



BONDWATCH

Daily

November 03, 2023

INDIA

Indian government bond yields ended largely unchanged on Friday, but lower for the week, tracking a sharp drop in U.S. yields, while traders continue to await fresh cues for further triggers.

The 10-year benchmark 7.18% 2033 bond yield ended at 7.3140%, after closing at 7.3245% in the previous session. The yield eased four basis points (bps) for the week, after ending flat last week.

The market continues to remain nervous regarding the open market sale of bonds from the central bank and that is acting as a strong cap for further downside move in yields.

U.S. yields plunged this week, especially after the Federal Reserve maintained an expected status quo on rates, with bets rising that the central bank may be done with hikes.

The benchmark 10-year U.S. yield dropped 18 basis points for the week and was around 4.65%, closer to the lowest level in three weeks.

The benchmark Brent crude also stayed comfortably below the critical \$90 per barrel mark as the market staved off worries about supply disruptions despite the ongoing conflict in the Middle East.

India sold 100 billion rupees of its ultra-long bonds at 7.46%, which is marginally lower compared with other longer-duration securities. This bond saw strong participation from insurance companies. Trading volumes, however, continued to remain impacted amid uncertainty over the timing of the open market sale of bonds from the RBI.

The Indian rupee weakened 0.05% versus the U.S. dollar, and quoted at 83.28 per dollar as continued local U.S. dollar demand in the absence of substantial inflows weighed on the unit.

Repo: The weighted average call rates in the interbank segment increased to 6.75% vs 6.71% as on the previous day while that the TREP segment increased to 6.73% vs 6.72% as on the previous day.

Market Observations

G-sec

- G-sec cut off was in line with market expectation, new 50-year bond cut off was @7.46 which is 2 bps inverse to 30 and 40yr G-sec.
- Demand was seen in 10Yr SDL @7.67 levels by Life insurance and Mutual funds.

Corporate Bonds

- Market was active in the 2024-25 segment.
- Private banks were seen selling in the shorter end.

CP/CD

- Activity was seen in the 0-3-month segment.

GOI Yield	3-Nov	2-Nov	27-Oct	6-Oct
1 Year	7.120	7.130	7.143	7.100
5 Year	7.286	7.310	7.350	7.399
10 Year	7.314	7.325	7.358	7.341

AAA Bmk	3-Nov	2-Nov	27-Oct	6-Oct
1 Year	7.64	7.64	7.60	7.58
5 Year	7.78	7.78	7.81	7.80
10 Year	7.75	7.75	7.78	7.72

CD	3-Nov	2-Nov	27-Oct	6-Oct
3 Month	7.25	7.27	7.20	7.15
6 Month	7.55	7.50	7.45	7.35
1 Year	7.70	7.70	7.70	7.60

CP	3-Nov	2-Nov	27-Oct	6-Oct
3 Month	7.35	7.37	7.30	7.25
6 Month	7.65	7.60	7.55	7.45
1 Year	7.80	7.80	7.80	7.70

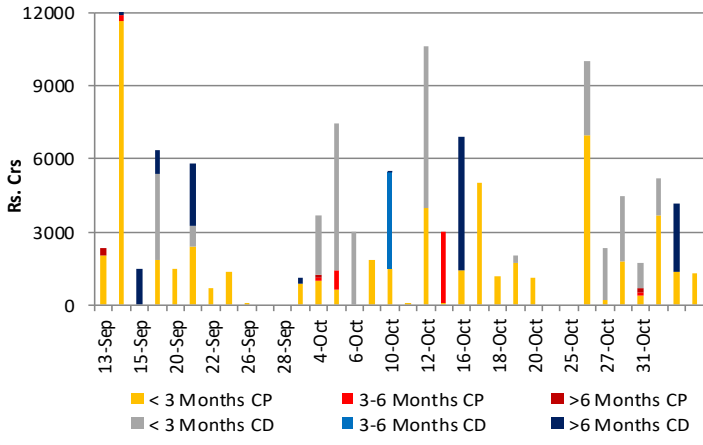
OIS Rate	3-Nov	2-Nov	27-Oct	6-Oct
1 Year	6.89	6.92	6.96	7.06
2 Year	6.61	6.63	6.71	6.86
3 Year	6.59	6.62	6.69	6.88
5 Year	6.59	6.62	6.70	6.86

	3-Nov	2-Nov	27-Oct	6-Oct
Sensex	64,364	64,081	63,783	65,996
Nifty	19,231	19,133	19,047	19,654
USD/INR	83.29	83.24	83.25	83.25
Gold (USD)	1,987	1,986	2,006	1,832
Oil (USD)	87.12	86.85	90.48	84.58

