



BONDWATCH

Daily

October 25, 2023

INDIA

Indian government bond yields fell on Wednesday as a drop in U.S. peers and oil prices from their recent highs improved investor sentiment.

The 10-year benchmark bond yield closed at 7.3408% after ending at 7.3769% in the previous session.

Market participants also continue to await any progress on the Reserve Bank of India's debt sale plan as the RBI will conduct open market sales of bonds once government spending picks up and there is an improvement in the durable liquidity surplus.

Meanwhile, the U.S. yields fell, with the 10-year down more than 20 basis points (bps) after rising above the 5%-mark on Monday as investors bought into the recent sell-off.

The 10-year yield was at 4.86% after hitting a more than 16-year high of 5.02% on Monday.

Oil prices dipped, with the benchmark Brent crude contract comfortably below the \$90-per-barrel mark, as concerns about slowing European demand offset worries about Middle East supply disruptions stemming from the Israel-Hamas conflict.

The Indian rupee strengthened 0.02% to 83.18 per U.S. dollar, despite opening stronger, as month-end dollar demand from importers and equity-related outflows weighed on the local unit.

Repo: The weighted average call rates in the interbank segment increased to 6.75% vs 6.73% as on the previous day while that the TREP segment remained the same at 6.76% vs 6.76% as on the previous day.

Market Observations

G-sec

- T-bill cut off was in line with market expectation. Demand was seen in 3-month t-bill by Mutual funds @6.9250.
- Selling was seen in 10 and 11-year SDLs by PDs and insurance companies @7.66-7.67 levels.
- Demand was seen in 20 to 30-year G-sec by life insurance companies @7.47-7.50 levels.

Corporate Bonds

- Mutual funds and insurance companies were active in the 2025-2026 segment.

CP/CD

- Activity was seen in the 1 to 3-month segments.

GOI Yield	25-Oct	23-Oct	18-Oct	27-Sep
1 Year	7.158	7.115	7.113	7.070
5 Year	7.344	7.385	7.360	7.177
10 Year	7.341	7.382	7.347	7.170

AAA Bmk	25-Oct	23-Oct	18-Oct	27-Sep
1 Year	7.60	7.60	7.53	7.52
5 Year	7.82	7.82	7.77	7.67
10 Year	7.78	7.78	7.73	7.62

CD	25-Oct	23-Oct	18-Oct	27-Sep
3 Month	7.20	7.20	7.15	7.05
6 Month	7.45	7.45	7.45	7.20
1 Year	7.70	7.70	7.70	7.50

CP	25-Oct	23-Oct	18-Oct	27-Sep
3 Month	7.30	7.30	7.25	7.15
6 Month	7.55	7.55	7.55	7.30
1 Year	7.80	7.80	7.80	7.60

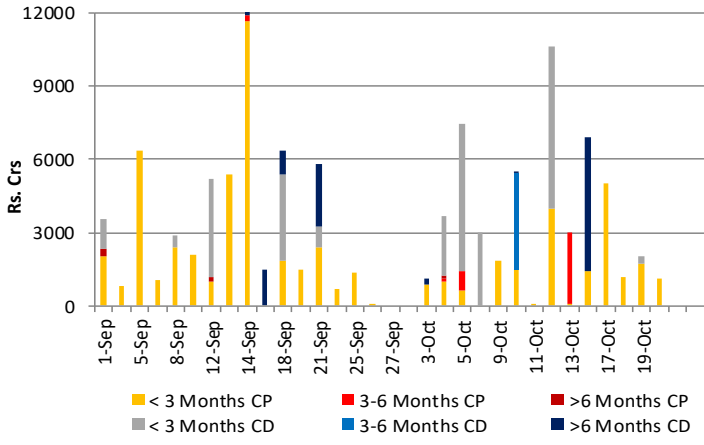
OIS Rate	25-Oct	23-Oct	18-Oct	27-Sep
1 Year	6.99	7.00	7.00	7.06
2 Year	6.75	6.80	6.77	6.81
3 Year	6.73	6.80	6.74	6.77
5 Year	6.74	6.81	6.75	6.75

	25-Oct	23-Oct	18-Oct	27-Sep
Sensex	64,049	64,572	65,877	66,119
Nifty	19,122	19,282	19,671	19,716
USD/INR	83.18	83.19	83.26	83.22
Gold (USD)	1,974	1,973	1,948	1,875
Oil (USD)	88.02	89.83	91.50	96.55

