



BONDWATCH

Daily

September 28, 2023

INDIA

Indian government bond yields ended higher on Thursday with the benchmark yield posting its biggest single-session rise in 2023, triggered by a relentless rise in oil prices as well as Treasury yields, while debt supply further hurt.

The 10-year benchmark 7.18% 2033 bond yield ended at 7.2371%, after closing at 7.1704% in the previous session. The yield posted its biggest single-session rise since Nov. 3, 2022.

Elevated U.S. yields and oil prices and the threat of another U.S. government shutdown have weakened the overall market sentiment and the mood is bearish. However, we might see strong support at 7.25%

U.S. yields, especially at the longer end, continued their relentless upswing, with the 10-year yield nearing 4.65%, a fresh 16-year peak, boosted by expectations that the Federal Reserve will keep interest rates higher for longer.

The benchmark Brent crude contract rose above \$97.50 per barrel, its highest level since November 2022, as a slide in crude stocks in the U.S. added to worries about tight global supplies.

These factors have reversed the fall in bond yields propelled by bullishness from JPMorgan's inclusion of India in its emerging market debt index.

The FTSE Russell, which has India on its watchlist for inclusion in the FTSE Emerging Markets Government Bond Index, will announce a decision on Thursday.

The Indian rupee strengthened 0.04% versus the U.S. dollar, and quoted at 83.21 per dollar, unscathed by the jump in crude oil prices and higher U.S. Treasury yields, as the Reserve Bank of India likely intervened to aid the local unit.

Repo: The weighted average call rates in the interbank segment decreased to 6.59% vs 6.77% as on the previous day while that the TREP segment increased to 6.78% vs 6.77% as on the previous day.

Market Observations

G-sec

- Yield on treasury bills climbed higher during the day by 7 to 10 bps due to tight liquidity conditions.
- Auction cut off on government securities came higher than market expectations.

Corporate Bonds

- Muted activity in the market throughout the day.
- Mutual funds, banks and pension funds were active in the longer end.

CP/CD

- Activity was seen in the 1-3 month segment.

GOI Yield	27-Sep	26-Sep	20-Sep	30-Aug
1 Year	7.070	7.020	7.060	6.990
5 Year	7.177	7.170	7.153	7.181
10 Year	7.170	7.144	7.173	7.185

AAA Bmk	27-Sep	26-Sep	20-Sep	30-Aug
1 Year	7.52	7.50	7.55	7.45
5 Year	7.67	7.70	7.64	7.64
10 Year	7.62	7.67	7.62	7.62

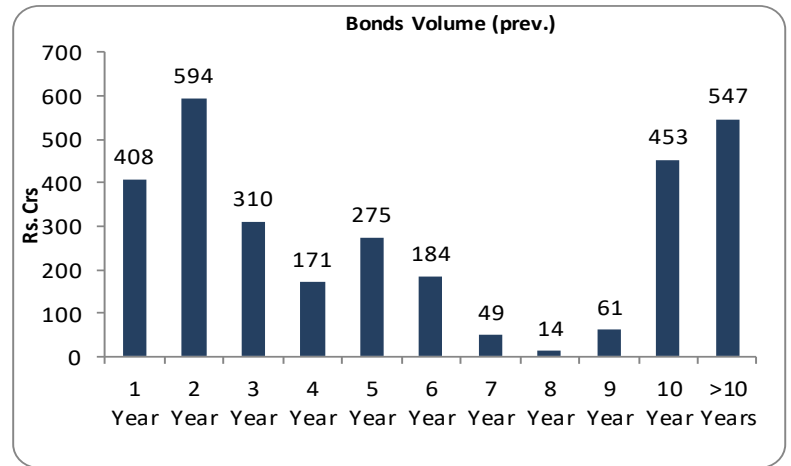
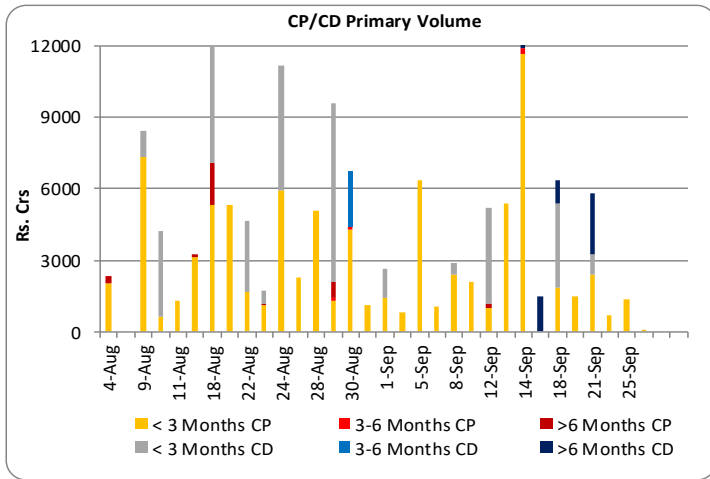
CD	27-Sep	26-Sep	20-Sep	30-Aug
3 Month	7.05	7.12	7.10	7.05
6 Month	7.20	7.30	7.25	7.25
1 Year	7.50	7.60	7.55	7.50

