	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	1716	322	1394

	TOTAL (Rs.Crs)		
	Gross Purchase	Gross Sales	Net Investment
	1961	398	1563

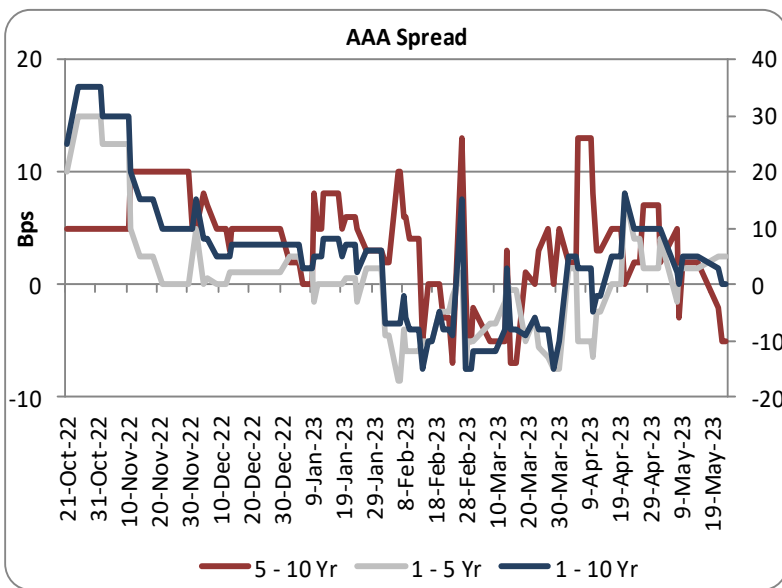
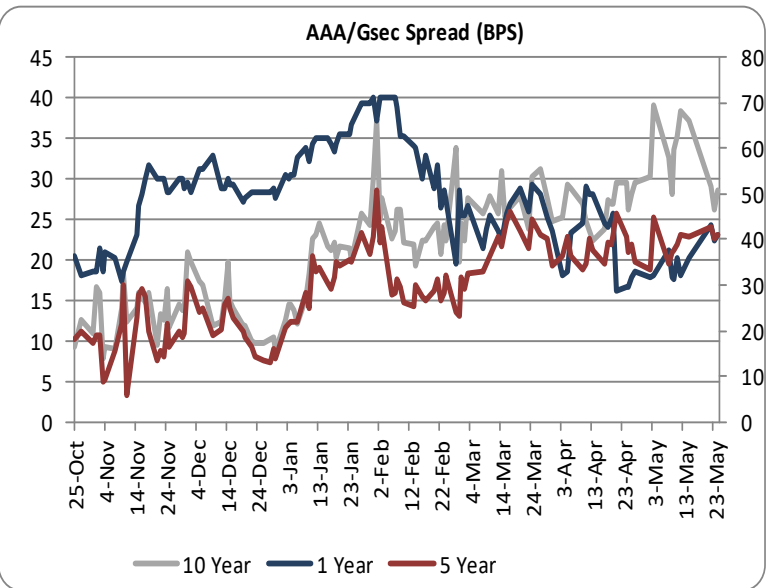
