



# BONDWATCH

Daily

March 01, 2024

INDIA

Indian government bond yields ended the week steady as traders refrained from placing large bets amid lack of fresh triggers.

The benchmark 10-year yield ended at 7.0572% on Friday, after closing at 7.0764% in the previous session. The yield fell merely 2 basis points this week.

Bond yields, however, inched lower on Friday as market participants digested a sharp jump in the domestic economic print and latest data from the United States.

India's economy grew 8.4% in the October-December quarter, its fastest pace in one-and-a-half years, led by strong manufacturing and construction activity. The economy grew much faster than market estimates of 6.6% and also quickened from 7.6% in the previous three months.

Asia's third-largest economy revised its growth estimate for the current fiscal year to 7.6% from 7.3%.

Meanwhile, the 10-year U.S. bond yield remained above 4.25% as the latest personal consumption expenditures price index did little to change rate cut expectations from the Federal Reserve.

Oil prices rose on Friday and were set for weekly gains as markets awaited an OPEC+ decision on supply agreements for the second quarter while weighing fresh U.S., European and Chinese economic data.

The Indian rupee strengthened 0.02% versus the U.S. dollar, and quoted at 82.89 per dollar as dollar demand from importers and a mild uptick in the dollar index eroded gains on the back of inflows.

Repo: The weighted average call rates in the interbank segment decreased to 6.61% vs 6.67% as on the previous day while that the TREP segment decreased to 6.50% vs 6.68% as on the previous day.

## Market Observations

### G-sec

- Major Selling was seen in 3 to 5 year SDLs by MFs and insurance companies.
- Selling was seen in shorter end of curve by foreign banks.

### Corporate Bonds

- MMY segment saw increased activity and Mutual funds were on the selling side in the segment.
- Banks and Mutual funds were active in the 2025-2028 segment.

### CP/CD

- Major activity was seen in the 3-month segments.

GOI Yield	1-Mar	28-Feb	23-Feb	1-Feb
1 Year	7.105	7.105	7.140	7.130
5 Year	7.055	7.044	7.062	6.990
10 Year	7.057	7.066	7.076	7.058

AAA Bmk	1-Mar	28-Feb	23-Feb	1-Feb
1 Year	7.90	7.90	7.90	7.90
5 Year	7.65	7.65	7.64	7.62
10 Year	7.57	7.57	7.58	7.60

CD	1-Mar	28-Feb	23-Feb	1-Feb
3 Month	7.70	7.70	7.75	7.80
6 Month	7.75	7.75	7.80	7.85
1 Year	7.75	7.75	7.78	7.88

CP	1-Mar	28-Feb	23-Feb	1-Feb
3 Month	7.80	7.80	7.80	7.90
6 Month	7.85	7.85	7.80	7.95
1 Year	7.90	7.90	7.90	8.00

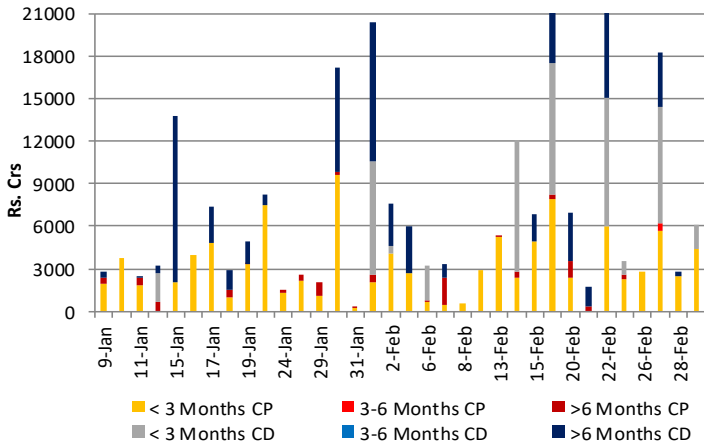
OIS Rate	1-Mar	28-Feb	23-Feb	1-Feb
1 Year	6.74	6.73	6.73	6.58
2 Year	6.43	6.42	6.42	6.23
3 Year	6.38	6.37	6.38	6.17
5 Year	6.34	6.35	6.37	6.13

	1-Mar	28-Feb	23-Feb	1-Feb
Sensex	73,745	72,305	73,143	71,645
Nifty	22,339	21,951	22,213	21,697
USD/INR	82.90	82.92	82.94	82.97
Gold (USD)	2,056	2,035	2,036	2,055
Oil (USD)	83.21	83.68	81.62	78.70

