



BONDWATCH

INDIA

Daily

June 30, 2023

Indian government bond yields ended higher on the last day of the quarter, with the benchmark yield posting its biggest single session jump so far this year after weak debt auction demand and as elevated U.S. yields dampened investor sentiment.

The benchmark 7.26% 2033 bond yield ended at 7.1166% on Friday, after closing at 7.0575% in the previous session. The yield posted its biggest single session jump since November 3, 2022. It also rose 13 basis points (bps) for June, after easing for the last three consecutive months.

India bond yields will extend their rise into the next quarter due to a strong line-up of debt supply and as chances of a rate cut before the first half of next year look unlikely.

U.S. yields jumped after upbeat data cemented bets of a stronger economy and increasing expectations of interest rate hikes by the Fed gained more ground.

The two-year and 10-year U.S. yields jumped to their highest level in nearly four months. The 10-year yield was at 3.89%, while the two-year yield was at 4.94%, with the inversion widening further to 105 bps.

The odds of a rate hike in July stand jumped to around 84% from 74% earlier in the week.

Market participants now await the supply calendar for states as well as treasury bills for July-September, with the former impacting demand for longer-duration bond yields.

The Indian rupee strengthened 0.02% versus the U.S. dollar, and quoted at 82.04 per dollar, amid lack of cues.

Repo: The weighted average call rates in the interbank segment remained the same at 6.82% vs 6.82% as on the previous day while that the TREP segment decreased to 6.75% vs 6.76% as on the previous day.

GOI Yield	30-Jun	28-Jun	23-Jun	31-May
1 Year	6.850	6.850	6.890	6.890
5 Year	7.076	7.019	7.029	6.919
10 Year	7.117	7.058	7.073	6.987

AAA Bmk	30-Jun	28-Jun	23-Jun	31-May
1 Year	7.45	7.45	7.47	7.45
5 Year	7.57	7.57	7.56	7.47
10 Year	7.50	7.50	7.50	7.40

CD	30-Jun	28-Jun	23-Jun	31-May
3 Month	6.95	6.95	6.90	7.00
6 Month	7.20	7.20	7.12	7.25
1 Year	7.45	7.45	7.45	7.45

CP	30-Jun	28-Jun	23-Jun	31-May
3 Month	7.10	7.10	7.00	7.10
6 Month	7.30	7.30	7.25	7.35
1 Year	7.55	7.55	7.52	7.55

OIS Rate	30-Jun	28-Jun	23-Jun	31-May
1 Year	6.74	6.69	6.70	6.57
2 Year	6.45	6.38	6.41	6.21
3 Year	6.36	6.28	6.32	6.09
5 Year	6.30	6.22	6.27	6.03

	30-Jun	28-Jun	23-Jun	31-May
Sensex	64,719	63,915	62,979	62,622
Nifty	19,189	18,972	18,666	18,534
USD/INR	82.04	82.06	82.04	82.72
Gold (USD)	1,906	1,907	1,921	1,962
Oil (USD)	74.34	74.03	73.85	72.66

NDF	30-Jun	28-Jun	23-Jun	31-May
3 Month	82.33	82.26	82.19	82.98
1 Year	83.36	83.40	83.37	84.15
2 Year	85.40	85.46	85.43	86.42
3 Year	88.41	88.11	88.08	89.22

