



# BONDWATCH

Daily

November 01, 2023

INDIA

Indian government bond yields ended largely unchanged on Wednesday as traders avoided placing large bets ahead of the outcome of the U.S. Federal Reserve's policy meeting.

The 10-year benchmark bond yield ended at 7.3599% after closing at 7.3558% in the previous session.

The U.S. central bank's monetary policy outcome is due after the close of the Indian bond market on Wednesday. While investors expect no change in interest rates in the world's largest economy, there is a 25% chance of a hike in December.

U.S. yields rose on Wednesday ahead of the Fed decision. The central bank has raised rates by 525 basis points since March 2022 as it battled inflationary pressures, and markets believe that rates will remain higher for longer.

Barring the Fed guidance, market participants also await more clarity on the Reserve Bank of India's (RBI) planned bond sales. Markets anticipate around 500 billion rupees (\$6 billion) of bond sales by the RBI in the current quarter after it announced its plans to do so last month.

Traders are also eyeing cues from the RBI's expected meeting with select banks later this week, with the discussion likely to be focused on banking system liquidity.

The Indian rupee weakened 0.04% versus the U.S. dollar, and quoted at 83.28 per dollar on the back of heavy demand for the greenback and elevated U.S. yields ahead of the Federal Reserve's rate decision due later in the day.

Repo: The weighted average call rates in the interbank segment decreased to 6.77% vs 6.78% as on the previous day while that the TREP segment remained the same at 6.76% vs 6.76% as on the previous day.

GOI Yield	1-Nov	31-Oct	25-Oct	4-Oct
1 Year	7.145	7.154	7.158	7.110
5 Year	7.352	7.343	7.344	7.257
10 Year	7.360	7.356	7.341	7.237

AAA Bmk	1-Nov	31-Oct	25-Oct	4-Oct
1 Year	7.66	7.60	7.60	7.71
5 Year	7.80	7.83	7.82	7.72
10 Year	7.78	7.78	7.78	7.65

CD	1-Nov	31-Oct	25-Oct	4-Oct
3 Month	7.30	7.30	7.20	7.05
6 Month	7.50	7.50	7.45	7.35
1 Year	7.70	7.70	7.70	7.55

CP	1-Nov	31-Oct	25-Oct	4-Oct
3 Month	7.40	7.40	7.30	7.15
6 Month	7.60	7.60	7.55	7.40
1 Year	7.80	7.80	7.80	7.65

OIS Rate	1-Nov	31-Oct	25-Oct	4-Oct
1 Year	6.94	6.94	6.99	7.13
2 Year	6.69	6.69	6.75	6.91
3 Year	6.68	6.69	6.73	6.90
5 Year	6.69	6.69	6.74	6.90

	1-Nov	31-Oct	25-Oct	4-Oct
Sensex	63,591	63,875	64,049	65,226
Nifty	18,989	19,080	19,122	19,436
USD/INR	83.28	83.25	83.18	83.24
Gold (USD)	1,983	1,983	1,980	1,821
Oil (USD)	86.39	87.41	90.13	85.81

NDF	1-Nov	31-Oct	25-Oct	4-Oct
3 Month	83.60	83.53	83.50	83.73
1 Year	84.68	84.77	84.57	85.04
2 Year	86.87	86.82	86.62	87.14
3 Year	89.39	89.17	88.97	89.74

## Market Observations

### G-sec

- Selling was seen in 3 to 5-years SDL @7.65 to 7.70 levels by insurance companies and mutual funds. Very timid demand was noticed in that segment.
- T-bill cut off was in line with market expectations.

### Corporate Bonds

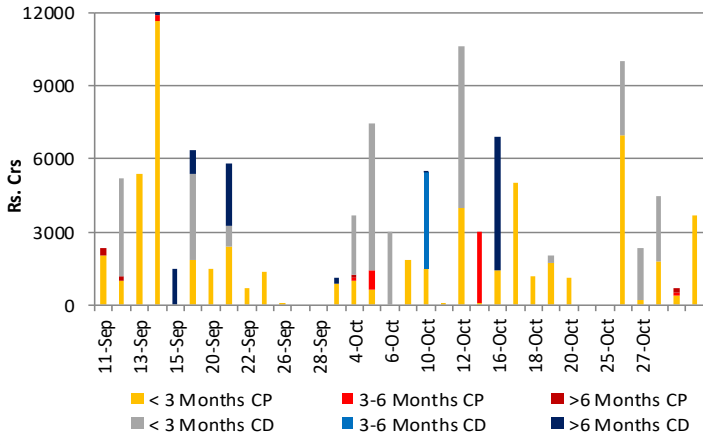
- Market was active in the 2024-25 segment.
- Pension funds and insurance companies were net buyers in the longer segment.