CP	27-Sep	26-Sep	20-Sep	30-Aug
3 Month	7.15	7.22	7.20	7.10
6 Month	7.30	7.40	7.35	7.35
1 Year	7.60	7.70	7.65	7.60

OIS Rate	27-Sep	26-Sep	20-Sep	30-Aug
1 Year	7.06	7.08	7.08	6.97
2 Year	6.81	6.84	6.84	6.68
3 Year	6.77	6.81	6.81	6.63
5 Year	6.75	6.78	6.78	6.57

	27-Sep	26-Sep	20-Sep	30-Aug
Sensex	66,119	65,945	66,801	65,087
Nifty	19,716	19,665	19,901	19,347
USD/INR	83.22	83.23	83.07	82.73
Gold (USD)	1,892	1,900	1,930	1,942
Oil (USD)	95.17	93.96	93.53	85.86

NDF	27-Sep	26-Sep	20-Sep	30-Aug
3 Month	83.60	83.62	83.40	83.05
1 Year	84.81	84.78	84.53	84.22
2 Year	87.01	86.89	86.69	86.36
3 Year	89.68	89.69	89.49	89.01



10 Year Benchmarks	27-Sep	26-Sep	20-Sep	30-Aug
India	7.17	7.15	7.15	7.19
US	4.51	4.56	4.35	4.12
South Korea	4.03	4.04	3.98	3.85
Russia	12.71	12.71	12.57	12.01
Brazil	11.79	11.79	11.33	10.98
Germany	2.78	2.80	2.70	2.54
China	2.72	2.72	2.68	2.59

Top Traded Securities	Volume	8-Sep	7-Sep	1-Sep	10-Aug
7.26 2033	6,560	#N/A	#N/A	#N/A	#N/A
7.06 2028	1,615	#N/A	#N/A	#N/A	#N/A
7.62 2039	-	7.21	7.20	7.19	7.18
7.30 2053	105	#N/A	#N/A	#N/A	7.23
6.64 2035	285	7.17	7.16	7.22	7.24
7.40 2035	455	7.20	7.18	7.24	7.23

DEBT			
	Gross Purchase	Gross Sales	Net Investment
MF			
21-Sep-23	5992	4574	1419

EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	11379	13677	-2299

TOTAL (Rs.Crs)			
	Gross Purchase	Gross Sales	Net Investment
	17371	18251	-880

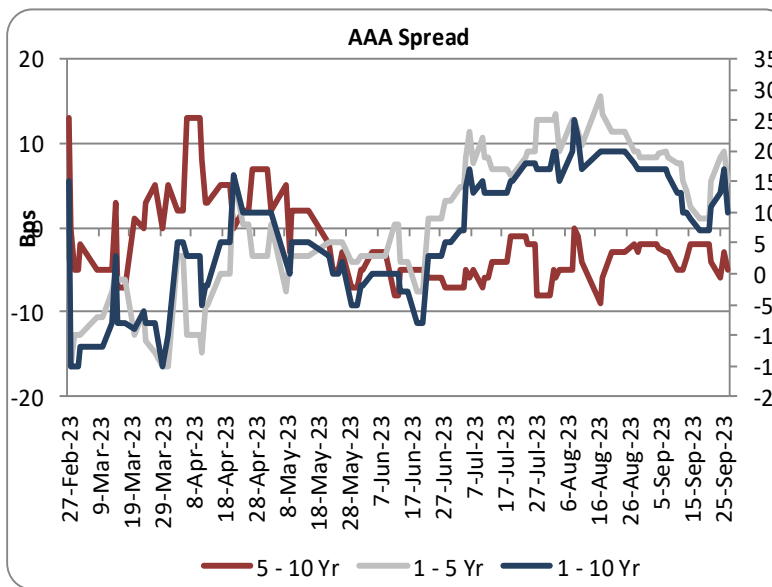
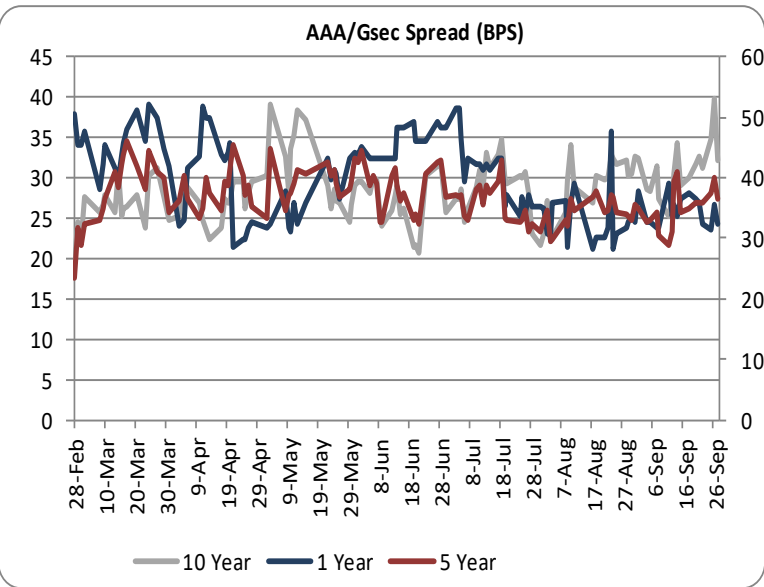
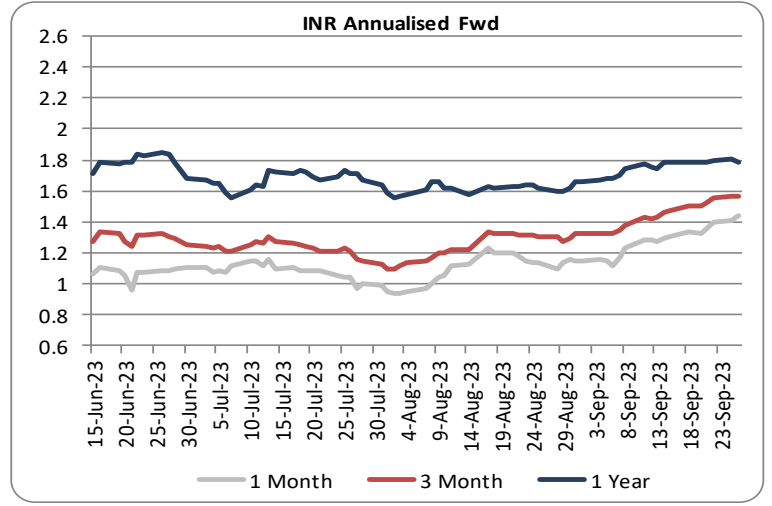
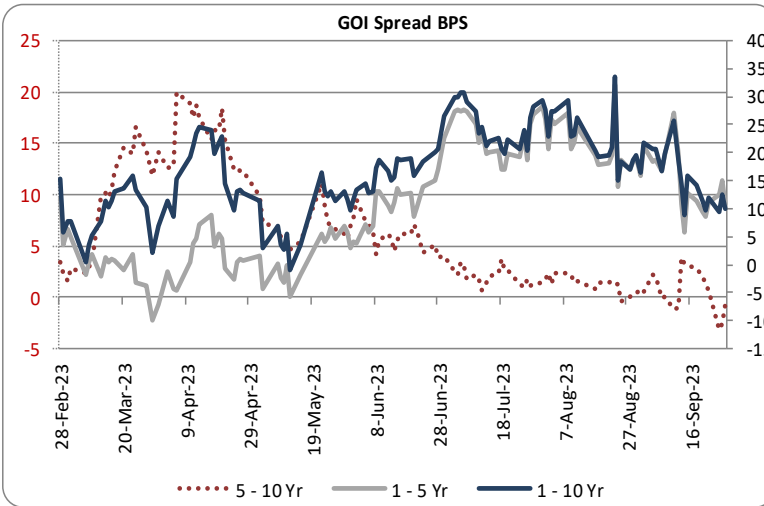
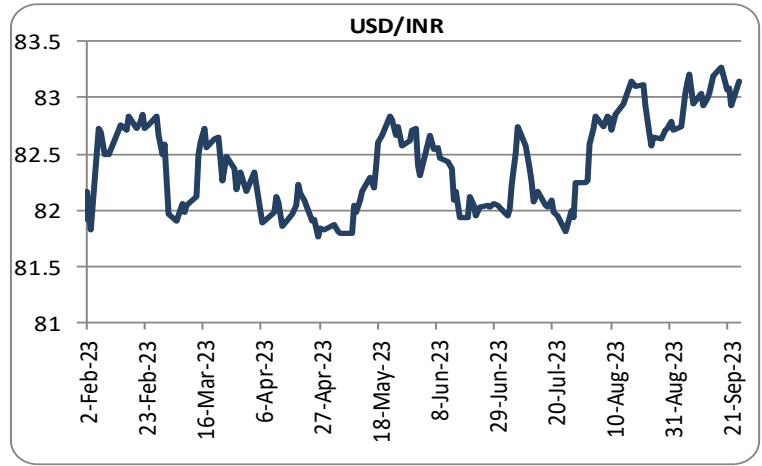
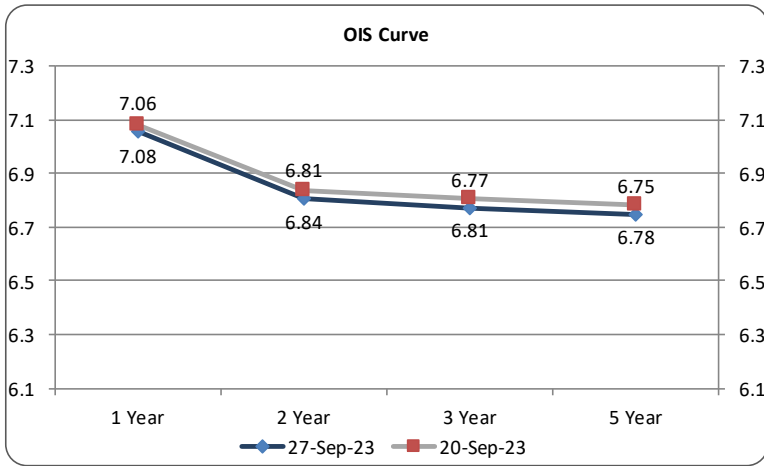
DEBT			
	Gross Purchase	Gross Sales	Net Investment
FII			
28-Sep-23	945	1180	-235