Market Observations

G-sec

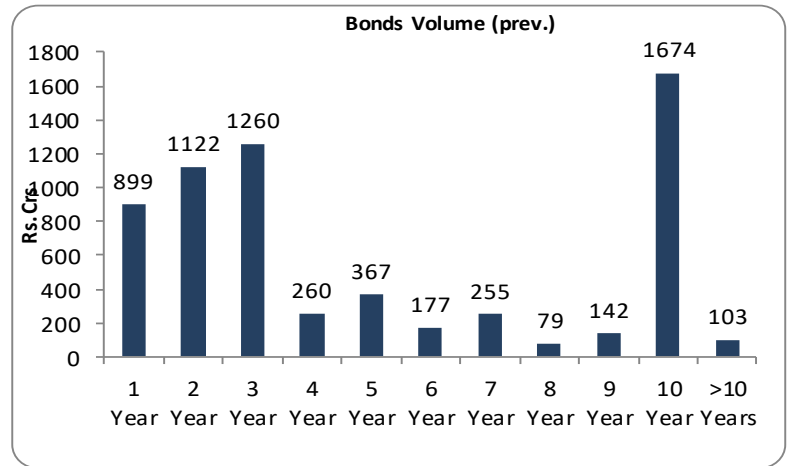
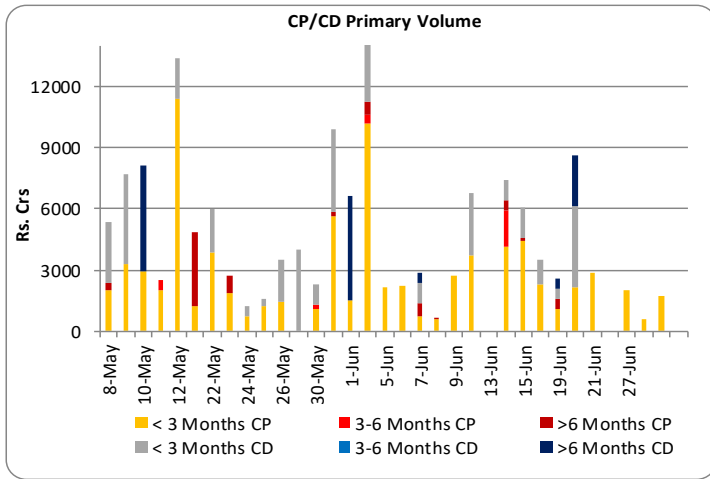
- Mutual funds sold July t-bills and bought September t-bills from banks.
- Selling was seen in G-sec across the tenure as the market opened negative and got given over the course of the day.

Corporate Bonds

- Mutual funds were active in the 2025-26 segment. Banks were buying in the same segment.
- Insurance companies were buyers in the longer segment.

CP/CD

- Demand was seen across all the segments.



10 Year Benchmarks	30-Jun	28-Jun	23-Jun	31-May
India	7.12	7.06	7.07	6.99
US	3.87	3.71	3.74	3.64
South Korea	3.70	3.61	3.66	3.53
Russia	11.15	11.09	11.02	10.76
Brazil	10.96	10.88	10.98	11.55
Germany	2.42	2.31	2.36	2.27
China	2.68	2.70	2.71	2.71

Top Traded Securities	Volume	30-Jun	28-Jun	23-Jun	31-May
5.74 2026	90	7.07	7.00	#N/A	#N/A
7.38 2027	-	7.08	7.02	7.03	6.92
7.10 2029	-	7.12	7.06	7.07	6.98
6.54 2032	-	7.16	7.10	7.12	7.04
7.26 2032	#VALUE!	7.15	7.10	7.11	7.03
7.54 2036	-	7.24	7.18	7.19	7.10