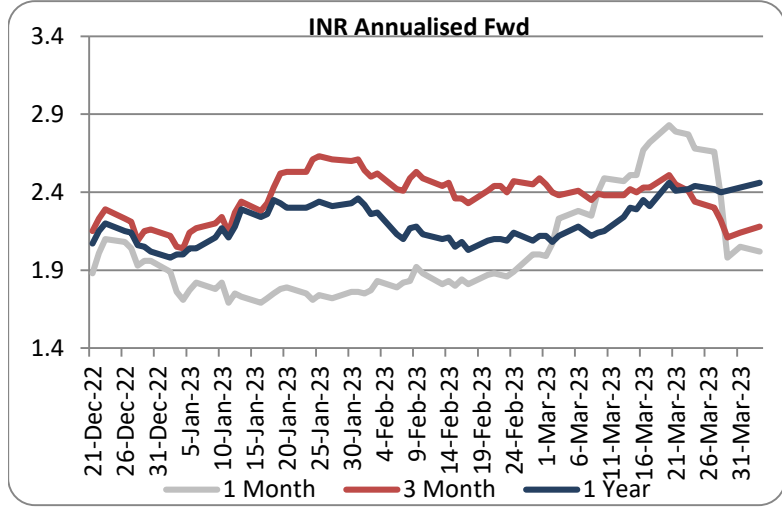
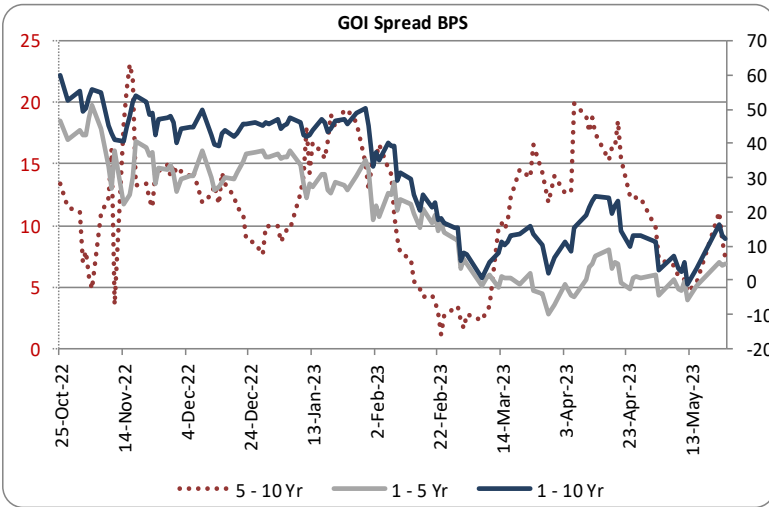
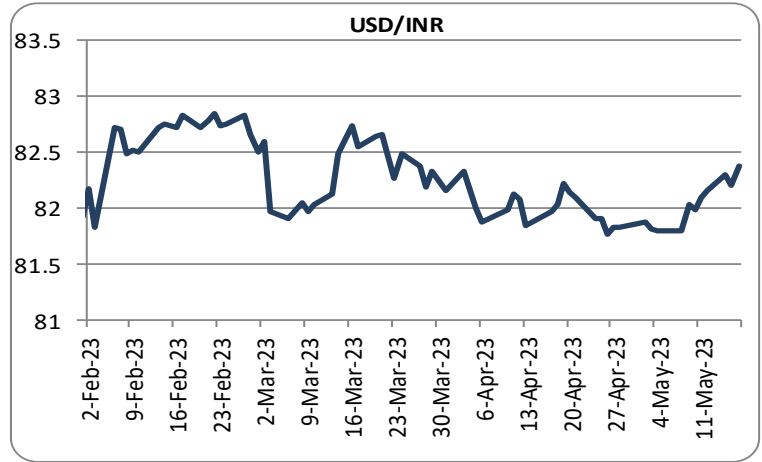
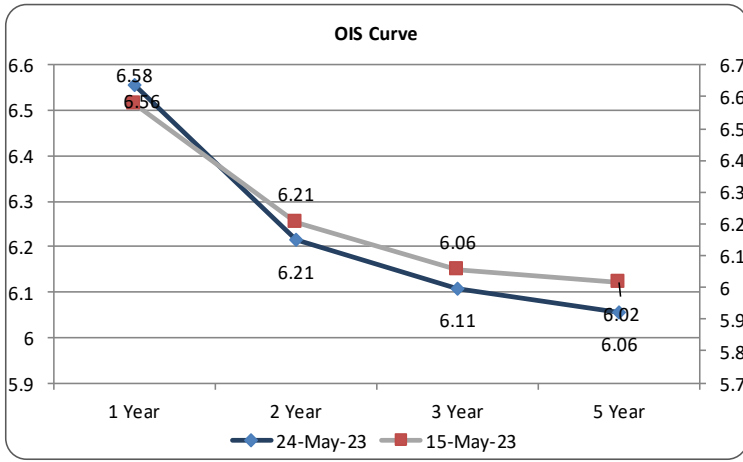
	DEBT		
	Gross Purchase	Gross Sales	Net Investment
FII			
24-May-23	894	766	128