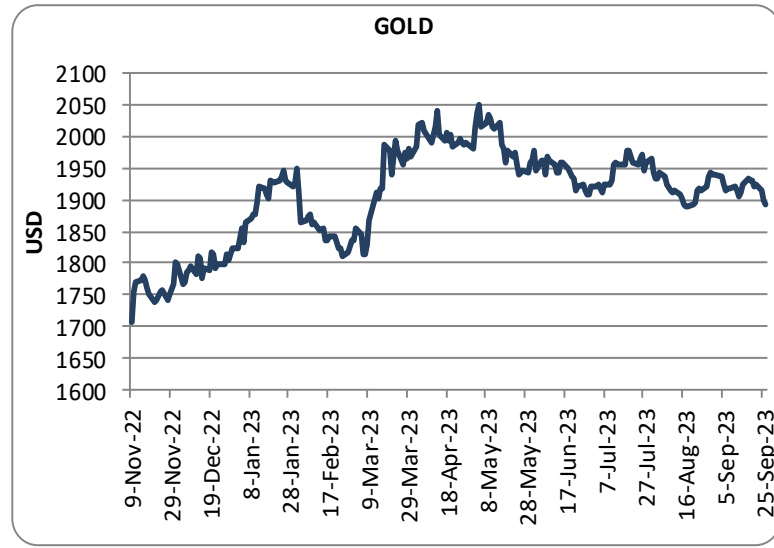
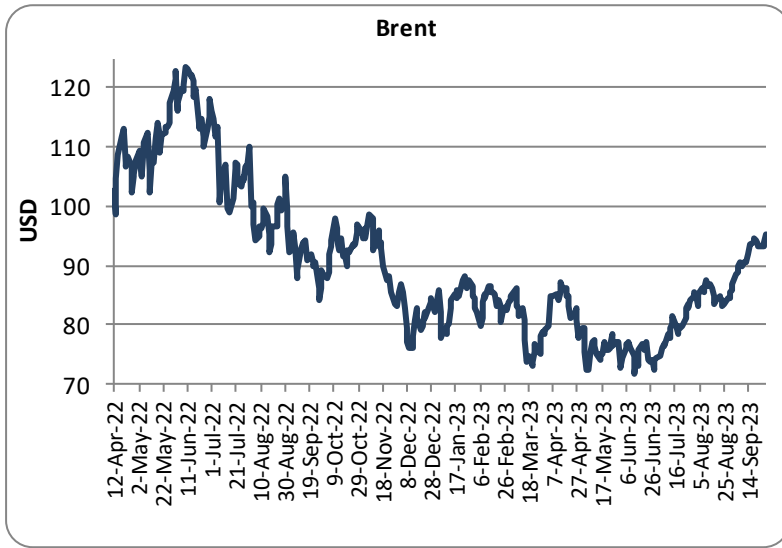
EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	9975	12164	-2189