### CP/CD

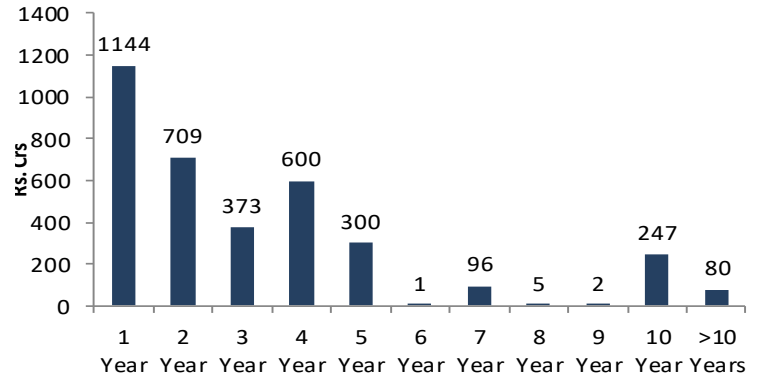
- Activity was seen in the 3-month segment.



CP/CD Primary Volume



Bonds Volume (prev.)



10 Year Benchmarks	1-Nov	31-Oct	25-Oct	4-Oct
India	7.36	7.35	7.34	7.24
US	4.90	4.88	4.95	4.74
South Korea	4.29	4.33	4.26	4.35
Russia	12.68	12.74	12.37	12.18
Brazil	11.83	11.83	11.79	11.98
Germany	2.82	2.81	2.89	2.94
China	2.70	2.71	2.74	2.72

Top Traded Securities	Volume	27-Oct	26-Oct	20-Oct	28-Sep
7.26 2033	1,305	7.40	7.41	7.41	7.28
7.06 2028	265	7.48	7.50	7.48	7.36
7.62 2039	-	0.00	7.43	7.43	7.29
7.30 2053	150	7.45	7.48	7.47	7.35
6.64 2035	5	7.45	7.47	7.44	7.32
7.40 2035	5	7.47	7.47	7.44	7.34

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

MF	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
18-Oct-23	6401	8807	-2405

MF	TOTAL (Rs.Crs)		
	Gross Purchase	Gross Sales	Net Investment
18-Oct-23	12434	13883	-1449