DEBT			
	Gross Purchase	Gross Sales	Net Investment
MF			
23-Jun-23	4553	4596	-43

EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	8632	7848	784

TOTAL (Rs.Crs)			
	Gross Purchase	Gross Sales	Net Investment
	13185	12444	740

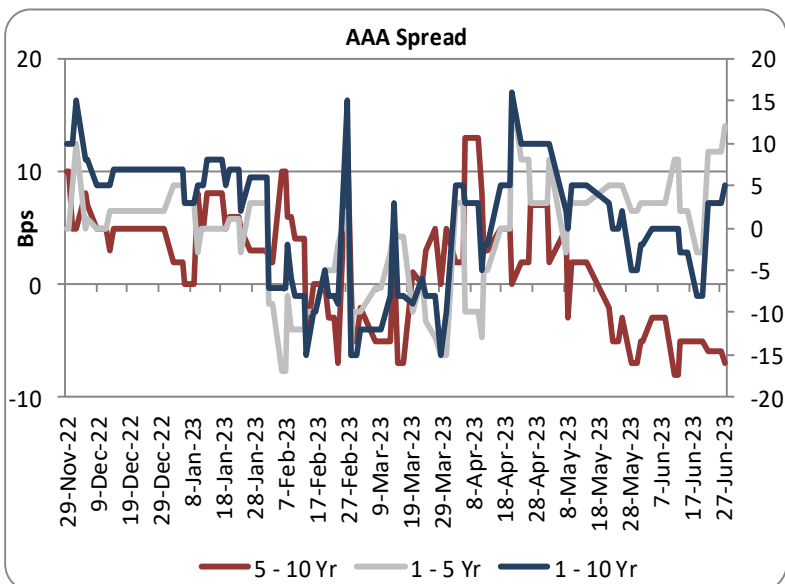