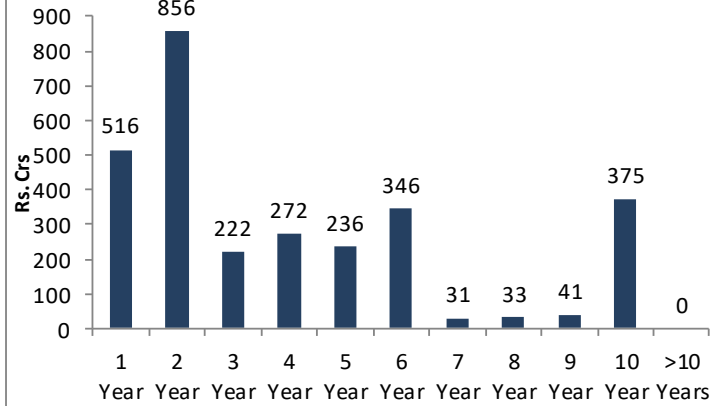
NDF	1-Mar	28-Feb	23-Feb	1-Feb
3 Month	83.14	83.05	83.06	83.24
1 Year	84.27	84.27	84.29	84.48
2 Year	86.47	86.37	86.39	86.89
3 Year	89.04	88.82	88.84	89.64



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	1-Mar	28-Feb	23-Feb	1-Feb
India	7.06	7.07	7.08	7.06
US	4.22	4.27	4.26	3.86
South Korea	3.48	3.44	3.47	3.34
Russia	12.86	12.78	12.71	12.30
Brazil	10.77	10.85	10.81	10.55
Germany	2.41	2.46	2.36	2.14
China	2.38	2.38	2.40	2.44

Top Traded Securities	Volume	27-Feb	26-Feb	20-Feb	29-Jan
7.26 2033	700	7.10	7.09	7.09	7.20
7.06 2028	805	7.07	7.07	7.07	7.05
7.62 2039	-	7.14	7.13	7.14	7.26
7.30 2053	505	7.16	7.14	7.13	7.30
6.64 2035	50	7.12	7.13	7.13	7.25
7.40 2035	100	7.17	7.12	7.13	7.25