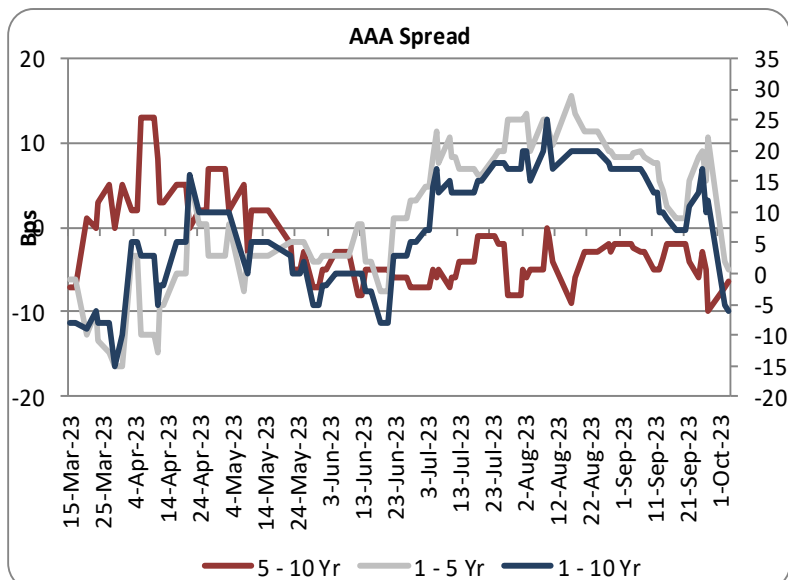
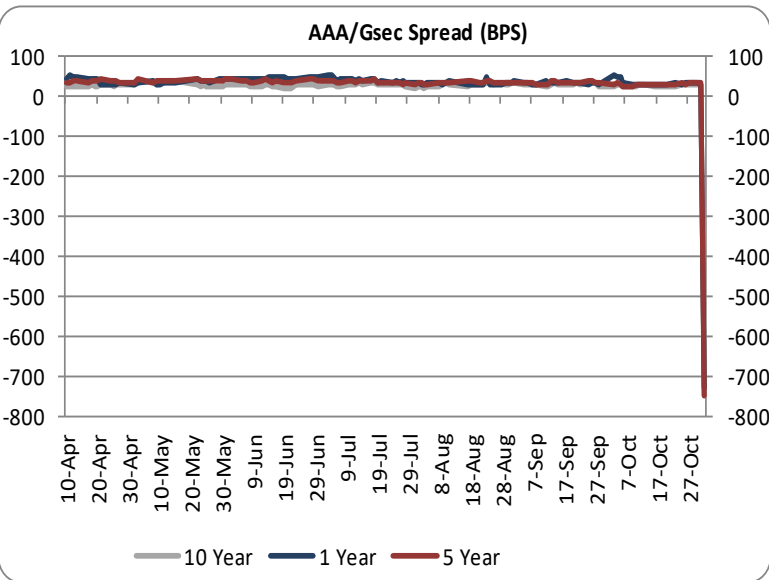
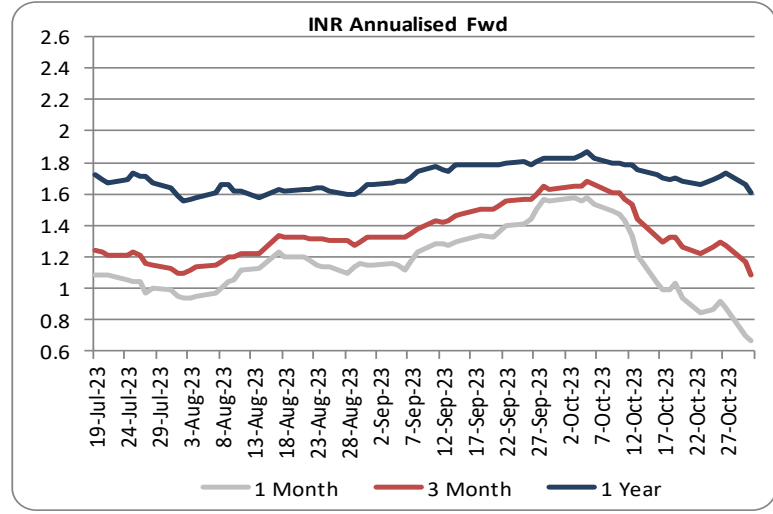
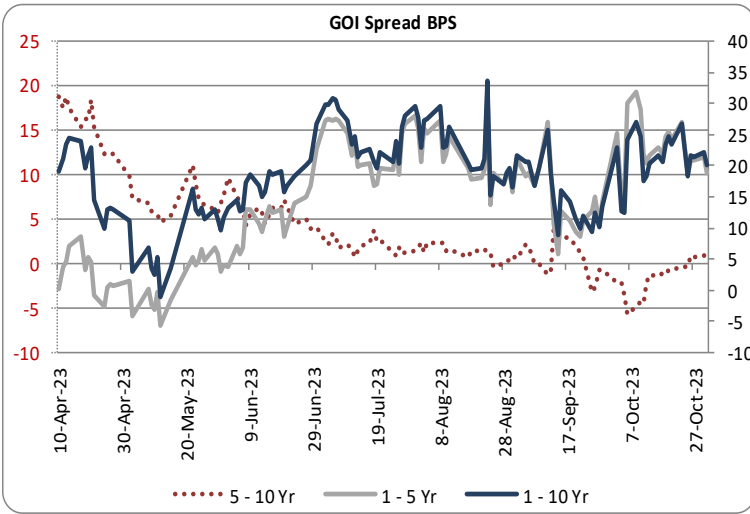
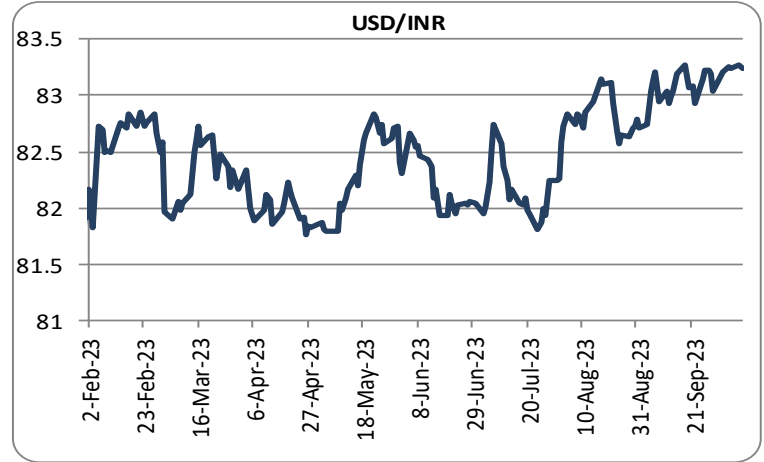
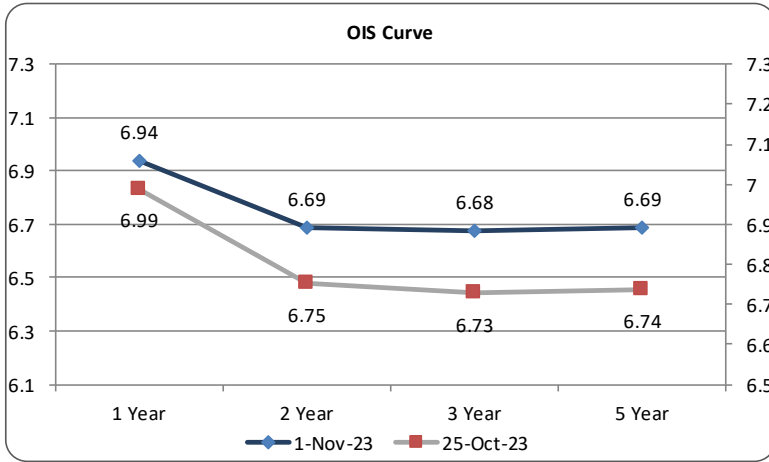
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
1-Nov-23	1390	591	799