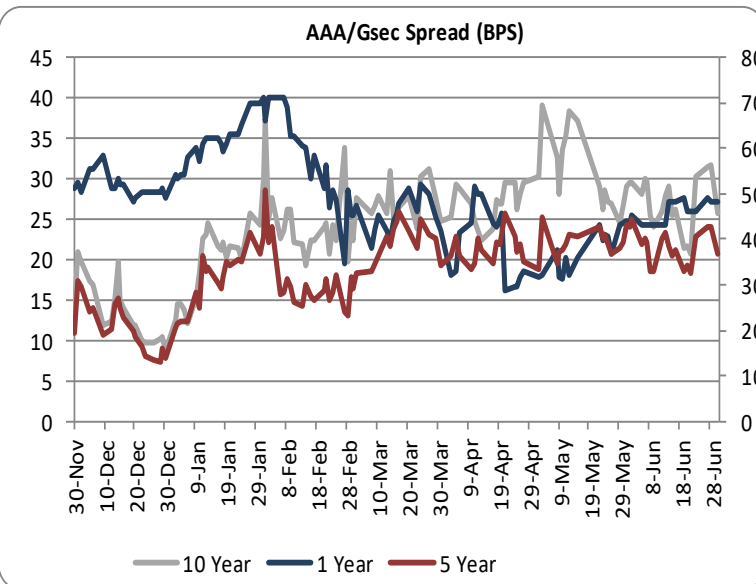
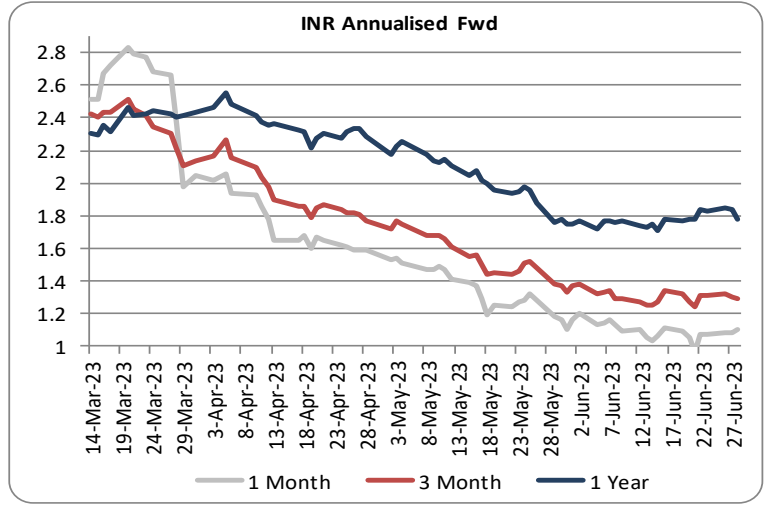
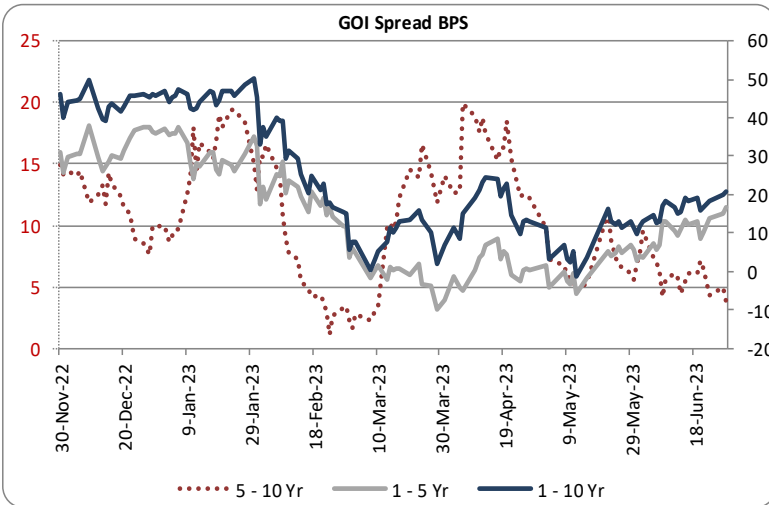
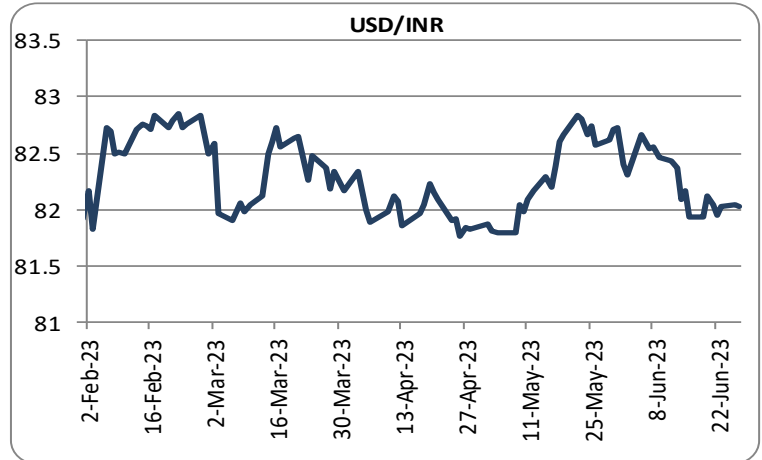
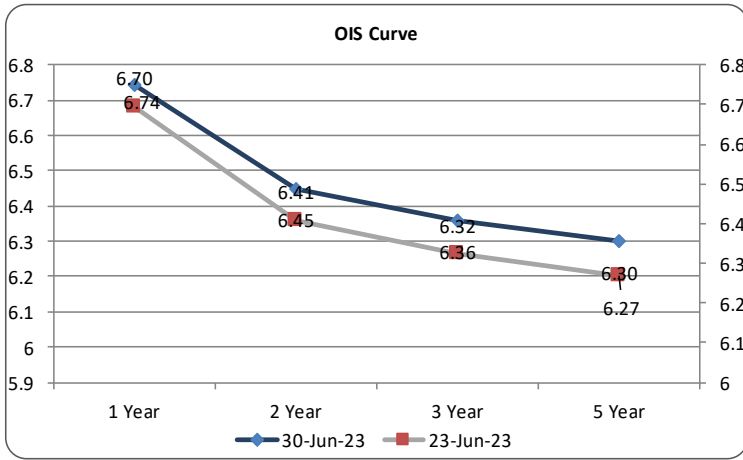
DEBT			
	Gross Purchase	Gross Sales	Net Investment
FII			
30-Jun-23	398	2253	-1855

