



# BONDWATCH

Daily

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INDIA

Indian government bond yields ended higher on Tuesday as the 10-year U.S. counterpart touched 16-year highs, with investors' focus now shifting to the Reserve Bank of India's (RBI) monetary policy due later this week.

The 10-year benchmark 7.18% 2033 bond yield ended at 7.2327% after closing at 7.2162% in the previous session.

Losses in Indian bonds were capped as oil prices eased, with the benchmark Brent crude oil briefly easing below \$90 per barrel, on a stronger dollar, rising U.S. bond yields and mixed supply signals.

The recent spike in crude oil prices and global bond yields shall keep the MPC vigilant on inflation-growth dynamics. The committee is expected to maintain a status quo on rates and stance at the upcoming October meeting.

India's retail inflation eased to 6.83% in August from 7.44% in July but remained above the RBI's target band for a second consecutive month.

Meanwhile, the benchmark 10-year U.S. Treasury yields hit 16-year highs on Monday as an agreement to avert a partial government shutdown reduced the demand for the debt before key jobs data due later this week.

The broader domestic bond market sentiment also remained supported after the inclusion of Indian bonds in JPMorgan's emerging market debt index, opening the door for more foreign inflows.

The Indian rupee weakened 0.20% versus the U.S. dollar, and quoted at 83.2050 per dollar weighed down by broad strength in the greenback and higher U.S. treasury yields amid continued concerns that U.S. interest rates will stay higher for longer.

Repo: The weighted average call rates in the interbank segment increased to 6.77% vs 6.27% as on the previous day while that the TREP segment increased to 6.75% vs 6.42% as on the previous day.

## Market Observations

### G-sec

- Lower coupon 9-year G-sec was traded @7.2925 levels. Major sellers were life insurance and mutual funds.
- Sell off was seen in 3-year G-sec by banks and Mutual funds.

### Corporate Bonds

- Mutual funds were active in the 2026-2028 segment.
- Pension funds were seen buying in the longer end.

### CP/CD

- Activity was seen in the 3-month segment.

GOI Yield	3-Oct	28-Sep	26-Sep	5-Sep
1 Year	7.003	7.100	7.020	7.000
5 Year	7.254	7.243	7.170	7.187
10 Year	7.233	7.236	7.144	7.207

AAA Bmk	3-Oct	28-Sep	26-Sep	5-Sep
1 Year	7.68	7.50	7.50	7.45
5 Year	7.70	7.72	7.70	7.65
10 Year	7.63	7.62	7.67	7.62

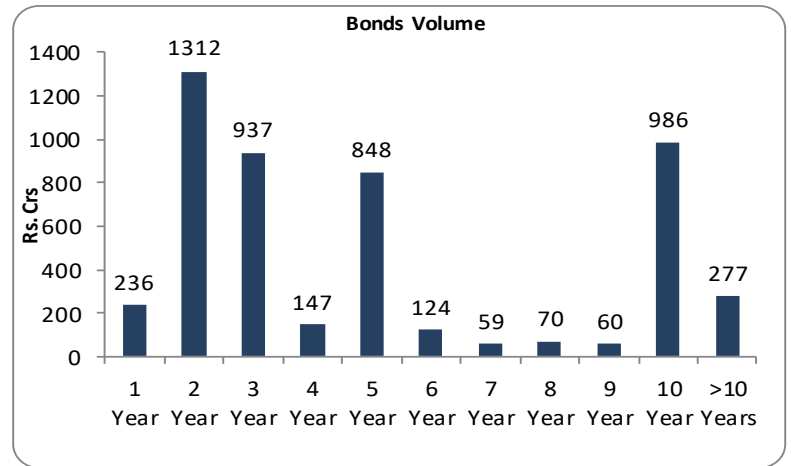
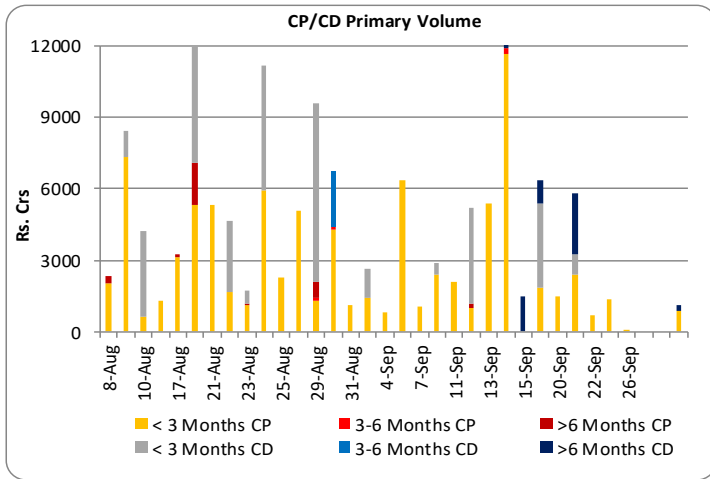
CD	3-Oct	28-Sep	26-Sep	5-Sep
3 Month	7.05	7.05	7.12	7.02
6 Month	7.35	7.20	7.30	7.20
1 Year	7.55	7.50	7.60	7.50