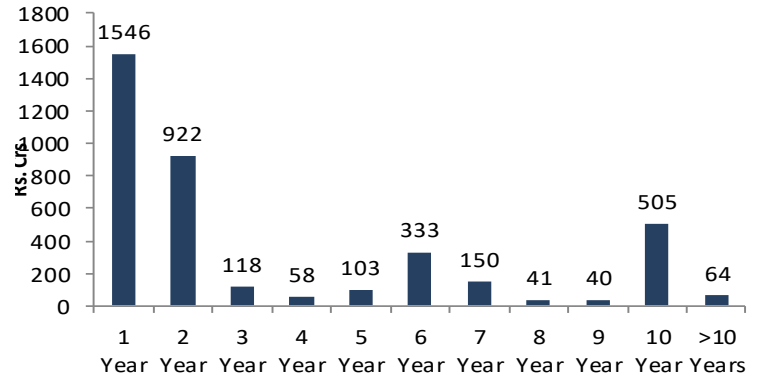
NDF	3-Nov	2-Nov	27-Oct	6-Oct
3 Month	83.52	83.47	83.54	83.51
1 Year	84.69	84.73	84.89	84.73
2 Year	86.57	86.78	86.91	86.83
3 Year	89.21	89.28	89.21	89.43



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	3-Nov	2-Nov	27-Oct	6-Oct
India	7.32	7.32	7.35	7.34
US	4.65	4.67	4.85	4.78
South Korea	4.11	4.17	4.28	4.24
Russia	12.18	12.27	12.52	12.27
Brazil	11.73	11.74	11.74	12.23
Germany	2.71	2.71	2.84	2.89
China	2.67	2.68	2.73	2.72

Top Traded Securities	Volume	2-Nov	1-Nov	26-Oct	4-Oct
7.26 2033	970	7.37	7.40	7.41	7.28
7.06 2028	715	7.46	7.48	7.50	7.37
7.62 2039	-	7.39	7.41	7.43	7.30
7.30 2053	445	7.43	7.45	7.48	7.30
6.64 2035	10	#N/A	7.43	7.47	7.31
7.40 2035	30	7.44	7.45	7.47	7.30