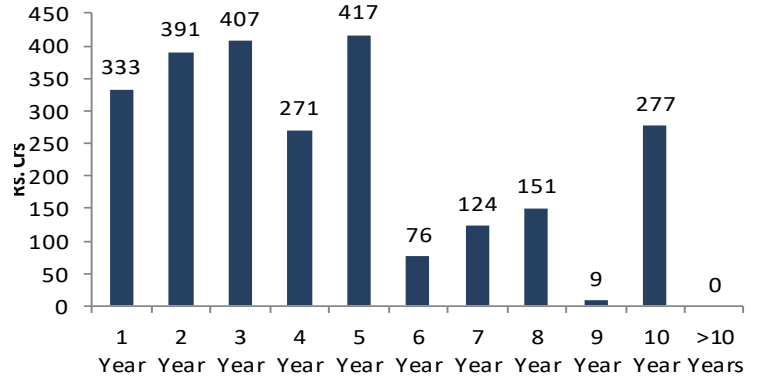
NDF	25-Oct	23-Oct	18-Oct	27-Sep
3 Month	83.44	83.40	83.59	83.61
1 Year	84.67	84.56	84.76	84.83
2 Year	86.80	86.59	86.71	86.93
3 Year	89.29	88.89	89.16	89.73



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	25-Oct	23-Oct	18-Oct	27-Sep
India	7.34	7.38	7.35	7.17
US	4.85	4.84	4.90	4.63
South Korea	4.26	4.37	4.29	4.03
Russia	12.40	12.39	12.34	12.76
Brazil	11.78	11.83	11.74	12.07
Germany	2.86	2.87	2.92	2.83
China	2.74	2.73	2.73	2.72

Top Traded Securities	Volume	8-Sep	7-Sep	1-Sep	10-Aug
7.26 2033	1,115	7.20	7.17	7.18	7.15
7.06 2028	590	7.26	7.24	7.25	7.30
7.62 2039	-	7.21	7.20	7.19	7.18
7.30 2053	340	7.35	7.33	7.33	7.36
6.64 2035	220	7.17	7.16	7.22	7.24
7.40 2035	15	7.20	7.18	7.24	7.23