CP	3-Oct	28-Sep	26-Sep	5-Sep
3 Month	7.15	7.15	7.22	7.12
6 Month	7.40	7.30	7.40	7.35
1 Year	7.65	7.60	7.70	7.60

OIS Rate	3-Oct	28-Sep	26-Sep	5-Sep
1 Year	7.11	7.10	7.08	7.01
2 Year	6.90	6.88	6.84	6.75
3 Year	6.88	6.85	6.81	6.71
5 Year	6.86	6.83	6.78	6.67

	3-Oct	28-Sep	26-Sep	5-Sep
Sensex	65,512	65,508	65,945	65,780
Nifty	19,529	19,524	19,665	19,575
USD/INR	83.21	83.19	83.23	83.04
Gold (USD)	1,824	1,865	1,900	1,926
Oil (USD)	90.16	95.38	93.96	90.04

NDF	3-Oct	28-Sep	26-Sep	5-Sep
3 Month	83.58	83.52	83.62	83.42
1 Year	84.82	84.70	84.78	84.55
2 Year	86.98	86.80	86.89	86.74
3 Year	89.56	89.60	89.69	89.44



10 Year Benchmarks	3-Oct	28-Sep	26-Sep	5-Sep
India	7.24	7.24	7.15	7.21
US	4.74	4.60	4.56	4.27
South Korea	4.01	4.03	4.04	3.89
Russia	12.12	12.87	12.71	12.16
Brazil	11.91	11.92	11.79	11.23
Germany	2.96	2.97	2.80	2.61
China	2.72	2.72	2.72	2.64

Top Traded Securities	Volume	8-Sep	7-Sep	1-Sep	10-Aug
7.26 2033	5,690	7.20	7.17	7.18	7.15
7.06 2028	2,130	7.20	7.18	7.16	7.14
7.62 2039	25	7.21	7.20	7.19	7.18
7.30 2053	635	7.35	7.33	7.33	7.36
6.64 2035	655	7.17	7.16	7.22	7.24
7.40 2035	260	7.20	7.18	7.24	7.23