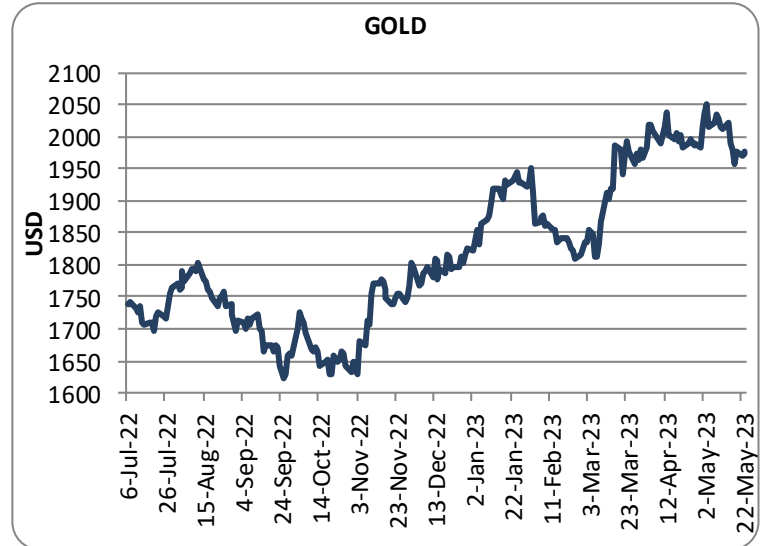
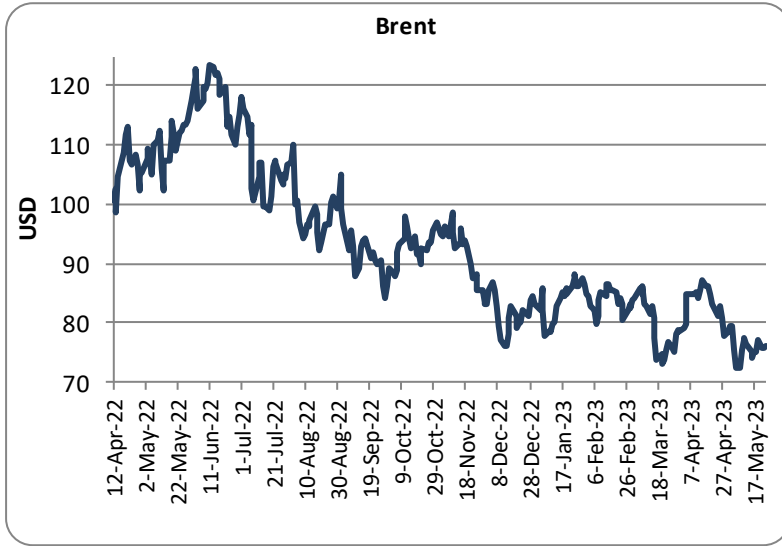
	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	7702	7383	319

	TOTAL (Rs. Crs)		
	Gross Purchase	Gross Sales	Net Investment
	8596	8148	448

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
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Unemployment Rate	Japan	30-May-23	-	2.80
GDP YY	Switzerland	30-May-23	-	0.80
CPI	Germany	31-May-23	-	7.20
Unemployment Rate	Euro Zone	01-Jun-23	-	6.50
Unemployment Rate	USA	02-Jun-23	3.50	3.40
Retail Sales	Euro Zone	06-Jun-23	-	(3.80)
CPI	UK	24-May-23	-	10.10





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

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