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

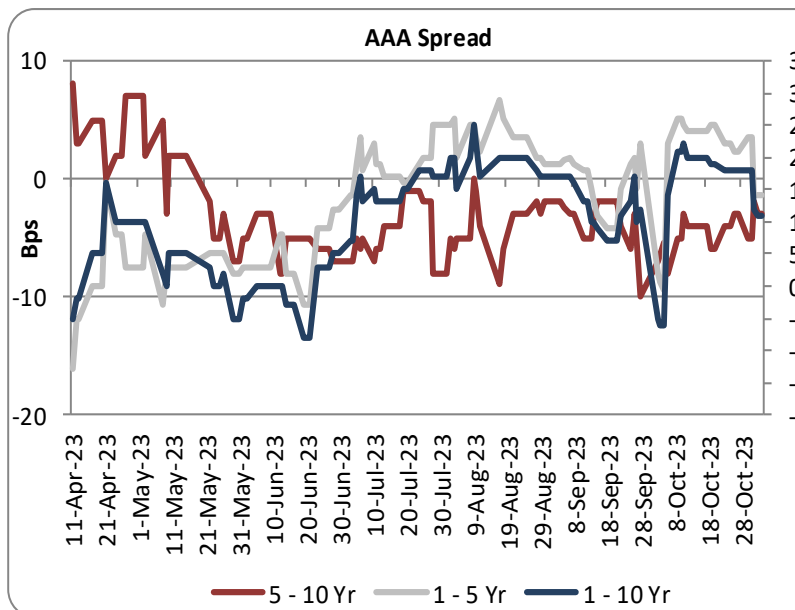
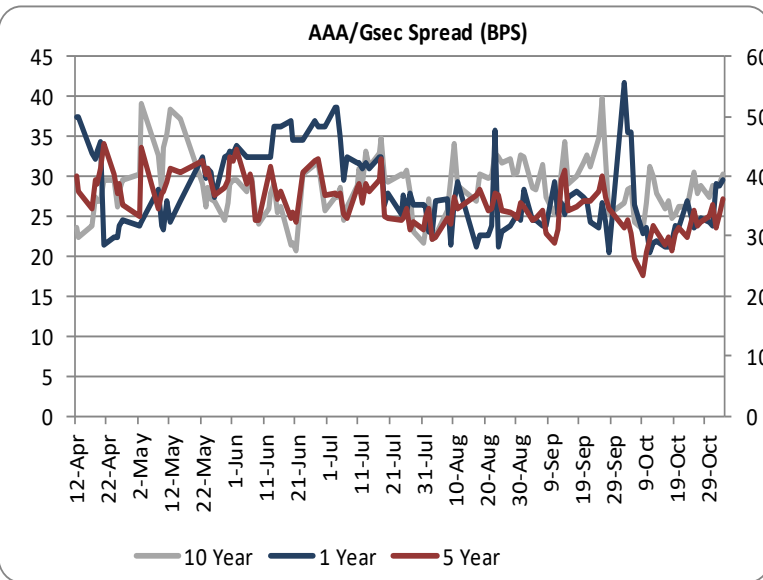
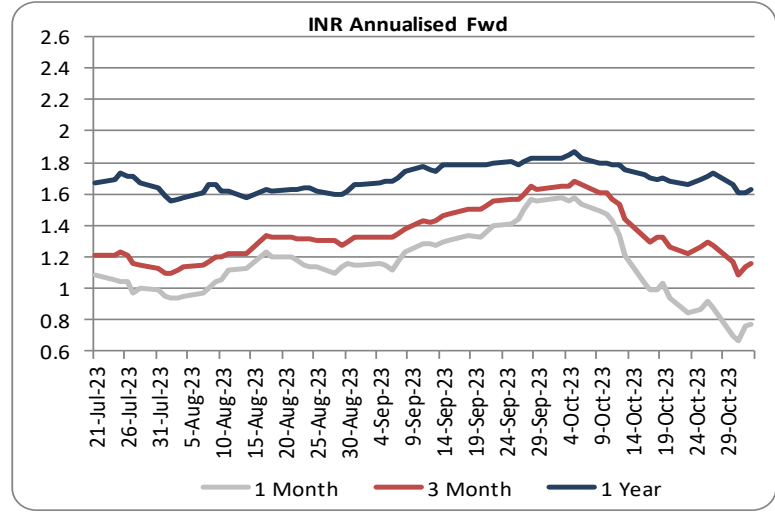
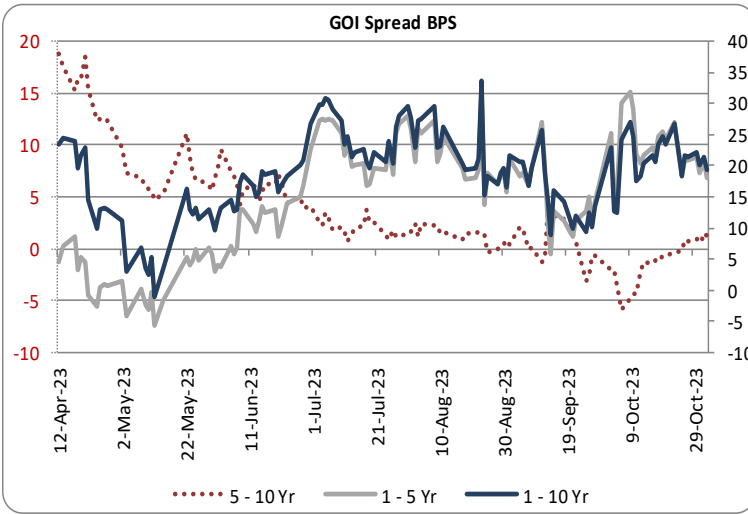
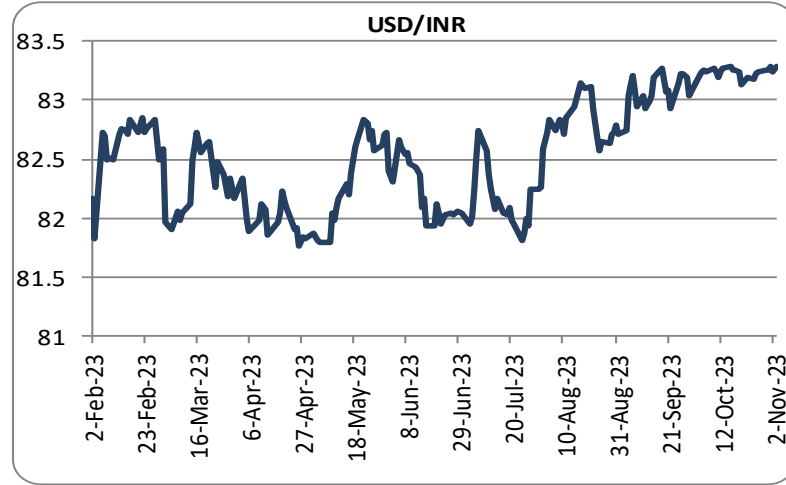
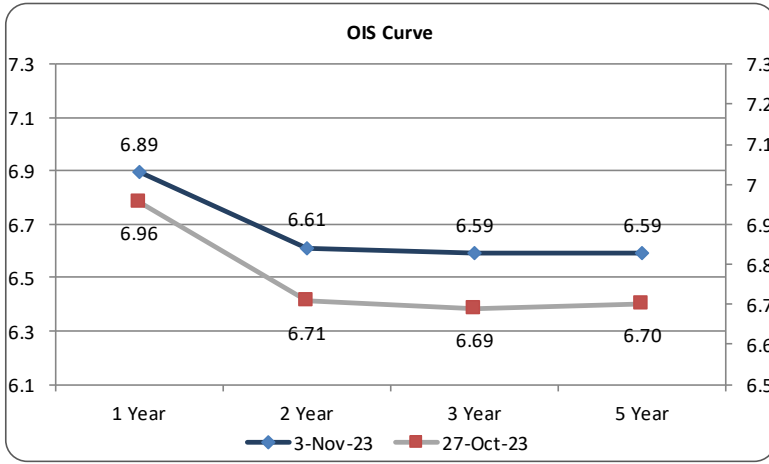
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
3-Nov-23	1912	815	1097