TOTAL (Rs. Crs)			
	Gross Purchase	Gross Sales	Net Investment
	10920	13344	-2424

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-23	7.8	6.1
CAD (\$ Bn)	Mar-23	-1.3	-16.8
Trade Deficit (\$ Bn)	Mar-23	-52.6	-72.7
WPI (%)	Aug-23	-0.5	-1.4
CPI (%)	Aug-23	6.8	7.4
IIP (%)	Jul-23	5.7	3.7
PMI Manufacturing	Aug-23	58.6	57.7
PMI Service	Aug-23	60.1	62.3

Economic Calender	Country	Date	Poll	Prior
CPI	Japan	22-Sep-23	0	3.3
Retail Sales	UK	22-Sep-23	(1.20)	(3.20)
BOJ Rate Decision	Japan	22-Sep-23	(0.10)	(0.10)
CPI	Germany	28-Sep-23	-	6.10
Unemployment Rate	Japan	29-Sep-23	-	2.70
Unemployment Rate	Euro Zone	02-Oct-23	-	6.40
Inflation	Indonesia	2nd - 6th Oct	-	3.27
Unemployment rate	Canada	2rd - 9th Oct-	-	5.50





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

LKP SECURITIES LTD., 203, Embassy Centre, Nariman Point, Mumbai- 400021

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For any queries contact - LKP Securities Ltd. Ph: (91-22) 66306555 Fax: (91-22) 2284 2415 E Mail: FixedIncomeResearch@lkpsec.com

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