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
27-Sep-23	4215	4204	11

EQUITY		
Gross Purchase	Gross Sales	Net Investment
7537	8330	-794

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
11751	12534	-783

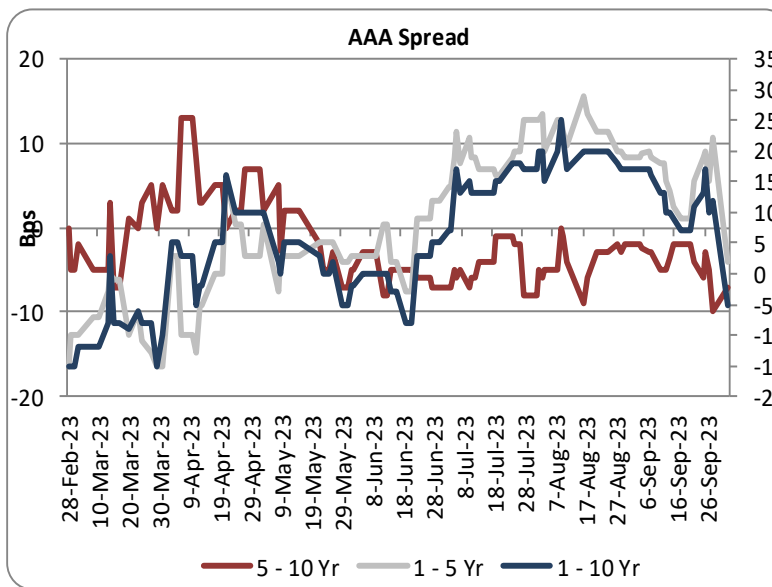
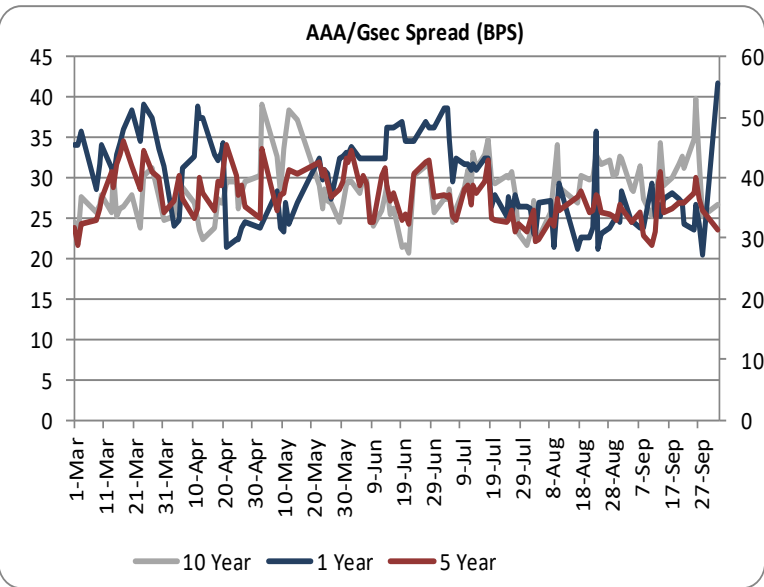
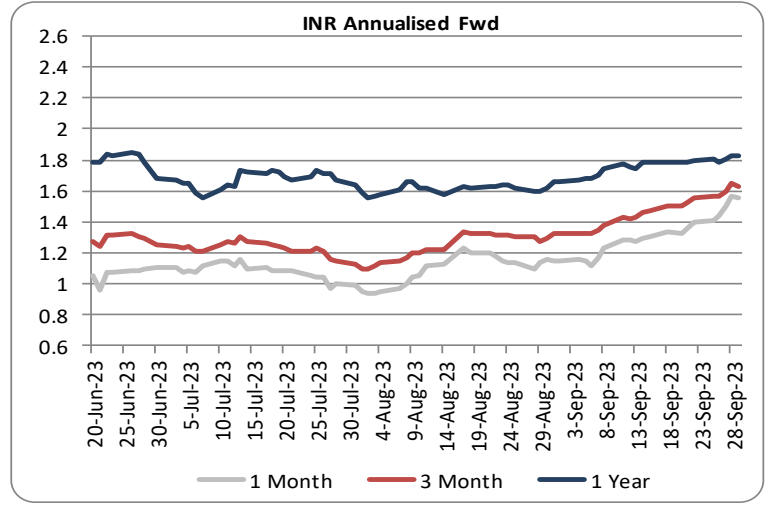
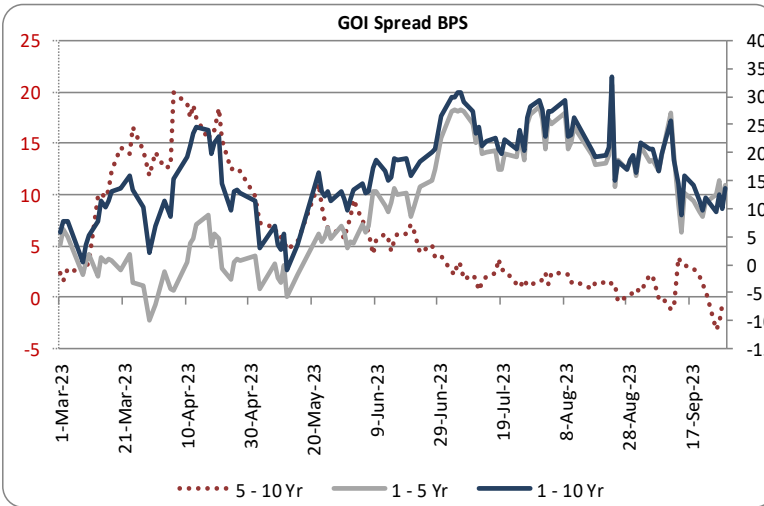
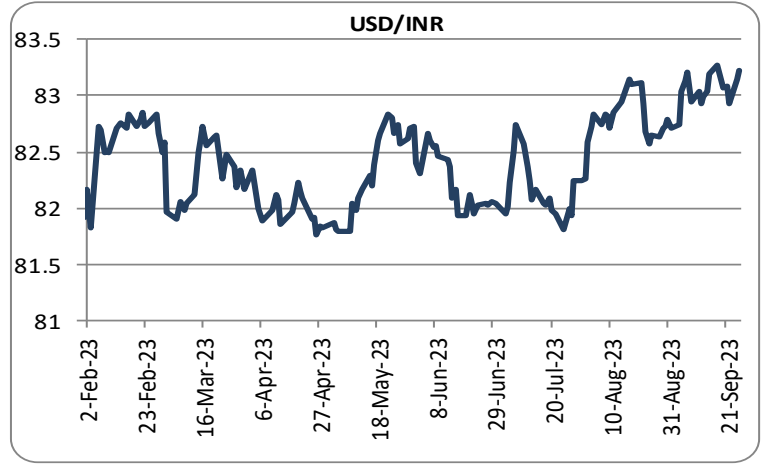
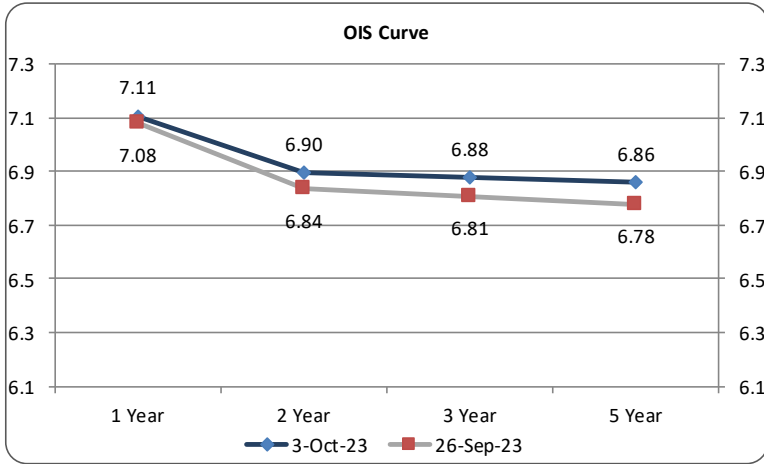
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
3-Oct-23	0	0	0