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
18-Oct-23	6033	5077	956

EQUITY		
Gross Purchase	Gross Sales	Net Investment
6401	8807	-2405

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
12434	13883	-1449

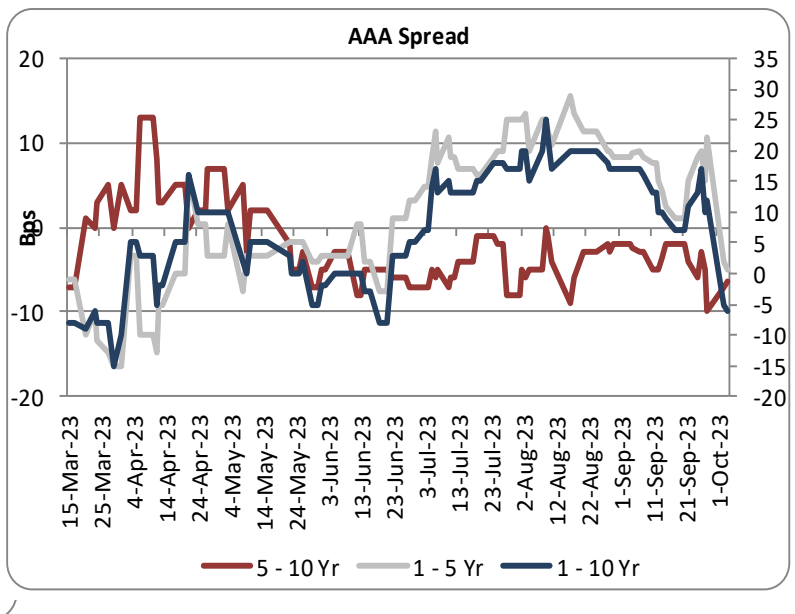
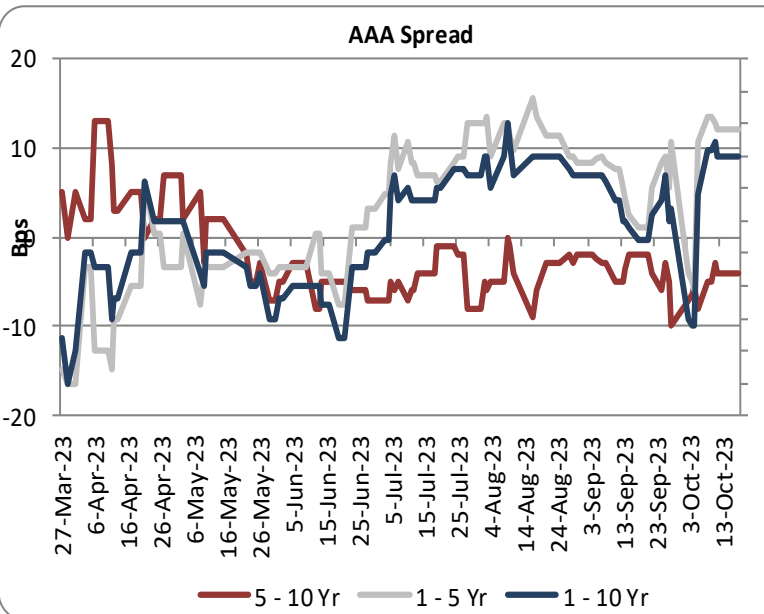
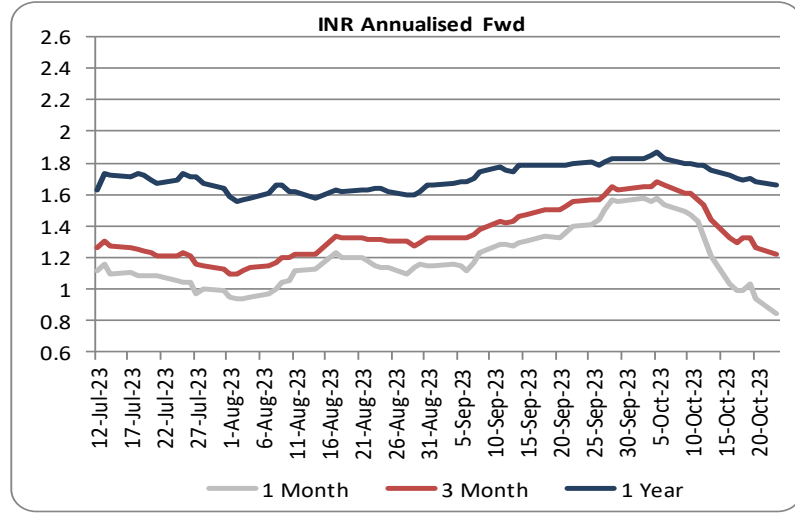
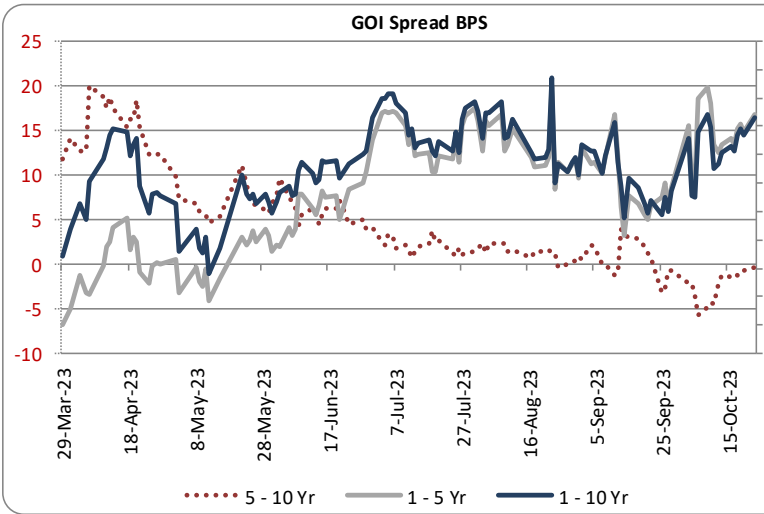
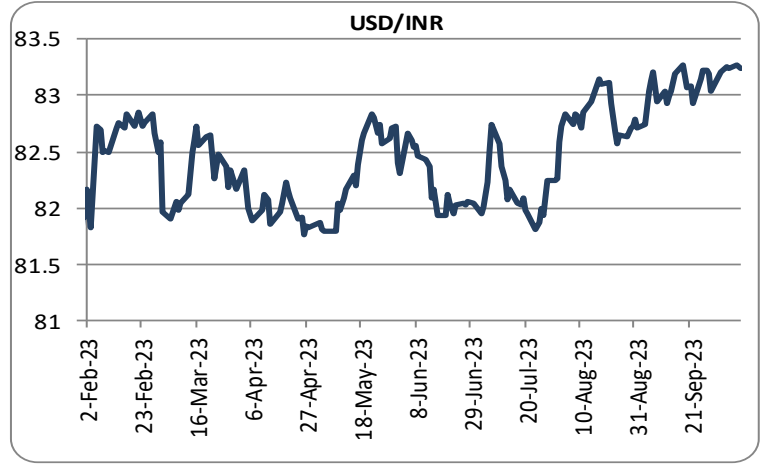
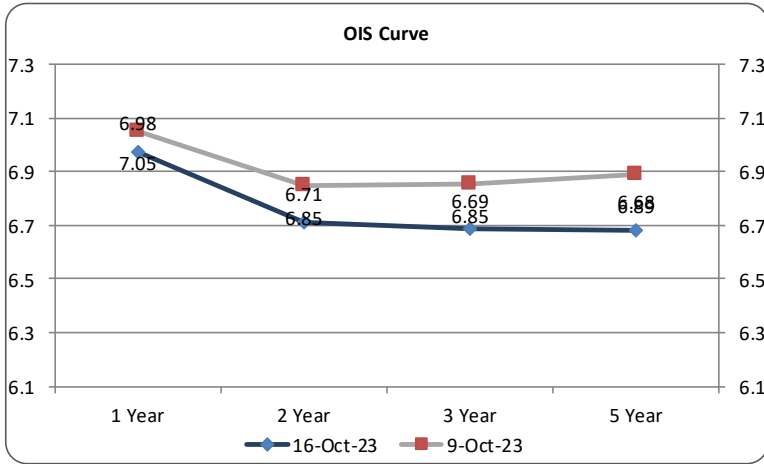
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
25-Oct-23	141	271	-129