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
28-Feb-24	8131	6648	1483

EQUITY	Gross Purchase	Gross Sales	Net Investment
	9277	13303	-4025

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
17408	19951	-2543

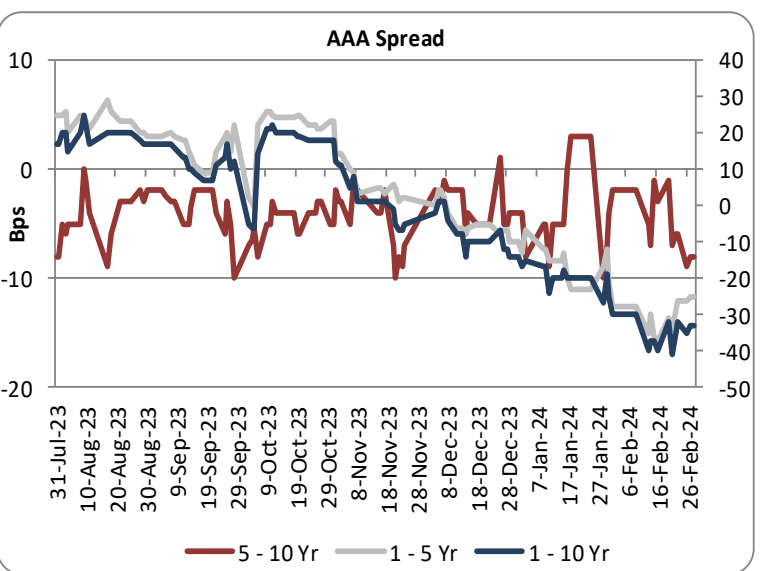
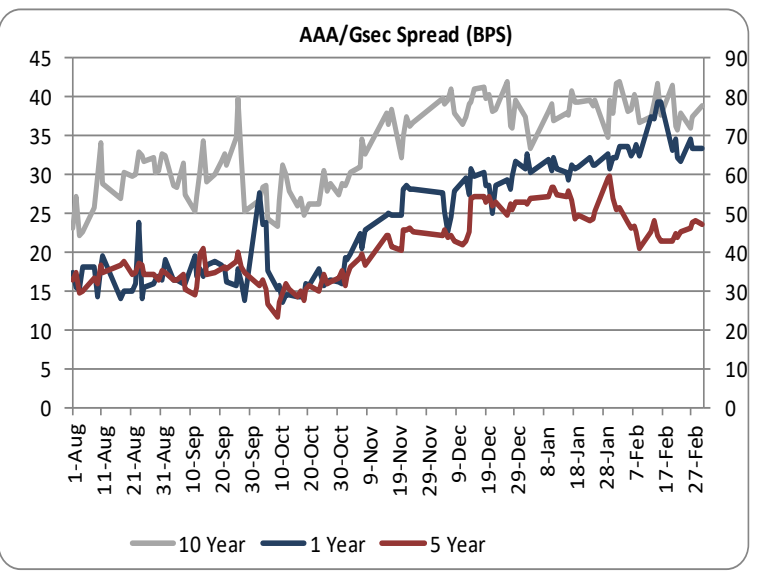
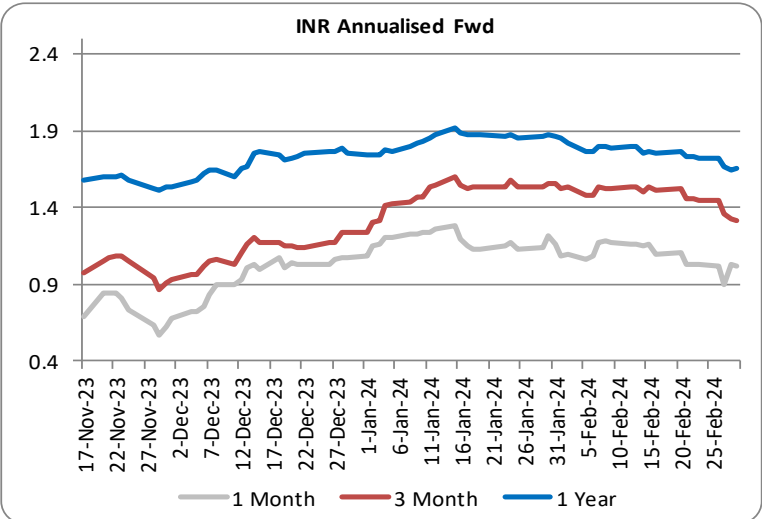
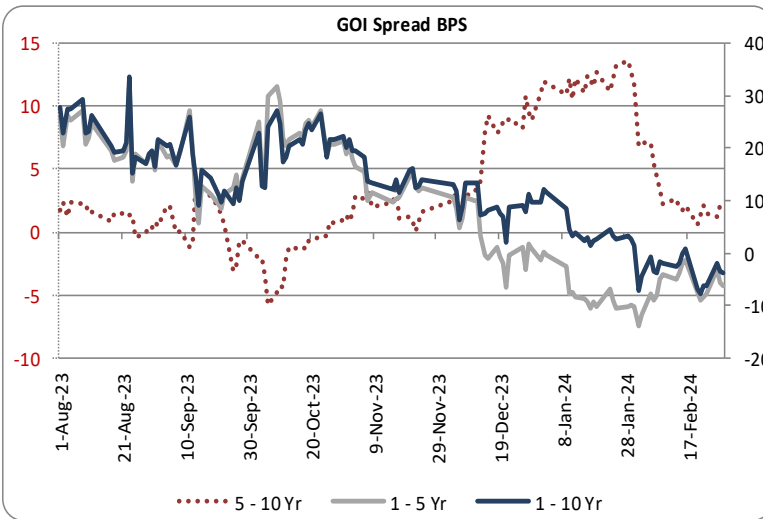
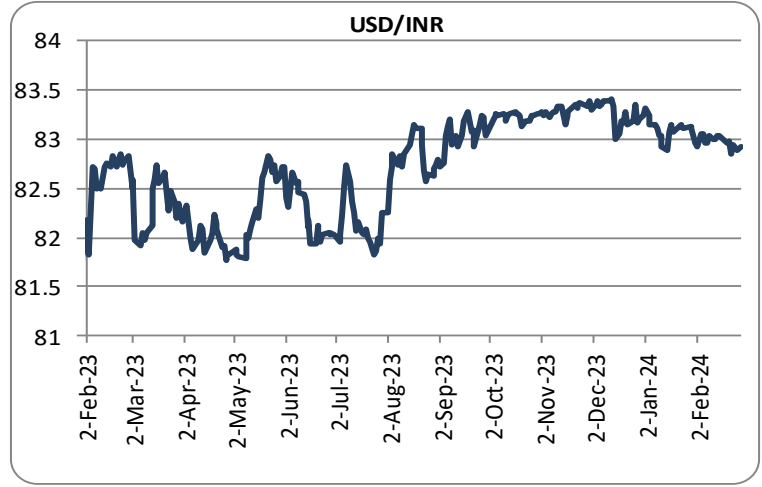
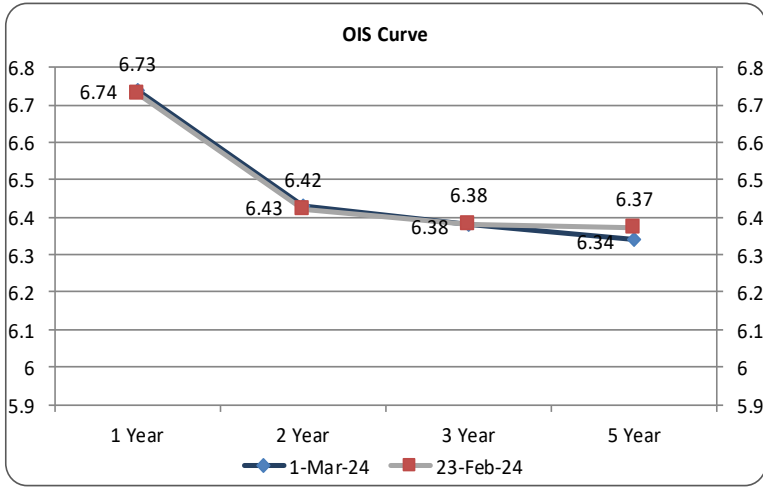
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
1-Mar-24	1267	1401	-134