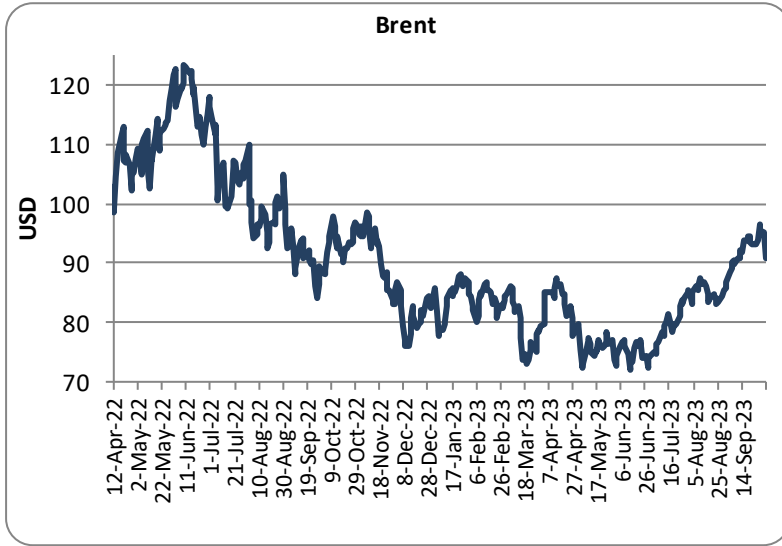
EQUITY		
Gross Purchase	Gross Sales	Net Investment
0	0	0

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
0	0	0

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 (%)	Aug-23	-0.5	-1.4
CPI (%)	Aug-23	6.8	7.4
IIP (%)	Jul-23	5.7	3.7
PMI Manufacturing	Sep-23	57.5	58.6
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.

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