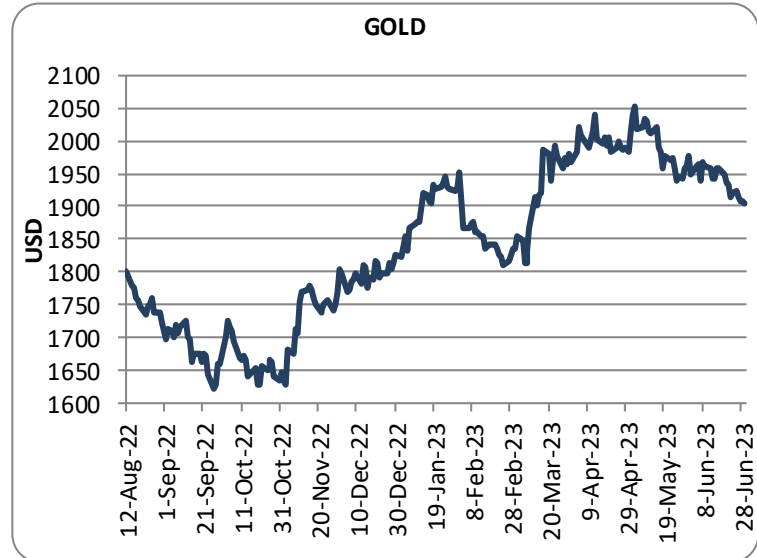
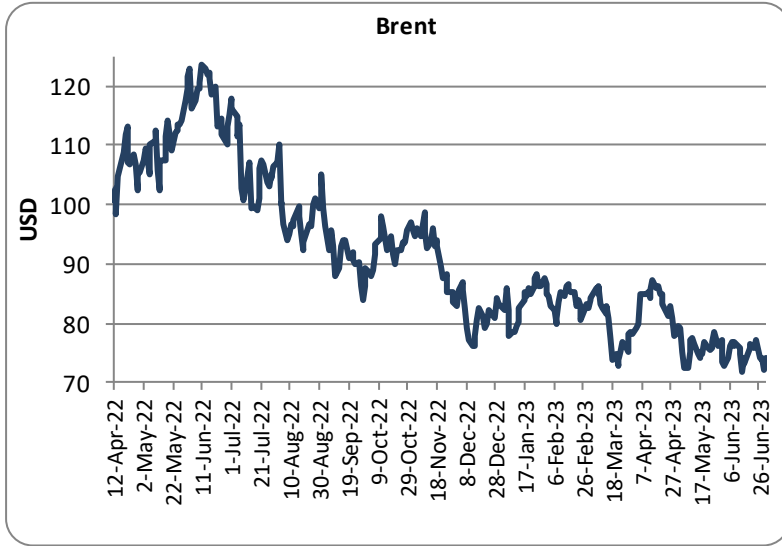
EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	10097	8266	1831

TOTAL (Rs. Crs)			
	Gross Purchase	Gross Sales	Net Investment
	10495	10519	-25

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Mar-23	6.1	4.4
CAD (\$ Bn)	Mar-23	-1.3	-16.8
Trade Deficit (\$ Bn)	Mar-23	-52.6	-72.7
WPI (%)	May-23	-3.5	-0.9
CPI (%)	May-23	4.3	4.7
IIP (%)	Apr-23	4.2	1.1
PMI Manufacturing	May-23	58.7	57.2
PMI Service	May-23	61.2	62

Economic Calender	Country	Date	Poll	Prior
CPI	UK	21-Jun-23	8.5	8.7
Bank Rate	UK	22-Jun-23	4.75	4.50
CPI	Japan	23-Jun-23	-	3.50
Retail Sales	UK	23-Jun-23	(2.30)	(3.00)
Retail Sales	Japan	29-Jun-23	-	5.10
GDP Q1	USA	29-Jun-23	1.30	1.30
Industrial Output	South Korea	30-Jun-23	-	(8.90)
CPI	Japan	30-Jun-23	-	3.20





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

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