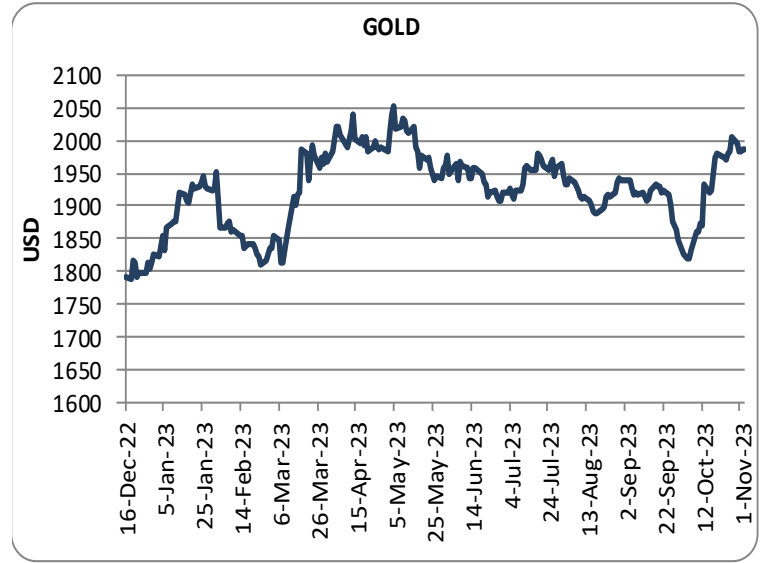
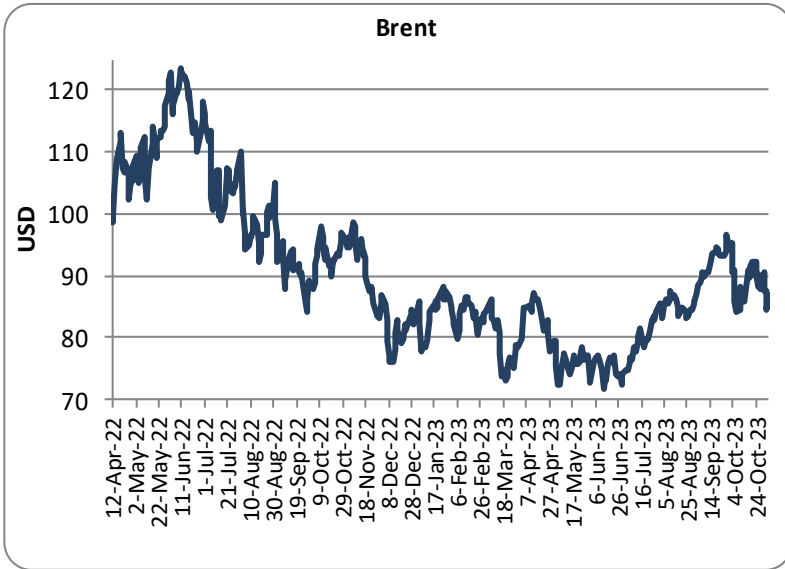
FII	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
3-Nov-23	7921	9109	-1188

FII	TOTAL (Rs. Crs)		
	Gross Purchase	Gross Sales	Net Investment
3-Nov-23	9833	9924	-92

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	Oct-23	58.4	61

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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