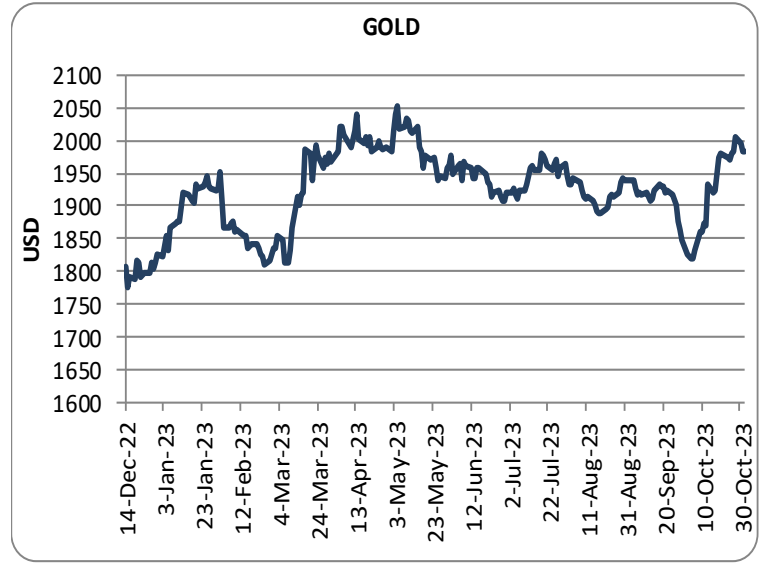
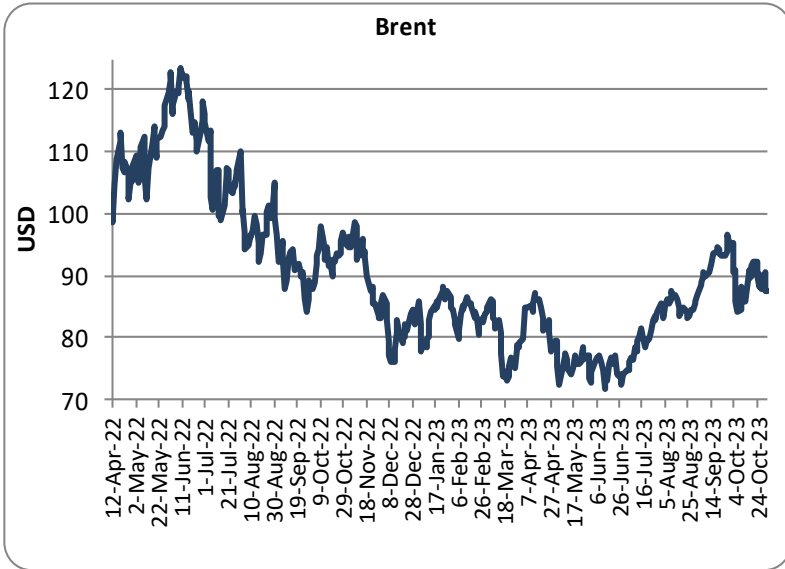
FII	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
1-Nov-23	11147	11580	-433

FII	TOTAL (Rs. Crs)		
	Gross Purchase	Gross Sales	Net Investment
1-Nov-23	12536	12171	366

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	Oct-23	55.5	57.5
PMI Service	Sep-23	61	60.1

Economic Calender	Country	Date	Poll	Prior
CPI	Japan	27-Oct-23	0	2.8
CPI	Germany	30-Oct-23	-	4.50
Unemployment Rate	Japan	31-Oct-23	-	2.70
Retail Sales	Japan	31-Oct-23	-	7.00
GDP Q3	Euro Zone	31-Oct-23	-	0.50
Fed fund rate	USA	01-Nov-23	5.25-5.5	5.25-5.5
BOE bank Rate	UK	02-Nov-23	5.25	5.25
Unemployment Rate	Euro Zone	03-Nov-23	-	6.40





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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