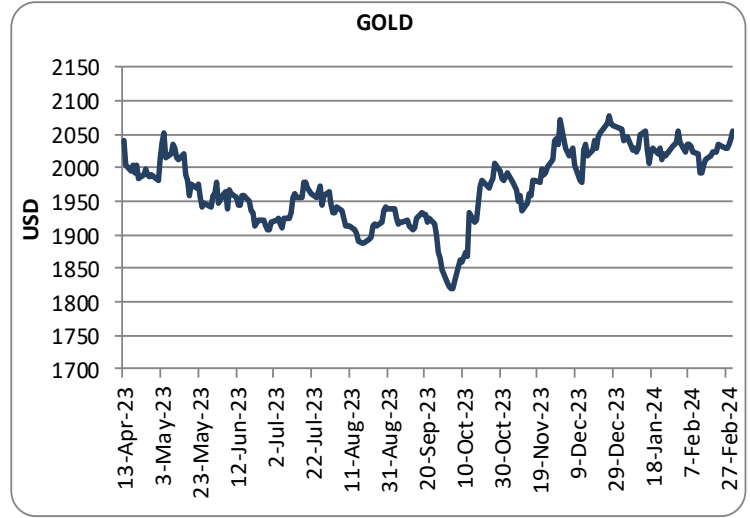
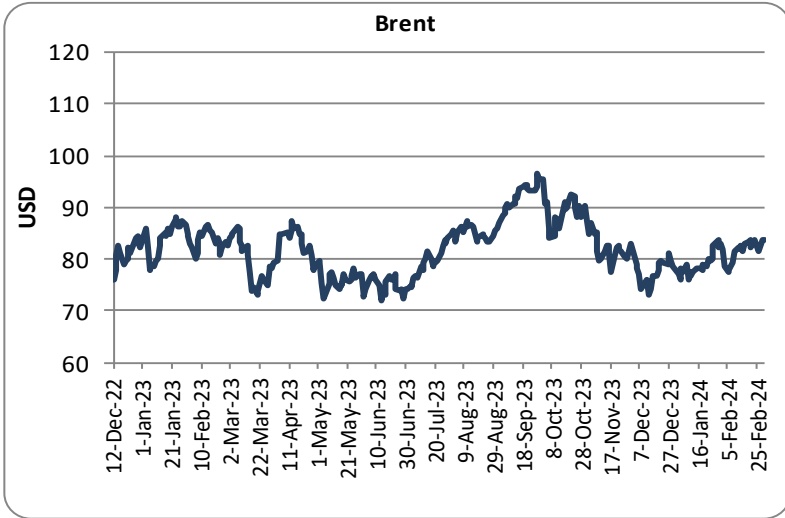
EQUITY	Gross Purchase	Gross Sales	Net Investment
	57371	53170	4201

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
58638	54571	4068

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-23	8.4	7.6
CAD (\$ Bn)	Sep-23	-8.3	-9.2
Trade Deficit (\$ Bn)	Sep-23	-61.0	-56.6
WPI (%)	Jan-24	0.3	0.7
CPI (%)	Jan-24	5.1	5.7
IIP (%)	Dec-23	3.8	2.4
PMI Manufacturing	Feb-24	56.9	56.5
PMI Service	Jan-24	61.8	59

Economic Calender	Country	Date	Poll	Prior
Retail Sales	Poland	22-Feb-24	0	0.5
GDP YY	Germany	23-Feb-24	(0.40)	(0.40)
CPI	Japan	27-Feb-24	-	2.60
GDP Q4	USA	28-Feb-24	3.30	3.30
CPI	Germany	29-Feb-24	-	2.90
Unemployment Rate	Japan	01-Mar-24	-	2.40
Unemployment Rate	Euro Zone	01-Mar-24	-	6.40
GDP YY Q4	Brazil	01-Mar-24	-	2.00





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

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