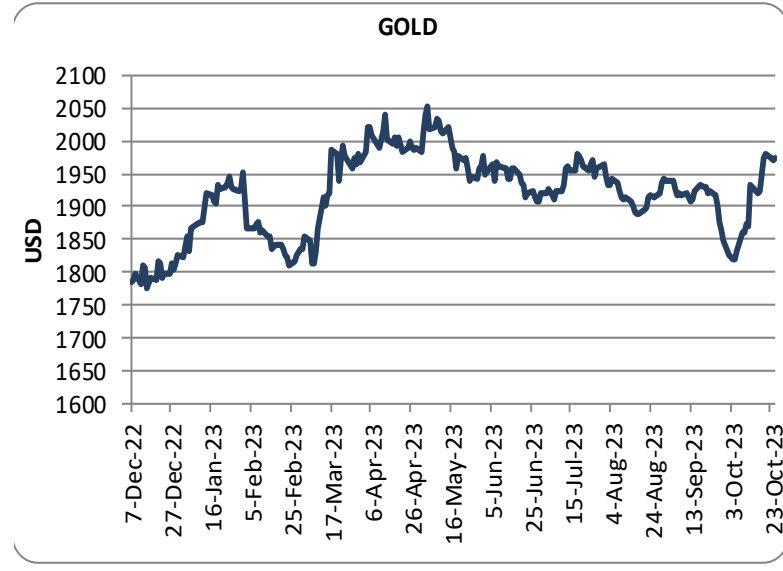
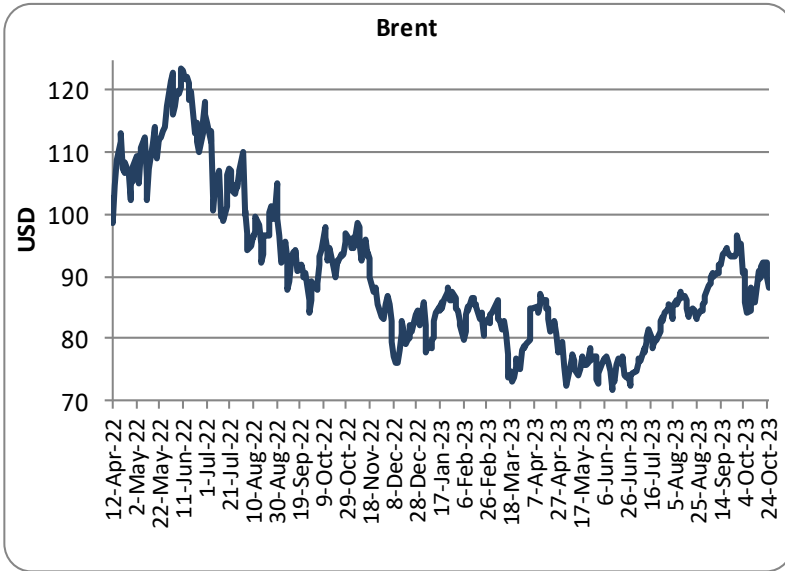
EQUITY		
Gross Purchase	Gross Sales	Net Investment
8243	7833	410

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
8384	8104	280

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-23	7.8	6.1
CAD (\$ Bn)	Jun-23	-9.2	-1.3
Trade Deficit (\$ Bn)	Jun-23	-56.6	-52.6
WPI (%)	Sep-23	-0.3	-0.5
CPI (%)	Sep-23	5.0	6.8
IIP (%)	Aug-23	10.3	5.7
PMI Manufacturing	Sep-23	57.5	58.6
PMI Service	Sep-23	61	60.1

Economic Calender	Country	Date	Poll	Prior
Industrial Output	China	18-Oct-23	4.3	4.5
GDP YY	China	18-Oct-23	4.40	6.30
CPI	UK	18-Oct-23	6.60	6.70
Retail Sales	Brazil	18-Oct-23	1.20	2.40
CPI	Japan	20-Oct-23	-	3.20
Unemployment Rate	Poland	24-Oct-23	5.00	5.00
CPI	Australia	25-Oct-23	-	6.00
GDP Advance (Q3)	USA	26-Oct-23	4.10	2.10





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

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